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

DIGEST

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 retains present constitution and authorizes the reduction in appropriations or allocations from the state general fund and dedicated funds in any fiscal year in which a deficit has been caused by a reduction in federal funds.

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 retains present constitution and authorizes the reduction of monies appropriated or allocated for mandatory expenditures or allocations, making those funds available for other, nonmandatory expenditures if a reduction in federal funds is projected to cause a budget deficit in the next fiscal year.

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 statewide election to be held on October 22, 2011.

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