

Regular Session, 2001

ACT No. 1236

HOUSE BILL NO. 507 (Duplicate of Senate Bill No. 121)

BY REPRESENTATIVE DANIEL AND SENATOR SCHEDLER AND
COAUTHORED BY REPRESENTATIVES MORRISH, STRAIN,
FAUCHEUX, HEBERT, HUDSON, LEBLANC, SCALISE, JACK
SMITH, STELLY, WINSTON, SWILLING, AND JOHNS AND
SENATOR DARDENNE

A JOINT RESOLUTION

Proposing to amend Article VII, Section 10(F) of the Constitution of Louisiana, relative to the expenditure of state funds; to authorize the legislature to provide for procedures for determination of deficits and associated budget adjustments; to authorize introduction and consideration of such law in any regular session of the legislature; to authorize the adjustment of budgets for certain mandatory or protected expenditures, appropriations, and allocations from the state general fund and dedicated funds under certain circumstances; to authorize the limited transfer of monies from one fund to another under certain circumstances; to authorize limited redirection and transfer of funds supporting appropriations or allocations from the state general fund and dedicated funds, including those constitutionally protected or mandated, to be used for other nonmandatory purposes under certain circumstances; to authorize the legislature to provide for implementation; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 10(F) of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

* * *

(F) Projected Deficit. (1) The legislature by law shall establish a procedure to determine if appropriations will exceed the official forecast and an adequate method for adjusting appropriations in order to eliminate a projected deficit. Any law establishing a procedure to determine if appropriations will exceed the official forecast and methods for adjusting appropriations, including any constitutionally protected or mandated allocations or appropriations, once enacted, shall not be changed except by specific legislative instrument which receives a favorable vote of two-thirds of the elected members of each house of the legislature. Notwithstanding the provisions of Article III, Section 2 of this constitution, such law may be introduced and considered in any regular session of the legislature.

(2)(a) Notwithstanding any other provision of this constitution to the contrary, adjustments to any constitutionally protected or mandated allocations or appropriations, and transfer of monies associated with such adjustments, are authorized when state general fund allocations or appropriations have been reduced in an aggregate amount equal to at least seven-tenths of one percent of the total of such allocations and appropriations for a fiscal year. Such adjustments may not exceed five percent of the total appropriation or allocation from a

fund for the fiscal year. For purposes of this Subsubparagraph, reductions to expenditures required by Article VIII, Section 13(B) of this constitution shall not exceed one percent and such reductions shall not be applicable to instructional activities included within the meaning of instruction pursuant to the Minimum Foundation Program formula. Notwithstanding any other provisions of this constitution to the contrary, monies transferred as a result of such budget adjustments are deemed available for appropriation and expenditure in the year of the transfer from one fund to another, but in no event shall the aggregate amount of any transfers exceed the amount of the deficit.

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

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

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

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

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

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

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

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

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

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

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

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

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

To authorize the legislature to establish procedures determining projected deficits and budget adjustments related to deficit avoidance; to provide that such procedures for amendment may be made by specific legislation enacted by a favorable two-thirds vote of the legislature; to authorize adjustments of up to five percent of constitutionally protected and mandated allocations and appropriations if aggregate reductions of seven-tenths of one percent of allocations and appropriations from the state general fund have been made; to limit such reductions of the Minimum Foundation Program to one percent; to authorize the transfer of monies from one fund to another as a result of such budget adjustments, but not to exceed the amount of the deficit; to authorize, for the purposes of the budget estimate and enactment of the budget for the next fiscal year, that if the official revenue forecast for the next fiscal year is at least one

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE