

Regular Session, 2011

SENATE BILL NO. 114

BY SENATOR CROWE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING. Authorizes limited redirection and transfer of funds supporting appropriations and allocations from the state general fund and dedicated funds in certain circumstances. (2/3-CA7s10(F)(1))

AN ACT

To amend and reenact R.S. 39:75(A)(1), (B), and the introductory paragraph of (E), relative to the expenditure of state funds; to authorize the limited redirection and transfer of funds supporting appropriations or allocations from the state general fund and dedicated funds, including those constitutionally protected or mandated, to be used for other nonmandatory purposes under certain circumstances; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:75(A)(1), (B), and the introductory paragraph of (E) are hereby amended and reenacted to read as follows:

§75. Avoidance of budget deficits

A.(1) The division of administration shall submit a budget status report monthly to the Joint Legislative Committee on the Budget in a format approved by the committee. This report 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. **This report shall also indicate the balance of budgeted federal funds.** The committee shall review the

1 report and make any changes it deems appropriate to ensure that the report reflects
2 the status of the budget for each fund as of the date on the report. The most recently
3 approved budget status report shall be the official budget status of the state.

4 * * *

5 B. If the budget status report indicates that the total appropriation from any
6 fund will exceed the official forecast for that fund **or that a deficit has been caused**
7 **by a reduction in federal funds**, the Joint Legislative Committee on the Budget
8 shall immediately notify the governor that a projected deficit exists for that fund.

9 * * *

10 E. If the official forecast of recurring money for the next fiscal year is at least
11 one percent less than the official forecast of recurring money for the current fiscal
12 year **or if a reduction in federal funds is projected to cause a budget deficit in**
13 **the next fiscal year**, the governor and the legislature may employ the following
14 methods and procedures in the development of the state budget for the next fiscal
15 year pursuant to authority granted in Article VII, Section 10(F) of the Constitution
16 of Louisiana, for the purpose of avoiding a budget deficit in the next fiscal year.

17 * * *

18 Section 2. Section 1 of this Act shall take effect and become operative if the
19 amendment of Article VII, Section 10 of the Constitution of Louisiana contained in the Act
20 which originated as Senate Bill No. ____ of this 2011 Regular Session of the Legislature is
21 adopted at the statewide election to be held on October 22, 2011, and at the same time as
22 such proposed amendment becomes effective.

23 Section 3. Sections 2 and 3 of this Act shall become effective on July 1, 2011. If
24 vetoed by the governor and subsequently approved by the legislature, this Act shall become
25 effective on the day following such approval.

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

DIGEST

Present law 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.

Proposed law provides that the budget status report shall also indicate the balance of budgeted federal funds.

Present law establishes a procedure to determine a projected deficit and a method for adjusting appropriations to eliminate the deficit.

Present law 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.

Proposed law retains present law and provides that if the budget status report indicates that the total appropriation from any fund will exceed the official forecast for that fund or that a deficit has been caused by a reduction in federal funds, the Joint Legislative Committee on the Budget shall immediately notify the governor that a projected deficit exists for that fund.

Present law 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 law retains present law and provides that if the official revenue forecast for the next fiscal year is at least 1% less than for the current year or if a reduction in federal funds is projected to cause a budget deficit in the next fiscal year, 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 a reduction in federal funds causes or is projected to cause a deficit, 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 2011 RS is adopted at the congressional election to be held on October 22, 2011, 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, 2011.

(Amends R.S. 39:75(A)(1), (B), and (E)(intro para))