
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jerry J. Guillot.

DIGEST

Present law establishes a procedure to determine a projected deficit and a method for adjusting appropriations to eliminate the deficit.

Present law authorizes the governor, with legislative approval, to reduce up to 5% of appropriations or allocations from the state general fund and dedicated funds in any fiscal year in which a deficit is projected and reductions of 1% in appropriations from the state general fund have already occurred. Further provides that such reductions to the Minimum Foundation Program (MFP) shall be limited to 1% and shall not be applicable to instructional activities.

Proposed law increases the amount of reductions of appropriations or allocations from the state general fund and dedicated funds in any fiscal year in which a deficit is projected and reductions of 1% in appropriations from the state general fund have already occurred from 5% to 10%.

Present law authorizes the legislature to reduce the monies appropriated or allocated for mandatory expenditures or allocations by up to 5%, making those funds available for other, nonmandatory expenditures if the official revenue forecast for the next year is at least 1% less than for the current year.

Proposed law increases the percentage the legislature is authorized to reduce the monies appropriated or allocated for mandatory expenditures or allocations from up to 5% to up to 10%, making those funds available for other, nonmandatory expenditures if the official revenue forecast for the next year is at least 1% less than for the current year.

Present constitution provides that present law 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; (3) state retirement contributions; (4) the Louisiana Education Quality Trust Fund; (5) the Millennium Trust, except for appropriations from the trust and (6) any monies not required to be deposited in the state treasury as provided in Art. VII, Section 9 of the constitution.

Present law provides that in no event shall the cumulative percentage reduction made under the provisions of present law in constitutionally or statutorily protected or mandated appropriations, allocations, or expenditures from any fund exceed 5% in any two consecutive fiscal years.

Proposed law provides that in no event shall the cumulative percentage reduction made under the provisions of proposed law in such appropriations, allocations, or expenditures from any fund exceed 10% in any two consecutive fiscal years.

Becomes effective and operative if and when the amendment of Article VII, Section 10(F)(2)(a)

and (b) of the Constitution of Louisiana contained in the Act which originated as SB _____ of the 2009 RS is adopted at the special statewide election to be held in 2009 and at the same time as such proposed amendment becomes effective.

(Amends R.S. 39:75(C)(2)(b), (E)(1) and (2), and (F))