
DIGEST

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Carmody

HB No. 587

Abstract: Deletes mandatory expenditures and allocations of certain revenues in the constitution relative to state supplemental pay, the MFP, the Coastal Protection and Restoration Fund, the Transportation Trust Fund, the Parish Transportation Fund, and the Lottery Proceeds Fund.

Proposed constitutional amendment changes mandates regarding state supplemental pay, free school books, the Minimum Foundation Program (MFP), the Coastal Protection and Restoration Fund, deposits into the Transportation Trust Fund, and the Lottery Proceeds Fund as follows:

STATE SUPPLEMENTAL PAY

Present constitution requires the legislature to provide by law for the payment of state supplemental pay to full-time local law enforcement and fire protection officers, as determined by present law on July 1, 2003. Prohibits the reduction of any payments by the state and requires the legislature to fully fund the cost of state supplemental pay. Restricts the ability of the governor or legislature to reduce supplemental pay appropriations unless the reduction is by means contained in the appropriation Act and that 2/3 of the elected members of the legislature consent in writing to the reduction.

Proposed constitutional amendment deletes the present constitution mandate to fully fund state supplemental pay but instead provides that the legislature may provide by law for the payment of state supplemental pay to full-time law enforcement and fire protection officers.

FREE SCHOOL BOOKS

Present constitution requires the legislature to appropriate funds to supply free school books and other instruction materials prescribed by the State Board of Elementary and Secondary Education (BESE) to elementary and secondary schools of the state.

Proposed constitutional amendment deletes the present constitution mandate to appropriate such funds but instead provides that the legislature may appropriate such funds.

MINIMUM FOUNDATION PROGRAM (MFP)

Present constitution, relative to projected deficits in the current year, authorizes adjustments to

constitutionally protected or mandated allocations or appropriations, not to exceed 5% of the total appropriation or allocation, if there is a projected deficit in the current fiscal year. Further restricts the reduction of expenditures for the MFP. Reductions shall not exceed 1% and shall not be applicable to instructional activities.

Present constitution, relative to projected deficits in future years, authorizes constitutionally protected or mandated allocations or appropriations, not to exceed 5% of the total appropriation or allocation for the current fiscal year, to be used for purposes other than those established by law or constitution, to avoid a budget deficit if recurring revenues are expected to decrease. Further restricts the reduction of expenditures for the MFP. Reductions shall not exceed 1% of current year expenditures.

Proposed constitutional amendment deletes the restrictions in present constitution relative to projected deficits regarding the MFP.

Present constitution requires BESE to annually develop and adopt a formula to determine the cost of a minimum foundation program for all public elementary and secondary schools as well as to equitably allocate the funds to parish and city school systems. Present constitution requires the legislature to appropriate sufficient funds to fully fund the current state cost to the state of a program of the MFP by applying the approved formula to insure a minimum foundation of education in all public elementary and secondary schools.

Proposed constitutional amendment provides that BESE shall develop and adopt a formula as provided by law and deletes the requirement that funds be sufficient to fully fund the cost of the program. Retains present constitution requirement that the program funding be applied to insure a minimum foundation of education in all public elementary and secondary schools.

Present constitution requires that, whenever the legislature fails to approve the formula most recently adopted by BESE, the last formula adopted by BESE and approved by the legislature be used for determination of the cost of the MFP and for the allocation of appropriated funds.

Proposed constitutional amendment deletes the requirement that the last formula be used to determine the cost of the MFP but retains the requirement that the last formula be used to determine the allocation of appropriated funds.

Present constitution provides that the application of the approved formula is to insure a minimum foundation of education in all public elementary and public schools.

Proposed constitutional amendment deletes present constitution and instead provides that the application of the approved formula is to insure an equitable allocation of funds to parish and city school systems.

Present constitution prohibits the governor or the legislature from reducing the appropriation for the MFP, except that the governor may reduce the appropriation using means provided in the act containing the appropriation, provided that the reduction is consented to in writing by 2/3 of the

elected members of each house of the legislature.

Proposed constitutional amendment deletes present constitution.

COASTAL PROTECTION AND RESTORATION FUND

Present constitution establishes the Coastal Protection and Restoration Fund in the state treasury. Requires that certain mineral revenues from severance taxes, royalty payments, bonus payments, or rentals be deposited into the Coastal Protection and Restoration Fund.

Present constitutional requires the following mineral revenues (net mineral revenues), after deposits into the Bond Security Redemption Fund, payments to the political subdivisions of the state of severance tax and royalty payments, and the Conservation Fund, be deposited into the Coastal Protection and Restoration Fund:

- (1) \$5 million of net mineral revenues.
- (2) \$10 million of net mineral revenues in excess of \$600 million.
- (3) \$10 million of net mineral revenues in excess of \$650 million.

Present constitution prohibits the balance in the Coastal Protection and Restoration Fund which consists of mineral revenues from severance taxes, royalty payments, bonus payments, or rentals, from exceeding an amount provided by law, but in no event shall the amount be less than \$500 million.

Proposed constitutional amendment deletes the requirements that net mineral revenues be deposited into the Coastal Protection and Restoration Fund but retains the limit on the balance in the Coastal Protection and Restoration Fund consisting of certain mineral revenues.

TRANSPORTATION TRUST FUND

Present constitution establishes the Transportation Trust Fund (TTF) as a special permanent trust fund in the state treasury. Present constitution requires that, after payment of certain revenue bonds and credit to the Bond Security and Redemption Fund, remaining revenues from all taxes levied on gasoline and motor fuels and on special fuels be deposited into the TTF.

Proposed constitutional amendment retains present constitution through Fiscal Year 2014-2015. For the fiscal year beginning on July 1, 2015, dedicates the avails of taxes levied on gasoline, motor fuels, and on special fuels necessary to satisfy revenues pledged for debt service on Jan. 1, 2015, and the avails of other taxes levied on gasoline, motor fuels, and on special fuels as provided by law.

Present constitution requires that no less than the avails of one cent of the tax on gasoline and special fuels be appropriated each year to the Parish Transportation Fund, or its successor.

Proposed constitutional amendment deletes present constitution.

Present constitution requires the annual appropriation for airports to be equal to the annual estimated revenue to be derived from the state taxes to be collected and received on aviation fuel.

Proposed constitutional amendment deletes present constitution.

LOTTERY PROCEEDS FUND

Present constitution requires that the net proceeds from the operation of the lottery be deposited in a special treasury fund entitled the Lottery Proceeds Fund. Amounts deposited in the fund shall not be appropriated for expenditure in the same calendar year in which they are received.

Proposed constitutional amendment retains present constitution.

Present constitution requires the legislature to appropriate monies from the Lottery Proceeds Fund annually but only for the purposes of the MFP and no more than \$500,000 for services related to compulsive and problem gaming as provided by law.

Proposed constitutional amendment deletes the requirement that funds may only be appropriated for the MFP and services related to compulsive and problem gaming but retains the requirement that the legislature annually appropriate funds as provided by law.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Amends Art. VII, §§10(D)(3) and (F)(2), 10.2(B), and 27(A) and (B), Art. VIII, §13(A) and (B), and Art. XII, §6(A)(1))