

Regular Session, 2014

SENATE BILL NO. 145

BY SENATOR CROWE

FUNDS/FUNDING. Constitutional amendment to authorize limited redirection and transfer of funds supporting appropriations and allocations from the state general fund and dedicated funds in certain circumstances. (2/3-CA13s1(A))

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 10(F)(2)(a) and (b) of the Constitution of Louisiana, relative to the expenditure of state funds; to authorize the limited redirection and transfer of funds supporting appropriations or allocations from the state general fund and dedicated funds, including those constitutionally protected or mandated, to be used for other nonmandatory purposes under certain circumstances; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

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, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 10(F)(2)(a) and (b) of the Constitution of Louisiana, to read as follows:

ARTICLE VII

§10. Expenditure of State Funds

Section 10.

\* \* \*

(F) Projected Deficit.

\* \* \*

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

20 (b) Notwithstanding any other provision of this constitution to the contrary,  
21 for the purposes of the budget estimate and enactment of the budget for the next  
22 fiscal year, when the official forecast of recurring revenues for the next fiscal year  
23 is at least one percent less than the official forecast for the current fiscal year or  
24 when there is a decrease in recurring federal financial participation in state  
25 assistance expenditures for nondiscretionary state general fund expenditures,  
26 the following procedure may be employed to avoid a budget deficit in the next fiscal  
27 year. An amount not to exceed five percent of the total appropriations or allocations  
28 for the current fiscal year from any fund established by law or this constitution shall  
29 be available for expenditure in the next fiscal year for a purpose other than as

1 specifically provided by law or this constitution. For the purposes of this  
2 Subsubparagraph, an amount not to exceed one percent of the current fiscal year  
3 appropriation for expenditures required by Article VIII, Section 13(B) of this  
4 constitution shall be available for expenditures for other purposes in the next fiscal  
5 year. Notwithstanding any other provisions of this constitution to the contrary,  
6 monies made available as authorized under this Subsubparagraph may be transferred  
7 to a fund for which revenues have been forecast to be less than the revenues in the  
8 current fiscal year for such fund. Monies transferred as a result of the budget actions  
9 authorized by this Subsubparagraph are deemed available for appropriation and  
10 expenditure, but in no event shall the aggregate amount of any such transfers exceed  
11 the amount of the difference between the official forecast for the current fiscal year  
12 and the next fiscal year.

13 \* \* \*

14 Section 2. Be it further resolved that this proposed amendment shall be submitted  
15 to the electors of the state of Louisiana at the statewide election to be held on November 4,  
16 2014.

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

21 Do you support an amendment to authorize adjustments of up to five percent of  
22 constitutionally protected and mandated allocations and appropriations if aggregate  
23 reductions of seven-tenths of one percent of allocations and appropriations from the  
24 state general fund have been made or when there is a decrease in federal financial  
25 participation in state assistance expenditures for nondiscretionary state general fund  
26 expenditures; and to authorize, for the purposes of the budget estimate and enactment  
27 of the budget for the next fiscal year, that if the official recurring revenue forecast  
28 for the next fiscal year is at least one percent less than the forecast for the current  
29 fiscal year or if there is a decrease in federal financial participation in state assistance

1 expenditures for nondiscretionary state general fund expenditures, an amount not to  
 2 exceed five percent of the monies appropriated from any funds established by law  
 3 or constitution shall be available for appropriation in the next fiscal year for a  
 4 purpose other than as specified by law or constitution?  
 5 (Amends Article VII, Section 10(F)(2)(a) and (b))

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Martha Hess.

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#### DIGEST

Crowe (SB 145)

Present constitution authorizes the legislature to establish a procedure to determine a projected deficit and a method for adjusting appropriations to eliminate the deficit.

Present constitution authorizes the governor, with legislative approval, to reduce up to five percent of appropriations or allocations from the state general fund and dedicated funds in any fiscal year in which a deficit is projected and reductions of at least seven-tenths of one percent in appropriations from the state general fund have already occurred. Further provides that such reductions to the Minimum Foundation Program (MFP) shall be limited to one percent and shall not be applicable to instructional activities.

Proposed constitutional amendment retains present constitution and authorizes the reduction in appropriations or allocations from the state general fund and dedicated funds when there is a decrease in recurring federal financial participation in state assistance expenditures for nondiscretionary state general fund expenditures.

Present constitution authorizes the legislature to reduce the monies appropriated or allocated for mandatory expenditures or allocations by up to five percent, making those funds available for other, nonmandatory expenditures if the official revenue forecast for the next year is at least one percent less than for the current year.

Proposed constitutional amendment retains present constitution and authorizes the reduction of monies appropriated or allocated for mandatory expenditures or allocations, making those funds available for other, nonmandatory expenditures when there is a decrease in recurring federal financial participation in state assistance expenditures for nondiscretionary state general fund expenditures.

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

(Amends Const. Art. VII, Sec. 10(F)(2)(a) and (b))