SLS 13RS-89

ORIGINAL

Regular Session, 2013

SENATE BILL NO. 111

BY SENATOR ADLEY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING. Constitutional amendment to provide for thresholds at which certain funds and allocations are subject to reduction or transfer to eliminate a projected deficit in a fiscal year. (2/3 - CA13sl(A))

1	A JOINT RESOLUTION
2	Proposing to add Article VII, Section 10(F)(4)(h) and to amend Article VII, Section
3	10(F)(2)(a) of the Constitution of Louisiana, relative to the expenditure of state
4	funds; to provide for the procedures to eliminate a projected deficit in a fiscal year;
5	to exclude the Transportation Trust Fund from funds subject to adjustments in the
6	event of a projected deficit; to provide for related matters; and to specify an election
7	for submission of the proposition to electors and provide a ballot proposition.
8	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
9	elected to each house concurring, that there shall be submitted to the electors of the state, for
10	their approval or rejection in the manner provided by law, a proposal to add Article VII,
11	Section 10(F)(4)(h) and to amend Article VII, Section 10(F)(2)(a) of the Constitution of
12	Louisiana, to read as follows:
13	§10. Expenditure of State Funds
14	* * *
15	(F) Projected Deficit.
16	* * *
17	(2)(a) Notwithstanding any other provision of this constitution to the

Page 1 of 4 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	contrary, adjustments to any constitutionally protected or mandated allocations or
2	appropriations, and transfer of monies associated with such adjustments, are
3	authorized when state general fund allocations or appropriations have been reduced
4	in an aggregate amount equal to at least seven-tenths of one percent of the total of
5	such allocations and appropriations for a fiscal year. Thereafter, any reductions
6	necessary to eliminate a deficit in a fiscal year shall be accomplished to require
7	the same pro rata reduction to any constitutionally protected or mandated
8	allocations or appropriations, and transfer of monies associated with such
9	adjustments, as well as to any fund established by law, and transfer of monies
10	associated with such reductions, as shall be done to the state general fund
11	allocations or appropriations to eliminate the projected deficit. Such
12	adjustments may not exceed five percent of the total appropriation or allocation from
13	a fund for the fiscal year. For purposes of this Subsubparagraph, reductions to
14	expenditures required by Article VIII, Section 13(B) of this constitution shall not
15	exceed one percent and such reductions shall not be applicable to instructional
16	activities included within the meaning of instruction pursuant to the Minimum
17	Foundation Program formula. Notwithstanding any other provisions of this
18	constitution to the contrary, monies transferred as a result of such budget adjustments
19	are deemed available for appropriation and expenditure in the year of the transfer
20	from one fund to another, but in no event shall the aggregate amount of any transfers
21	exceed the amount of the deficit.
22	* * *
23	(4) The provisions of Subparagraphs (1) and (2) of this Paragraph shall not
24	be applicable to, nor affect:
25	* * *
26	(h) The Transportation Trust Fund as created under the provisions of
27	Article VII, Section 27 of this constitution.
28	* * *
29	Section 2. Be it further resolved that this proposed amendment shall be submitted

Page 2 of 4 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

to the electors of the state of Louisiana at the statewide election to be held on November 4,
 2014.

Section 3. Be it further resolved that on the official ballot to be used at said election
there shall be printed a proposition, upon which the electors of the state shall be permitted
to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
follows:

7	Do you support an amendment to provide that after state general fund
8	appropriations or allocations have been reduced by seven-tenths of one
9	percent to eliminate a projected deficit in a fiscal year, any further reductions
10	shall require the same pro rata reduction to any constitutionally protected or
11	mandated allocations or appropriations and any fund established by law as
12	shall be done to the state general fund allocations or appropriations to
13	eliminate the projected deficit; and to exclude the Transportation Trust Fund
14	from funds subject to adjustments in the event of a projected deficit?
15	(Adds Article VII, Section 10(F)(4)(h) and amends Article VII, Section
16	10(F)(2)(a))

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

DIGEST

<u>Present constitution</u> provides that notwithstanding any other provision of this constitution to the contrary, adjustments to any constitutionally protected or mandated allocations or appropriations, and transfer of monies associated with such adjustments, are authorized when state general fund allocations or appropriations have been reduced in an aggregate amount equal to at least seven-tenths of one percent of the total of such allocations and appropriations for a fiscal year.

<u>Proposed constitutional amendment</u> provides that, thereafter, any reductions necessary to eliminate a deficit in a fiscal year shall be done to require the same pro rata reduction to any constitutionally protected or mandated allocations or appropriations, and transfer of monies associated with such adjustments, as well as to any fund established by law, and transfer of monies associated with such reductions, as shall be done to the state general fund allocations or appropriations to eliminate the projected deficit.

<u>Present constitution</u> further provides that such adjustments may not exceed five percent of the total appropriation or allocation from a fund for the fiscal year. Reductions to expenditures required the Minimum Foundation Formula shall not exceed one percent and such reductions shall not be applicable to instructional activities included within the meaning of instruction pursuant to the Minimum Foundation Program formula. Notwithstanding any other provisions of this constitution to the contrary, monies transferred as a result of such

Page 3 of 4 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions. budget adjustments are deemed available for appropriation and expenditure in the year of the transfer from one fund to another, but in no event shall the aggregate amount of any transfers exceed the amount of the deficit.

<u>Proposed constitutional amendment</u> retains <u>present constitutional</u> provisions.

<u>Present constitution</u> provides for six exceptions from the provisions relative to allocations or appropriations subject to adjustments in the event of a projected deficit.

<u>Proposed constitutional amendment</u> extends an exception to the Transportation Trust Fund.

Specifies submission of the amendment to the voters at the statewide election to be held on November 4, 2014.

(Adds Art. VII, Sec. 10(F)(4)(h) and amends Art. VII, Sec. 10(F)(2)(a))