
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))