2016 Regular Session

HOUSE BILL NO. 584

BY REPRESENTATIVE SCHRODER

BUDGETARY PROCEDURES: (Constitutional Amendment) Provides for additional authority for the governor and legislature to reduce budgets if there is a projected deficit

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Section 10(F)(2)(a) and (b) of the Constitution of
3	Louisiana, to provide for procedures if there is a projected deficit; to provide for an
4	increase in the percentage of certain appropriated funds that can be reduced and
5	transferred related to a projected deficit; to provide for submission of the proposed
6	amendment to the electors; and to provide for related matters.
7	Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
8	elected to each house concurring, that there shall be submitted to the electors of the state of
9	Louisiana, for their approval or rejection in the manner provided by law, a proposal to
10	amend Article VII, Section 10(F)(2)(a) and (b) of the Constitution of Louisiana, to read as
11	follows:
12	§10. Expenditure of State Funds
13	Section 10.
14	* * *
15	(F) Projected Deficit.
16	* * *
17	(2)(a) Notwithstanding any other provision of this constitution to the
18	contrary, adjustments to any constitutionally protected or mandated allocations or
19	appropriations, including from fees and self-generated revenues for a budget unit as

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1 defined by law, and transfer of monies associated with such adjustments, are 2 authorized when state general fund allocations or appropriations have been reduced 3 in an aggregate amount equal to at least seven-tenths of one percent of the total of 4 such allocations and appropriations for a fiscal year. Such adjustments may not exceed five ten percent of the total appropriation or allocation from a fund for the 5 6 fiscal year. For purposes of this Subsubparagraph, reductions to expenditures 7 required by Article VIII, Section 13(B) of this constitution shall not exceed one 8 percent and such reductions shall not be applicable to instructional activities included 9 within the meaning of instruction pursuant to the Minimum Foundation Program 10 formula. Notwithstanding any other provisions of this constitution to the contrary, 11 monies transferred as a result of such budget adjustments are deemed available for 12 appropriation and expenditure in the year of the transfer from one fund to another, 13 but in no event shall the aggregate amount of any transfers exceed the amount of the 14 deficit.

15 (b) Notwithstanding any other provision of this constitution to the contrary, 16 for the purposes of the budget estimate and enactment of the budget for the next 17 fiscal year, when the official forecast of recurring revenues for the next fiscal year 18 is at least one percent less than the official forecast for the current fiscal year, the 19 following procedure may be employed to avoid a budget deficit in the next fiscal 20 year. An amount not to exceed five ten percent of the total appropriations or 21 allocations for the current fiscal year from any fund established by law or this 22 constitution shall be available for expenditure in the next fiscal year for a purpose 23 other than as specifically provided by law or this constitution. Further, an amount 24 not to exceed ten percent of the appropriation for each budget unit as defined by law 25 from fees and self-generated revenues shall be available for expenditure in the next 26 fiscal year for a purpose other than as specifically provided by law or this 27 constitution. For the purposes of this Subsubparagraph, an amount not to exceed one 28 percent of the current fiscal year appropriation for expenditures required by Article 29 VIII, Section 13(B) of this constitution shall be available for expenditures for other

1	purposes in the next fiscal year. Notwithstanding any other provisions of this
2	constitution to the contrary, monies made available as authorized under this
3	Subsubparagraph may be transferred to a fund for which revenues have been forecast
4	to be less than the revenues in the current fiscal year for such fund. Monies
5	transferred as a result of the budget actions authorized by this Subsubparagraph are
6	deemed available for appropriation and expenditure, but in no event shall the
7	aggregate amount of any such transfers exceed the amount of the difference between
8	the official forecast for the current fiscal year and the next fiscal year.
9	* * *
10	Section 2. Be it further resolved that this proposed amendment shall be submitted
11	to the electors of the state of Louisiana at the statewide election to be held on November 8,
12	2016.
13	Section 3. Be it further resolved that on the official ballot to be used at the election,
14	there shall be printed a proposition, upon which the electors of the state shall be permitted
15	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
16	follows:
17	Do you support an amendment to increase from 5% to 10%, the amount of
18	constitutionally protected or mandated appropriations and dedications that
19	can be reduced and transferred to a fund with a projected deficit and specify
20	that such appropriations include those from fees and self-generated revenues?
21	(Amends Article VII, Section 10(F)(2)(a) and (b))

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 584 Original

2016 Regular Session

Schroder

Abstract: Increases the amount of constitutionally protected or mandated appropriations that can be reduced and transferred to a fund with a projected deficit from 5% to 10%.

<u>Present constitution</u> provides for a procedure for adjusting appropriations if there is a projected deficit in any fund.

<u>Present constitution</u> provides for adjustment to constitutionally protected or mandated allocations or appropriations, and transfer of such monies to the fund in a projected deficit, not to exceed 5% when state general fund appropriations have been reduced in an aggregate amount of 7/10 of 1%.

<u>Present constitution</u> further provides for adjustment to constitutionally protected or mandated allocations or appropriations, and transfer of such monies to the fund in a projected deficit, not to exceed 5% when the official forecast of recurring revenues for the next fiscal year is at least 1% less than the official forecast for the current fiscal year.

<u>Proposed constitutional amendment</u> increases the maximum amount of adjustments from 5% to 10%.

<u>Proposed law</u> further clarifies that the adjustments include fees and self-generated revenues for each budget unit.

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

(Const. Art. 7, §10(F)(2)(a) and (b))