

HB154
Rep. Zeringue
& **HB142**
Rep. Thompson

*This bill set will allow for a Constitutional Amendment to bring the **35%** cap on securities investments up to the **65%** level currently in place for similar-sized funds*



Funds Investment Asset Reallocation

THE GOAL

This bill set will allow for more diverse asset types for **The Kevin P. Reilly, Sr. Louisiana Education Quality Trust Fund (LEQTF), Millennium Trust, Millennium Leverage Fund, Rockefeller Wildlife Refuge Trust and Protection Fund, Russell Sage or Marsh Island Refuge Fund and Medicaid Trust Fund for the Elderly** investments, as well as increase the likelihood of greater earnings, hence providing additional revenues. HB142 lays out the proposed change while HB154 enables a Constitutional Amendment vote.

LEQTF BACKGROUND

Since its establishment in 1986, LEQTF has allocated more than \$1.8 billion to BESE and the Board of Regents in support of K-12 and postsecondary education. These expendable revenues, derived from investment earnings and oil and gas royalties, have purchased education equipment and tools, funded nationally recognized research, provided students with critical training and experience, seeded \$400+ million in competitive federal awards, and matched millions in private donations in support of scholarships and faculty development.

LEQTF CHALLENGE

Prior to the Great Recession, LEQTF provided \$60+ million per year in expendable awards to public and private schools and campuses. Annual revenues have since declined by more than 40% over historic highs, despite a tripling in LEQTF principal. Constitutionally restricted to 35% investment in security, LEQTF generated \$45 million last year. With interest rates held near zero and severe reductions in Outer Continental Shelf output, it is unlikely that expendable revenues will recover without a different investment strategy.

LEQTF OPPORTUNITY

Additional expendable funds generated by the LEQTF will flow to schools, districts, and campuses in every region of the state, providing support for essential activities and enhancements to programs, research opportunities, competitiveness, and service to students and their families.



BOARD of REGENTS
STATE OF LOUISIANA