

Present constitution authorizes the legislature to establish by law a procedure to determine a projected deficit and a method for adjusting appropriations to eliminate the deficit.

Proposed constitutional amendment retains present constitution and adds provisions that such law may include methods for adjusting constitutionally protected or mandated appropriations or allocations. Once enacted, such law may not be changed except by a specific legislative instrument receiving a favorable vote of two-thirds of the elected members of each house of the legislature. Further, notwithstanding the provisions of present constitution with respect to the limitations related to subject matter for annual sessions of the legislature, such law may be introduced and considered in any regular session of the legislature.

Proposed constitutional amendment authorizes adjustments to any constitutionally protected or mandated allocations or appropriations, and any transfer of funds associated therewith, when total state general fund allocations or appropriations have been reduced in an aggregate amount equal to at least 0.70% of the total of such appropriations or allocations for that fiscal year. Such adjustments are limited to 5% of the total fiscal year's appropriation or allocation from a fund; however, adjustments to the Minimum Foundation Program are limited to 1% and shall not apply to instructional activities as such activities are defined in the Minimum Foundation Program formula. Monies transferred as a result of such budget adjustments are deemed available for appropriation in the year of the transfer, but in no event shall the aggregate amount of any transfers exceed the amount of the deficit.

Proposed constitutional amendment provides a procedure for avoiding a budget deficit in the next fiscal year if the official revenue forecast for the next fiscal year is at least 1% less than the official forecast for the current fiscal year. An amount equal to no more than 5% of the total appropriations or allocations for the current fiscal year from any fund established by law or present constitution may be transferred to a fund for which revenues have been forecast to be less than the revenues in the current fiscal year. Such monies would be available for expenditure in the next fiscal year for a purpose other than as specifically provided by law or the constitution, but in no event shall the aggregate amount of any transfers exceed the amount of the difference between the official forecast for the current fiscal year and the next fiscal year. Further, an amount equal to no more than 1% of the current fiscal year appropriation for the Minimum Foundation Program would be available for expenditure for other purposes in the next fiscal year.

Proposed constitutional amendment authorizes the legislature to provide for implementation of the provisions of the proposed constitutional amendment.

Proposed constitutional amendment shall not be applicable to, nor affect (1) the Bond Security and Redemption Fund or any bonds secured thereby, or any other funds pledged as security for bonds or evidences of indebtedness; (2) the severance tax and royalty allocations to parishes (Art. VII, §4(D) and (E)); (3) state retirement contributions; (4) the Louisiana Education Quality Trust Fund; (5) the Millennium Trust, except for appropriations from the trust; and (6) monies not required to be deposited into the state treasury.

Provides for submission of the proposed amendment to the voters at the statewide election to be held on November 5, 2002.

(Amends Const. Art. VII, §10(F))