



1 (d) The Louisiana Education Quality Trust Fund as defined in Article VII,  
2 Section 10.1(A)(1) of this constitution, except as provided in Article VII, Section  
3 10.1(E) of this constitution.

4 \* \* \*

5 §10.1. Quality Trust Fund; Education

6 Section 10.1.(A) Louisiana Education Quality Trust Fund. (1) Effective  
7 January 1, 1987, there shall be established in the state treasury as a special permanent  
8 trust fund the Louisiana Education Quality Trust Fund, hereinafter referred to as the  
9 "Permanent Trust Fund." After allocation of money to the Bond Security and  
10 Redemption Fund as provided in Article VII, Section 9(B) of this constitution, and  
11 notwithstanding Article XIV, Section 10 of this constitution, the treasurer shall  
12 deposit in and credit to the Permanent Trust Fund all money which is received after  
13 the first one hundred million dollars from the federal government under Section  
14 1337(g) of Title 43 of the United States Code which is attributable to mineral  
15 production activity or leasing activity on the Outer Continental Shelf which has been  
16 held in escrow pending a settlement between the United States and the state of  
17 Louisiana; twenty-five percent of the recurring revenues received under Section  
18 1337(g) of Title 43 of the United States Code which are attributable to mineral  
19 production activity or leasing activity on the Outer Continental Shelf; twenty-five  
20 percent of the interest income earned on investment of monies in the Permanent  
21 Trust Fund; seventy-five percent of the realized capital gains on investment of the  
22 Permanent Trust Fund, unless such percentage is changed by law enacted by two-  
23 thirds of the elected members of each house of the legislature; and twenty-five  
24 percent of the dividend income earned on investment of the Permanent Trust Fund.  
25 ~~No~~ Except as authorized under Paragraph (E) of this Section, no appropriation shall  
26 be made from the Permanent Trust Fund. If any such money has been received prior  
27 to the effective date of this Section, the treasurer shall transfer from the state general  
28 fund to the Permanent Trust Fund on the effective date of this Section an amount of  
29 money which shall make the Permanent Trust Fund balance equal to the amount of

1 such money previously received, except for the first one hundred million dollars.  
 2 After six hundred million dollars has been credited to the Permanent Trust Fund, the  
 3 sum of fifty million dollars shall be credited to the Coastal Environment Protection  
 4 Trust Fund, as established in R.S. 30:313, from those monies received from the  
 5 federal government under Section 1337(g) of Title 43 of the United States Code  
 6 which is attributable to mineral production activity or leasing activity on the Outer  
 7 Continental Shelf and which has been held in escrow pending a settlement between  
 8 the United States and the state of Louisiana; all funds in excess of seven hundred  
 9 fifty million dollars shall be credited to the Permanent Trust Fund.

10 \* \* \*

11 (E) Disbursement; Projected Deficit. The money in the Permanent Trust  
 12 Fund shall not be available for appropriation or use except under the following  
 13 conditions:

14 (1) If the official forecast of recurring money for the next fiscal year is less  
 15 than the official forecast of recurring money for the current fiscal year, the  
 16 difference, not to exceed ten percent of the Permanent Trust Fund, shall be  
 17 incorporated into the next year's official forecast only after the consent of two-thirds  
 18 of the elected members of each house of the legislature. If the legislature is not in  
 19 session, the two-thirds requirement may be satisfied upon obtaining the written  
 20 consent of two-thirds of the elected members of each house of the legislature in a  
 21 manner provided by law. Money out of the Permanent Trust Fund shall only be  
 22 appropriated to replace decreases in appropriations for elementary and secondary  
 23 education purposes and higher education purposes from the current fiscal year  
 24 appropriations.

25 (2) If a deficit for the current fiscal year is projected due to a decrease in the  
 26 official forecast, an amount equal to ten percent of the Permanent Trust Fund not to  
 27 exceed the projected deficit may be appropriated after the consent of two-thirds of  
 28 the elected members of each house of the legislature. Between sessions of the  
 29 legislature, the appropriation may be made only after the written consent of

1 two-thirds of the elected members of each house of the legislature. Money from the  
 2 Permanent Trust Fund shall only be appropriated to replace allocations or  
 3 appropriations of expenditures for elementary and secondary education purposes and  
 4 higher education purposes.

5 (3) In no event shall the amount included in the official forecast for the next  
 6 fiscal year plus the amount appropriated in the current fiscal year exceed ten percent  
 7 of the Permanent Trust Fund balance at the beginning of the current fiscal year.

8 Section 2. Be it further resolved that this proposed amendment shall be submitted  
 9 to the electors of the state of Louisiana at the statewide election to be held on November 8,  
 10 2016.

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

15 Do you support an amendment to authorize the use of up to ten percent of the  
 16 Louisiana Education Quality Trust Fund, subject to approval of two-thirds  
 17 of the elected members of each house of the legislature, to offset reductions  
 18 to education if there is a projected deficit? (Amends Article VII, Sections  
 19 10(F)(4)(d) and 10.1(A)(1); Adds Article VII, Section 10.1(E))

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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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HB 577 Original

2016 Regular Session

Hodges

**Abstract:** Authorizes the use of up to 10% of the Louisiana Education Quality Trust Fund, subject to 2/3 approval of each house of the legislature, towards solving a projected deficit.

Present constitution establishes the Louisiana Education Quality Trust Fund (the "Permanent Trust Fund") and deposits certain mineral revenue from the Outer Continental Shelf owed to the state from the US government, known as "8(g) monies". Requires a portion of recurring revenues, 25% of interest income, and 75% of capital gains to be deposited into the fund.

Present constitution prohibits any appropriation out of the Permanent Trust Fund.

Present constitution (Art. VII, Sect. 10(F)) authorize up to 5% of constitutionally mandated allocations or appropriations to be transferred to any fund in order to eliminate a projected deficit in the current or next fiscal year. However, present constitution is not applicable to the Permanent Trust Fund.

Proposed constitutional amendment authorizes the use of up to 10% of the Permanent Trust Fund if there is a deficit in the current fiscal year due to a decrease in the official forecast. Also authorizes the use of up to 10% of the Permanent Trust Fund if the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year. Limits the use of money from the fund to offset reductions to elementary and secondary education and higher education.

Proposed constitutional amendment requires consent of two-thirds of the elected members of each house of the legislature prior to use of the Permanent Trust Fund and limits the amount of the fund that can be used in the current and next fiscal year to 10% of the fund balance at the beginning of the current fiscal year. Additionally limits the use of money from the fund to offset reductions to elementary and secondary education and higher education.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2016.

(Amends Art. VII, §§10.(F)(4)(d) and 10.1(A)(1); Adds Art. VII, §10.1(E))