

Prior law established a procedure to determine a projected deficit and a method for adjusting appropriations to eliminate the deficit.

Prior law provided that if the governor has reduced general fund allocations or appropriations by an aggregate amount equal to at least 7/10 of 1% of the total of such allocations or appropriations and a deficit still exists, the governor may, with legislative approval, reduce up to 5% of appropriations or allocations from the state general fund and dedicated funds, including any constitutionally protected or mandated 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.

Prior law authorized 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.

Prior law provided that in no event shall the cumulative percentage reduction in the constitutionally or statutorily protected or mandated appropriations, allocations, or expenditures from any fund exceed 5% in any two consecutive fiscal years.

New law repeals the 5% limit on the cumulative percentage reduction in any two consecutive fiscal years.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Repeals R.S. 39:75(F))