

2016 Regular Session

HOUSE BILL NO. 573

BY REPRESENTATIVE BACALA

STATE AGENCIES: (Constitutional Amendment) Authorizes certain budget reduction actions to avoid a deficit if a deficit has been projected

A JOINT RESOLUTION

Proposing to add Article VII, Section 10(F)(5) of the Constitution of Louisiana, to provide for avoidance of a budget deficit; to authorize certain actions with respect to employment and compensation when a deficit has been projected; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 10(F)(5) of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

* * *

(F) Projected Deficit.

* * *

(5)(a) If a deficit is projected pursuant to this Paragraph, the governor, subject to approval of the Joint Legislative Committee on the Budget, if the legislature is not in session or the legislature by law if it is in session may take the

1 following actions, any of which shall remain in effect until the end of the fiscal year
2 or as otherwise provided by the action, whichever is later:

3 (i) Prohibit the filling of any vacant employment position in state
4 government and the creation of new employment positions in the classified or
5 unclassified state service.

6 (ii) Reduce the salary of all persons holding elective or appointive positions
7 in state government and all state government employees, whether classified or
8 unclassified, by not more than one percent; such reductions shall be taken from the
9 state general fund, dedicated funds, fees, or self-generated revenue.

10 (b) All revenue savings realized from an action taken pursuant to this
11 Subparagraph shall be retained in or transferred to the state general fund and used to
12 reduce or eliminate the deficit. All revenue saved in excess of the amount needed
13 to eliminate the deficit may be appropriated in the next fiscal year.

14 * * *

15 Section 2. Be it further resolved that this proposed amendment shall be submitted
16 to the electors of the state of Louisiana at the statewide election to be held on November 8,
17 2016.

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

22 Do you support an amendment to authorize the governor or the legislature to
23 institute a hiring freeze and reduce salaries of state officials and state
24 employees in order to avoid a budget deficit? (Adds Article VII, Section
25 10(F)(5))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 573 Original

2016 Regular Session

Bacala

Abstract: Authorizes the governor, with Joint Legislative Committee on the Budget (JLCB) approval, or the legislature to institute a hiring freeze and to reduce all state salaries by up to 1% if a budget deficit is projected.

Present constitution provides for the Revenue Estimating Conference which is responsible for developing the official forecast of state revenue available for appropriation. Requires the legislature to provide by law for procedures to determine if appropriations will exceed forecasted revenues and methods of adjusting appropriations to eliminate the projected deficit.

Proposed constitutional amendment retains present constitution and additionally authorizes, if a budget deficit is projected, the governor subject to JLCB approval if the legislature is not in session or the legislature by law if it is in session to take the following actions:

- (1) Prohibit the filling of any vacant employment position in state government and the creation of new employment positions in the classified or unclassified state service.
- (2) Reduce the salary of all persons holding elective or appointive state positions and all state government employees by up to 1%.

Proposed constitutional amendment provides that such actions remain in effect until the end of the fiscal year or as otherwise provided by the action, whichever is later. Requires that savings realized shall be retained in or transferred to the state general fund and used to reduce or eliminate the deficit; however, authorizes appropriation of revenue saved in excess of the amount needed to eliminate the deficit in the next fiscal year.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2016.

(Adds Const. Art. VII, §10(F)(5))