

1 the May 18, 2011, Revenue Estimating Conference general fund revenue official forecast
2 of \$8,253,400,000, which forecast was subsequently decreased by \$197,800,000 at the
3 December 14, 2011, meeting of the Revenue Estimating Conference; and

4 WHEREAS, the mid-year deficit in Fiscal Year 2011-2012 was found to be
5 \$251,279,477 due to the reduction in the official forecast and an increase in mandated costs,
6 and the mid-year deficit was eliminated through a Deficit Reduction Plan proposed by the
7 governor which unilaterally cut expenditures by \$140,870,649, and which eliminated the
8 remaining projected deficit of \$110,408,828 through additional reductions presented by the
9 governor to the Joint Legislative Committee on the Budget on December 16, 2011; and

10 WHEREAS, in the Spring of Fiscal Year 2011-2012, the state's fiscal problems
11 persisted, and on April 24, 2012, the Revenue Estimating Conference met and reduced the
12 official forecast for Fiscal Year 2011-2012 yet again by the amount of \$204,700,000; and

13 WHEREAS, the official forecast for Fiscal Year 2011-2012 has been reduced during
14 the fiscal year in the total amount of \$402,500,000; and

15 WHEREAS, on May 10, 2012, the Joint Legislative Committee on the Budget
16 received a budget status report and a Monthly Mid-Year Adjustment Report as of April 30,
17 2012, indicating that the projected deficit increased from \$204,700,000 to \$219,791,000 in
18 the State General Fund for Fiscal Year 2011-2012 due to additional unexpected election
19 costs in the secretary of state's office and additional TOPS scholarship costs; and

20 WHEREAS, as a result of the actions of the Revenue Estimating Conference and the
21 notification by the Joint Legislative Committee on the Budget, the Fiscal Year 2011-2012
22 budget will ultimately have to be reduced by the \$219,791,000 and there are only one and
23 one-half months remaining in the fiscal year to eliminate the deficit which through normal
24 budget reductions could cause the closure of certain programs and multiple layoffs and
25 furloughs of state employees; and

26 WHEREAS, Article VII, Section 10.3 of the Constitution of Louisiana establishes
27 the Budget Stabilization Fund in the state treasury and in Subparagraph (C)(2) thereof
28 provides that if a deficit for the current fiscal year is projected due to a decrease in the
29 official forecast, an amount equal to one-third of the fund not to exceed the projected deficit
30 may be appropriated after the consent of two-thirds of the elected members of each house

1 of the legislature; and

2 WHEREAS, Article VII, Section 10.3(C)(3) of the Constitution of Louisiana
3 provides that in no event shall the amount included in the official forecast for the next fiscal
4 year plus the amount appropriated in the current fiscal year exceed one-third of the fund
5 balance at the beginning of the current fiscal year; and

6 WHEREAS, as reported by the state treasurer, the balance in the Budget Stabilization
7 Fund as of July 1, 2011, was \$646,129,953.56 and one-third of the balance in the Budget
8 Stabilization Fund of \$215,376,651.19 is the maximum amount of the Budget Stabilization
9 Fund available for appropriation for the Fiscal Year 2011-2012 to address a projected deficit;
10 and

11 WHEREAS, while the total deficit is \$219,791,000, the legislature desires to only
12 use \$204,700,000 from the fund which is the amount of the deficit as recognized by the
13 Revenue Estimating Conference in the official forecast of its meeting on April 24, 2012; and

14 WHEREAS, subsequent to obtaining the consent of two-thirds of the elected
15 members of each house of the legislature for the use of \$204,700,000 from the Budget
16 Stabilization Fund, the legislature shall appropriate such amount for use in Fiscal Year 2011-
17 2012.

18 THEREFORE, BE IT RESOLVED that pursuant to Article VII, Section 10.3 of the
19 Constitution of Louisiana and R.S. 39:94, the Legislature of Louisiana does hereby consent
20 to make available for appropriation from the Budget Stabilization Fund the sum of
21 \$204,700,000, not to exceed one-third of the balance of the Budget Stabilization Fund, due
22 to the reduction of the revenue forecast for the current fiscal year in the amount of
23 \$204,700,000 as adopted by the Revenue Estimating Conference at its meeting on April 24,
24 2012, and recognized by the Joint Legislative Committee on the Budget at its meeting of
25 May 10, 2012.

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

DIGEST

Donahue

SCR No.

Provides legislative consent to make available for appropriation from the Budget Stabilization Fund the sum of \$204,700,000, not to exceed one-third of the balance of the

Budget Stabilization Fund, due to the reduction of the revenue forecast for the current fiscal year in the amount of \$204,700,000 as adopted by the Revenue Estimating Conference and recognized by the Joint Legislative Committee on the Budget at its meeting of April 24, 2012.