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DIGEST

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Chaisson

SB No. 391

Present constitution authorizes the legislature to establish a procedure to determine a projected deficit and a method for adjusting appropriations to eliminate the deficit.

Present constitution 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 at least seven-tenths 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 constitutional amendment 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 at least seven-tenths of 1% in appropriations from the state general fund have already occurred from 5% to 10%.

Proposed constitutional amendment requires any adjustments in excess of 5% not be effective unless approved by a majority of the elected members of each house of the legislature. Further requires such approval to be made by mail ballot, as provided by law, if the adjustments are made while the legislature is not in session.

Present constitution 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 constitutional amendment 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.

Proposed constitutional amendment requires any adjustments in excess of 5% not be effective unless approved by a majority of the elected members of each house of the legislature. Further requires such approval to be made by mail ballot, as provided by law, if the adjustments are made while the legislature is not in session.

Proposed constitutional amendment provides that any adjustments in excess of 5% shall not be applicable to the portion of any fund established by law or the constitution that is derived from the imposition, assessment, or collection of a fee or from self-generated revenue. Proposed constitutional amendment further provides that sections on adjustments do not apply to the Transportation Trust Fund, the Conservation Fund, or the Revenue Sharing Fund.

Present constitution provides that these provisions 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 (Art. VII, §4(D) and (E)); (3) state retirement contributions; (4) the Louisiana Education Quality Trust Fund; and (5) the Millennium Trust, except for appropriations from the trust. Proposed constitutional amendment retains present constitution.

Specifies submission of the amendment to the voters at the election to be held on November 2, 2010.

(Amends Const. Art. VII, Sec. 10(F)(2))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Provides that any adjustments in excess of 5% shall not apply to funds derived from the imposition, assessment, or collection of a fee or from self-generated revenue and exempts the Transportation Trust Fund and the Conservation Fund from being adjusted.
2. Technical amendments.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the reengrossed bill.

1. Exempts the Revenue Sharing Fund from any adjustments.