
DIGEST

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HB 469 Original

2020 Regular Session

Beaullieu

Abstract: Changes the base for the expenditure limit to current year appropriations, limits expenditure limit growth to 5%, and changes the method of determining the growth factor.

Present law requires the commissioner of administration to submit the calculation for the expenditure limit for the ensuing fiscal year to the Joint Legislative Committee on the Budget (JLCB) no later than 35 days prior to each regular session.

Proposed law deletes the 35 day requirement in present law and instead requires that the expenditure limit be submitted at the same time the executive budget is submitted to JLCB.

Present law provides for the determination of the expenditure limit for the next fiscal year be based on the current limit times a positive growth factor.

Proposed law changes the base from the current expenditure limit to the lesser of the original calculated expenditure limit for the current fiscal year or the appropriated amounts out of the state general fund and dedicated funds.

Proposed law limits the growth of the expenditure limit to 5%.

Present law defines the growth factor as the three-year average growth in La. personal income.

Proposed law retains the average growth in personal income and adds three other indicators to the determination of the growth factor:

- (1) The three-year average change in gross domestic product as defined and reported by the U.S. Dept. of Commerce, or its successor agency.
- (2) The three-year average change in state population as defined and reported by the U.S. Dept. of Commerce, or its successor agency.
- (3) The three-year average change of the consumer price index for the South Region (CPI-South) as defined and reported by the U.S. Dept. of Labor, or its successor agency.

Present law provides for the determination of the percentage rate of change of personal income in the current year and prior years.

Proposed law deletes present law and requires the commissioner of administration to include the methodology and data sources used to determine the rates of change for each factor. Any changes in the methodology from the prior year calculation shall require review and prior approval of JLCB.

Present law requires the commissioner to determine the state general fund and designated funds to be used include in the expenditure limit.

Proposed law requires the commissioner to determine what funds are to be excluded as well as included in the expenditure limit. Further requires the commissioner to determine the state general fund and dedicated funds to be included and excluded from the determination of the amount appropriated in the current fiscal year applicable to the expenditure limit.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ___ of this 2020 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:33.1(A)-(C))