

Regular Session, 2014

SENATE BILL NO. 146

BY SENATOR CROWE

FUNDS/FUNDING. Authorizes limited redirection and transfer of funds supporting appropriations and allocations from the state general fund and dedicated funds in certain circumstances. (See Act) (2/3-CA7s10(F)(1))

1 AN ACT

2 To amend and reenact R.S. 39:2(11.1), the introductory paragraph of 75(C), and the  
3 introductory paragraph of 75(E), and to enact R.S. 39:2(40.1) and 75(F), relative to  
4 the expenditure of state funds; to authorize the limited redirection and transfer of  
5 funds supporting appropriations or allocations from the state general fund and  
6 dedicated funds, including those constitutionally protected or mandated, to be used  
7 for other nonmandatory purposes under certain circumstances; to define recurring  
8 federal financial participation for certain circumstances; to define projected deficit  
9 for certain circumstances; to provide for an effective date; and to provide for related  
10 matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 39:2(11.1), the introductory paragraph of 75(C), and the introductory  
13 paragraph of 75(E) are hereby amended and reenacted, and R.S. 39:2(40.1) and 75(F) are  
14 hereby enacted to read as follows:

15 §2. Definitions

16 As used in this Chapter, except where the context clearly requires otherwise,  
17 the words and expressions defined in this Section shall be held to have the meanings

1 here given to them.

2 \* \* \*

3 (11.1) "Deficit" means the excess for any fiscal year of actual expenditures  
4 paid by warrant or transfer over the actual monies received and any monies or  
5 balances carried forward for any fund at the close of the fiscal year as such are  
6 reported by the office of statewide reporting within the division of administration.  
7 "Projected deficit" means the excess of appropriations and non-appropriated  
8 requirements over the official forecast for any fund during any fiscal year. **For**  
9 **purposes of determining if adjustments to any constitutionally protected or**  
10 **mandated allocation or appropriation, and the transfer of monies associated**  
11 **with such adjustments, are authorized pursuant to Article VII, Section**  
12 **10(F)(2)(a) of the constitution and R.S. 39:75(C) and for purposes of**  
13 **determining if an amount not to exceed five percent of the total appropriations**  
14 **or allocations from any fund established by law or the constitution shall be**  
15 **available for expenditure in the next fiscal year for a purpose other than as**  
16 **specifically provided by law or the constitution as authorized in Article VII,**  
17 **Section 10(F)(2)(b) of the constitution and R.S. 39:75(E), "projected deficit"**  
18 **shall include a reduction in federal funds when such reduction requires an**  
19 **increase in state funding in order to maintain the current level of those state**  
20 **assistance expenditures for nondiscretionary state general fund expenditures.**

21 \* \* \*

22 **(40.1) "Recurring federal financial participation" for purposes of Article**  
23 **VII, Section 10(F)(2)(a) and (b), means the receipt of federal financial**  
24 **participation which has been available for the preceding two fiscal years.**

25 \* \* \*

26 §75. Avoidance of budget deficits

27 \* \* \*

28 C. Upon receiving notification that a projected deficit exists **or that a**  
29 **decrease in recurring federal financial participation in state assistance**



1 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
2 effective on the day following such approval.

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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 146)

Present law defines "proposed deficit" to mean the excess of appropriations and non-appropriated requirements over the official forecast for any fund during the fiscal year.

Proposed law retains present law but provides that for purposes of determining if adjustments are authorized by the constitution or statute, "projected deficit" shall include a reduction in federal funds when such reduction requires a need for an increase in state funding to maintain the current level of those state assistance expenditures for nondiscretionary state general fund expenditures.

Present law provides that the division of administration shall submit a budget status report monthly to the Joint Legislative Committee on the Budget which shall indicate the balance of the budget for the state general fund and dedicated funds by comparing the official forecast for these funds to the total authorized appropriations from each fund.

Present law provides that if the budget status report indicates that the total appropriation from any fund will exceed the official forecast for that fund, the Joint Legislative Committee on the Budget shall immediately notify the governor that a projected deficit exists for that fund.

Proposed law retains present law and provides that if the governor receives notification that a projected deficit exists for a fund or if there is a decrease in the recurring federal financial participation in state assistance expenditures for nondiscretionary state general fund expenditures in the next fiscal year causing a need to increase state funding to maintain the current level of expenditures for those state assistance expenditures for nondiscretionary state general fund expenditures, the governor shall have interim budget balancing powers to adjust the budget.

Present law 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 law retains present law and provides that if the official revenue forecast for the next fiscal year is at least one percent less than for the current year or if there is a decrease in the federal recurring financial participation in state assistance expenditures for nondiscretionary state general fund expenditures in the next fiscal year causing a need to increase state funding to maintain the current level of expenditures for those state assistance expenditures for nondiscretionary state general fund expenditures, the governor and legislature may follow certain procedures to avoid a budget deficit.

Section 1 of the Act which authorizes the reduction of appropriations or allocations from the state general fund and dedicated funds if there is a decrease in the recurring federal financial participation in state assistance expenditures for nondiscretionary state general fund expenditures, becomes effective and operative if the amendment of Article VII, Section 10 of the Constitution of Louisiana contained in the Act which originated as SB \_\_\_\_ of the 2014 RS is adopted at the congressional election to be held on November 4, 2014, and at the same time as such proposed amendment becomes effective. Sections 2 and 3 of the Act,

which are the effective date provisions, become effective on July 1, 2014.

(Amends R.S. 39:2(11.1), 75(C)(intro para), 75(E)(intro para); adds R.S. 39:2(40.1) and 75(F))