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

DIGEST

Crowe (SB 146)

<u>Present law</u> defines "proposed deficit" to mean the excess of appropriations and non-appropriated requirements over the official forecast for any fund during the fiscal year.

<u>Proposed law</u> retains <u>present law</u> but provides that for purposes of determining if adjustments are authorized by the constitution or statute, "projected deficit" shall include a reduction in federal funds when such reduction requires a need for an increase in state funding to maintain the current level of those state assistance expenditures for nondiscretionary state general fund expenditures.

<u>Present law</u> provides that the division of administration shall submit a budget status report monthly to the Joint Legislative Committee on the Budget which shall indicate the balance of the budget for the state general fund and dedicated funds by comparing the official forecast for these funds to the total authorized appropriations from each fund.

<u>Present law</u> provides that if the budget status report indicates that the total appropriation from any fund will exceed the official forecast for that fund, the Joint Legislative Committee on the Budget shall immediately notify the governor that a projected deficit exists for that fund.

<u>Proposed law</u> retains <u>present law</u> and provides that if the governor receives notification that a projected deficit exists for a fund or if there is a decrease in the recurring federal financial participation in state assistance expenditures for nondiscretionary state general fund expenditures in the next fiscal year causing a need to increase state funding to maintain the current level of expenditures for those state assistance expenditures for nondiscretionary state general fund expenditures, the governor shall have interim budget balancing powers to adjust the budget.

<u>Present law</u> authorizes the legislature to reduce the monies appropriated or allocated for mandatory expenditures or allocations by up to five percent, making those funds available for other, nonmandatory expenditures if the official revenue forecast for the next year is at least one percent less than for the current year.

<u>Proposed law</u> retains <u>present law</u> and provides that if the official revenue forecast for the next fiscal year is at least one percent less than for the current year or if there is a decrease in the federal recurring financial participation in state assistance expenditures for nondiscretionary state general fund expenditures in the next fiscal year causing a need to increase state funding to maintain the current level of expenditures for those state assistance expenditures for nondiscretionary state general fund expenditures, the governor and legislature may follow certain procedures to avoid a budget deficit.

Section 1 of the Act which authorizes the reduction of appropriations or allocations from the

state general fund and dedicated funds if there is a decrease in the recurring federal financial participation in state assistance expenditures for nondiscretionary state general fund expenditures, becomes effective and operative if the amendment of Article VII, Section 10 of the Constitution of Louisiana contained in the Act which originated as SB _____ of the 2014 RS is adopted at the congressional election to be held on November 4, 2014, and at the same time as such proposed amendment becomes effective. Sections 2 and 3 of the Act, which are the effective date provisions, become effective on July 1, 2014.

(Amends R.S. 39:2(11.1), 75(C)(intro para), 75(E)(intro para); adds R.S. 39:2(40.1) and 75(F))