The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

SB 274 Original 2016 Regular Session Donahue

Present law provides that the budget office under the direction of the division of administration shall furnish each budget unit a set of guidelines to allow the office to establish a continuation budget. The continuation budget is defined as that funding level for each budget unit which reflects the financial resources necessary to carry on all existing programs and functions of the budget unit at their current level of service in the ensuing fiscal year.

Proposed law retains present law and requires the budget office to also prepare a standstill budget as well as a continuation budget. Additionally, both budgets shall be submitted to the Joint Legislative Committee on the Budget at the first meeting in January of each year.

Proposed law provides that the elements of the standstill budget, to be defined and developed by the budget office under the direction of the division of administration, shall begin with the existing operating budget for the current fiscal year as the base and shall include component adjustments as determined by the budget office, including but not limited to:

(1) Compulsory adjustments that reflect activities imposed by one sphere of government on another by constitutional, legislative, administrative, or judicial action.

(2) Workload adjustments for activities that are based on demographic or other significant environmental changes.

(3) Elimination or reduction of non-recurring items.

(4) Any other environmental factors affecting a program such as growth or decline in the revenues and expenditures trends affecting a program.

(5) Annualizations of items that were initiated partway through a fiscal year and must be continued in subsequent fiscal years on a twelve-month basis.

Proposed law provides for the elements that shall not be included in the standstill budget:

(1) Merit Increases/Performance Adjustments.

(2) Inflation Adjustments.

Proposed law also provides for implementation of the standstill budget in the executive budget contents and format of the executive budget.

Effective July 1, 2016.

(Amends R.S. 39:29(A), 32(E)(3) and (7), and 36(B)(1)(c), (6), and (8))