

1 meeting of the Revenue Estimating Conference; and

2 WHEREAS, the mid-year deficit of \$340,900,000 in Fiscal Year 2008-2009, was
3 eliminated through a Deficit Reduction Plan proposed by the governor, and approved by the
4 Joint Legislative Committee on the Budget on January 9, 2009, which plan while reducing
5 expenditures in all budget units of the state, fell most heavily on the largely discretionary
6 budgets of higher education and health care; and

7 WHEREAS, the Revenue Estimating Conference at its meetings of December 15,
8 2008, February 18, 2009, and May 21, 2009, did reduce the Fiscal Year 2009-2010 official
9 forecast by a total of \$156,700,000; and

10 WHEREAS, the balance in the Budget Stabilization Fund as of July 1, 2008, was
11 certified to be \$775,593,291.05 with one-third determined to be \$258,531,097.02; and

12 WHEREAS, two-thirds of the elected members of each house of the legislature did,
13 pursuant to House Concurrent Resolution No. 236 of the 2009 Regular Session, authorize
14 the Revenue Estimating Conference to incorporate \$86,177,032.33 from the Budget
15 Stabilization Fund into the Fiscal Year 2009-2010 official forecast of recurring money to
16 offset proposed budget reductions in excess of \$200,000,000 to higher education; and

17 WHEREAS, in the 2009 Regular Session, the legislature did authorize the Revenue
18 Estimating Conference to incorporate \$86,177,032.33 from the Budget Stabilization Fund
19 and did enact other cost saving measures including reductions to higher education and health
20 care, such that the state of Louisiana began Fiscal Year 2009-2010 with a budget in balance
21 with the Revenue Estimating Conference official forecast; and

22 WHEREAS, in Fiscal Year 2009-2010 the fiscal problems persisted and on
23 December 17, 2009, the Revenue Estimating Conference met and the official forecast for
24 Fiscal Year 2009-2010 was reduced yet again by the amount of \$197,000,000, which
25 reduction was recognized by the Joint Legislative Committee on the Budget at its meeting
26 of December 17, 2009; and

27 WHEREAS, the mid-year revenue shortfall of \$197,000,000 and expenditure
28 reductions of \$52,000,000 combined for a total mid-year deficit of \$248,000,000 in Fiscal
29 Year 2009-2010, which was eliminated through a Deficit Reduction Plan proposed by the
30 governor, and approved by the Joint Legislative Committee on the Budget on December 18,

1 2009, which plan while reducing expenditures in all budget units of the state, again fell
2 disproportionately heavily on higher education with an \$83,000,000 reduction and a
3 reduction in health care funding in the amount of \$108,000,000; and

4 WHEREAS, at its meeting of April 14, 2010, the Revenue Estimating Conference
5 reduced the official forecast for Fiscal Year 2009-2010, for a second time during Fiscal Year
6 2009-2010, by reducing the official forecast by an additional \$319,000,000; and

7 WHEREAS, the official forecast for Fiscal Year 2009-2010, has been reduced during
8 the fiscal year in the total amount of \$516,000,000; and

9 WHEREAS, on April 14, 2010, the Joint Legislative Committee on the Budget
10 received a budget status report at its April 14, 2010 meeting, indicating that a projected
11 deficit of \$319,000,000 exists in the State General Fund for Fiscal Year 2009-2010, based
12 on the revised official forecast of revenue available for appropriation adopted by the
13 Revenue Estimating Conference on April 14, 2010, compared to total appropriations; and

14 WHEREAS, as a result of the actions of the Revenue Estimating Conference and the
15 notification by the Joint Legislative Committee on the Budget, the Fiscal Year 2009-2010
16 budget will have to be reduced by an additional \$319,000,000 and there are only two and
17 one-half months remaining in the fiscal year to eliminate the deficit which through normal
18 budget reductions could cause the closure of certain programs and multiple layoffs and
19 furloughs of state employees; and

20 WHEREAS, Article VII, Section 10.3 of the Constitution of Louisiana establishes
21 the Budget Stabilization Fund in the state treasury and in Subparagraph(C)(2) thereof
22 provides that if a deficit for the current fiscal year is projected due to a decrease in the
23 official forecast, an amount equal to one-third of the fund not to exceed the projected deficit
24 may be appropriated after the consent of two-thirds of the elected members of each house
25 of the legislature; and

26 WHEREAS, Article VII, Section 10.3(C)(3) of the Constitution of Louisiana
27 provides that in no event shall the amount included in the official forecast for the next fiscal
28 year plus the amount appropriated in the current fiscal year exceed one-third of the fund
29 balance at the beginning of the current fiscal year; and

30 WHEREAS, one-third of the balance in the Budget Stabilization Fund of

1 \$258,531,097.02 less the \$86,177,032.33 incorporated into the Fiscal Year 2009-2010
2 budget, leaves \$172,354,064.69 of the Budget Stabilization Fund available for appropriation
3 for the Fiscal Year 2009-2010 projected deficit; and

4 WHEREAS, subsequent to obtaining the consent of two-thirds of the elected
5 members of each house of the legislature for the use of \$172,354,064.69 from the Budget
6 Stabilization Fund, the legislature shall appropriate such amount for use in Fiscal Year 2009-
7 2010.

8 THEREFORE, BE IT RESOLVED that pursuant to Article VII, Section 10.3 of the
9 Constitution and R.S. 39:94, the Legislature of Louisiana does hereby consent to make
10 available for appropriation from the Budget Stabilization Fund the sum of \$172,365,064.69,
11 not to exceed one-third (1/3) of the balance of the Budget Stabilization Fund, due to the
12 reduction of the revenue forecast for the current fiscal year in the amount of \$319,000,000
13 as adopted by the Revenue Estimating Conference and recognized by the Joint Legislative
14 Committee on the Budget at their meetings of April 14, 2010.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

Chaisson

SCR No.

Provides legislative consent to make available for appropriation from the Budget Stabilization Fund the sum of \$172,365,064.69, not to exceed one-third (1/3) of the balance of the Budget Stabilization Fund, due to the reduction of the revenue forecast for the current fiscal year in the amount of \$319,000,000 as adopted by the Revenue Estimating Conference and recognized by the Joint Legislative Committee on the Budget at their meetings of April 14, 2010.