
DIGEST

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HB 487 Engrossed

2021 Regular Session

Echols

Abstract: Increases allowable reductions to statutory dedications and constitutionally protected funds from 5% to 20% when there is a projected budget deficit.

Present law authorizes the governor to unilaterally reduce state general fund appropriations to avoid a projected budget deficit, provided the reductions are only to the executive branch and reductions for an agency do not exceed 3% of the agency's total appropriation.

Present law provides that once the governor reduces total state general fund appropriations by 7/10 of 1%, he can take the following actions with approval of the Joint Legislative Committee on the Budget (JLCB):

- (1) Reduce statutory dedications (including constitutional funds) by up to 5%.
- (2) Reduce an additional 5% of the total state general fund amount appropriated for the fiscal year.
- (3) Reduce the MFP provided the reduction does not exceed 1% and does not apply to instructional activities.

Proposed constitution increases the allowable reduction to statutory dedications, including constitutional funds from 5% to 20% of the total appropriation or allocation from the fund for the fiscal year.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Article VII, §10(F)(2)(a) and (b))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Remove changes to the deficit avoidance process.

2. Remove the cap on allowable deficit reductions to higher education and the La. Dept. of Health.
3. Remove the repeal of exemptions from deficit reductions for certain constitutional funds.