

1 fund for the fiscal year. For purposes of this Subsubparagraph,
2 reductions to expenditures required by Article VIII, Section 13(B) of
3 this constitution shall not exceed one percent and such reductions shall
4 not be applicable to instructional activities. Notwithstanding any other
5 provisions of this constitution to the contrary, monies transferred as a
6 result of such budget adjustments are deemed available for
7 appropriation and expenditure in the year of the transfer from one fund
8 to another, but in no event shall the aggregate amount of any transfers
9 exceed the amount of the deficit.

10 (b) Notwithstanding any other provision of this constitution to
11 the contrary, for the purposes of the budget estimate and enactment of
12 the budget for the next fiscal year, when the official forecast of
13 recurring revenues for the next fiscal year is at least one percent less
14 than the official forecast for the current fiscal year, the following
15 procedure may be employed to avoid a budget deficit in the next fiscal
16 year. An amount not to exceed five percent of the total appropriations
17 or allocations for the current fiscal year from any fund established by
18 law or this constitution shall be available for expenditure in the next
19 fiscal year for a purpose other than as specifically provided by law or
20 this constitution. For the purposes of this Subsubparagraph, an amount
21 not to exceed one percent of the current fiscal year appropriation for
22 expenditures required by Article VIII, Section 13(B) of this constitution
23 shall be available for expenditures for other purposes in the next fiscal
24 year. Notwithstanding any other provisions of this constitution to the
25 contrary, monies made available as authorized under this
26 Subsubparagraph may be transferred to a fund for which revenues have

1 been forecast to be less than the revenues in the current fiscal year for
2 such fund. Monies transferred as a result of the budget actions
3 authorized by this Subsubparagraph are deemed available for
4 appropriation and expenditure, but in no event shall the aggregate
5 amount of any such transfers exceed the amount of the difference
6 between the official forecast for the current fiscal year and the next
7 fiscal year.

8 (c) The legislature may provide by law for the implementation
9 of the provisions of this Subparagraph.

10 (3) If within thirty days of the determination that appropriations
11 will exceed the official forecast the necessary adjustments in
12 appropriations are not made to eliminate the projected deficit, the
13 governor shall call a special session of the legislature for this purpose
14 unless the legislature is in regular session. This special session shall
15 commence as soon as possible as allowed by the provisions of this
16 constitution, including but not limited to Article III, Section 2(B).

17 (4) The provisions of Subparagraphs (1) and (2) of this
18 Paragraph shall not be applicable to, nor affect:

19 (a) The Bond Security and Redemption Fund or any bonds
20 secured thereby, or any other funds pledged as security for bonds or
21 other evidences of indebtedness.

22 (b) The allocations provided for by Article VII, Section 4(D)
23 and (E) of this constitution.

24 (c) The contributions made in accordance with Article X,
25 Section 29(E) of this constitution.

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

3 (e) The Millennium Trust as provided in Article VII, Section
4 10.8 of this constitution, except for appropriations from the trust.

5 (f) Any monies not required to be deposited in the state treasury
6 as provided in Article VII, Section 9 of this constitution.

7 Section 2. Be it further resolved that this proposed amendment
8 shall be submitted to the electors of the state of Louisiana at the
9 statewide election to be held on November 5, 2002.

10 Section 3. Be it further resolved that on the official ballot to be
11 used at said election there shall be printed a proposition, upon which
12 the electors of the state shall be permitted to vote FOR or AGAINST,
13 to amend the Constitution of Louisiana, which proposition shall read
14 as follows:

15 To authorize the legislature to establish procedures determining
16 projected deficits and budget adjustments related to deficit
17 avoidance; to authorize adjustments of up to five percent of
18 constitutionally protected and mandated allocations and
19 appropriations if aggregate reductions of seven-tenths of one
20 percent of allocations and appropriations from the state general
21 fund have been made; to limit such reductions of the Minimum
22 Foundation Program to one percent; to authorize the transfer of
23 monies from one fund to another as a result of such budget
24 adjustments, but not to exceed the amount of the deficit; to
25 authorize, for the purposes of the budget estimate and enactment
26 of the budget for the next fiscal year, that if the official revenue

1 forecast for the next fiscal year is at least one percent less than
 2 the forecast for the current fiscal year, an amount not to exceed
 3 five percent of the monies appropriated from any fund
 4 established by law or constitution shall be available for
 5 appropriation in the next fiscal year for a purpose other than as
 6 specified by law or constitution; to limit amounts available for
 7 use for other purposes with respect to the Minimum Foundation
 8 Program to one percent; to exempt from such reductions any
 9 revenues dedicated or pledged as security for bonds, the
 10 severance tax and royalty allocations to parishes, retirement
 11 contributions, the Louisiana Education Quality Trust Fund, the
 12 Millennium Trust except for appropriations from the trust, and
 13 monies not required to be deposited in the state treasury; and to
 14 authorize the legislature to provide for the implementation of
 15 these provisions. (Amends Article VII, Section 10(F))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Daniel, et al.

HB No. 507

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

Present law provides for notification to the governor by the Joint Legislative Committee on the Budget of a deficit and authorizes the governor to reduce appropriations for any program appropriated from a fund in a deficit posture in an amount not to exceed 10% for the budget unit.

Proposed constitutional amendment retains present constitution and adds 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 constitution 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 appropriation or allocation from a fund in the current fiscal year; however, adjustments to the Minimum Foundation Program are limited to 1%. 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 constitution 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 present 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 these provisions.

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))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Changes basis of state general fund cuts required to trigger reductions in other funds from 3% of discretionary state general fund allocations and appropriations to 0.70% of total state general fund allocations and appropriations.
2. Exempts monies not required to be deposited into the state treasury from applicability of provisions of proposed constitution.