
The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by Michelle Broussard-Johnson.

DIGEST

Crowe (SB 113)

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 when there is a decrease in recurring federal financial participation in state assistance expenditures for non-discretionary state general fund expenditures.

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 when there is a decrease in recurring federal financial participation in state assistance expenditures for non-discretionary state general fund expenditures.

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.

Proposed constitution amendment retains present constitution and adds the Medicaid Trust Fund for the Elderly to the list of funds that are exempt from adjustment.

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))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill.

1. Authorizes adjustments in current year when there is a decrease in federal financial participation in state assistance expenditures for non-discretionary state general fund expenditures rather than when a deficit is caused by a reduction in federal funds.
2. Authorizes procedure to avoid budget deficit in next fiscal year when there is a decrease in federal financial participation in state assistance expenditures for non-discretionary state general fund expenditures rather than when a deficit is caused by a reduction in federal funds.
3. Exempts the Medicaid Trust Fund for the Elderly from any adjustments.

Senate Floor Amendments to engrossed bill.

1. Clarifies that federal financial participation only applies to recurring federal money.