



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; and

18 WHEREAS, in the event that actual collections of revenue become available in  
19 Fiscal Year 2011-2012 which exceed the official forecast of revenue available for  
20 expenditures in Fiscal Year 2011-2012 as promulgated by the Revenue Estimating  
21 Conference on April 24, 2012, the legislature desires that the difference, not to exceed the  
22 amount of \$204,700,000, should be deposited into the Budget Stabilization Fund.

23 THEREFORE, BE IT RESOLVED that pursuant to Article VII, Section 10.3 of the  
24 Constitution of Louisiana and R.S. 39:94, the Legislature of Louisiana does hereby consent  
25 to make available for appropriation from the Budget Stabilization Fund the sum of  
26 \$204,700,000, not to exceed one-third of the balance of the Budget Stabilization Fund, due  
27 to the reduction of the revenue forecast for the current fiscal year in the amount of  
28 \$204,700,000 as adopted by the Revenue Estimating Conference at its meeting on April 24,  
29 2012, and recognized by the Joint Legislative Committee on the Budget at its meeting of  
30 May 10, 2012.

1 BE IT FURTHER RESOLVED that the treasurer is directed after complying with  
 2 the provisions of Article VII, Section 9(B) of the Constitution of Louisiana relative to the  
 3 allocation of monies to the Bond Security and Redemption Fund, to deposit into the Budget  
 4 Stabilization Replenishment Fund as created in the Act which originated as House Bill No.  
 5 822 of the 2012 Regular Session of the Legislature, the difference between the official  
 6 forecast of revenue available for expenditures for Fiscal Year 2011-2012 adopted by the  
 7 Revenue Estimating Conference on April 24, 2012, and the actual collections of revenue  
 8 available for expenditures in Fiscal Year 2011-2012 as promulgated by the Revenue  
 9 Estimating Conference, not to exceed the amount of \$204,700,000. Thereafter, the treasurer  
 10 is directed to transfer the monies in the Budget Stabilization Replenishment Fund to the  
 11 Budget Stabilization Fund in the state treasury.

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The original instrument was prepared by Jay Lueckel. The following digest, which does not constitute a part of the legislative instrument, was prepared by Nancy Vicknair.

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#### DIGEST

Donahue

SCR No. 128

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 at its meeting on April 24, 2012 and recognized by the Joint Legislative Committee on the Budget at its meeting on May 10, 2012.

Further provides that actual revenues for FY 11-12 in excess of the April 24, 2012, revised forecast will be deposited into the Budget Stabilization Fund.

#### Summary of Amendments Adopted by Senate

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

1. Provides that actual revenues for FY 11-12 in excess of the April 24, 2012, revised forecast will be deposited into the Budget Stabilization Fund.

##### Senate Floor Amendments to engrossed bill

1. Add language which explains that the increase in the projected deficit from \$204,700,000 to \$219,791,000 in the State General Fund for FY 11-12 is due to unexpected election costs in the secretary of state's office and additional TOPS scholarship costs.