



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SCR 2 SLS 161ES 27
Bill Text Version: ENROLLED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: February 28, 2016 4:43 PM
Author: MORRELL
Dept./Agy.: State
Subject: Provides relative to the Budget Stabilization Fund (2/3)
Analyst: Alan M. Boxberger

FUNDS/FUNDING EN +\$128,459,664 GF RV See Note Page 1 of 1
Provides relative to the Budget Stabilization Fund. (2/3 - CA7s10.3(C)(2))

Makes available for appropriation from the Budget Stabilization Fund the sum of \$128,459,663.85 not to exceed 1/3 of the balance of the Budget Stabilization Fund as of the beginning of the Fiscal Year 2015-16, due to the second reduction of the revenue forecast for the current fiscal year in the amount of \$570,100,000 as adopted by the Revenue Estimating Conference at its meeting on February 10, 2016, and as recognized by the Joint Legislative Committee on the Budget at its meeting on February 13, 2016.

Table with 7 columns: EXPENDITURES, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

Approval of Senate Concurrent Resolution will permit the utilization of up to \$128,459,663.85 for expenditures in FY 16. The amount available for use during FY 16 will be transferred from the Budget Stabilization Fund into the SGF for use in the current year.

REVENUE EXPLANATION

Senate Concurrent Resolution 2 makes available the remaining maximum balance from the Budget Stabilization Fund that can be utilized in FY 2015-16 to offset recognized revenue deficits. La Constitution Article VII, Section 10.3(C)(2) provides that if a deficit for the current year is projected due to a decrease in the official forecast, an amount equal to 1/3 of the fund not to exceed the projected deficit may be utilized after the consent of 2/3 of the elected members of each house of the legislature. La Constitution Article VII, Section 10.3(C)(3) provides that in no event shall the amount included in the official forecast for the next fiscal year, plus the amount utilized in the current fiscal year, exceed 1/3 of the fund balance at the beginning of the current fiscal year.

The Budget Stabilization Fund balance on July 1, 2015, was \$469,872,014.56. The maximum balance available for utilization is 1/3 of this total, or \$156,624,004.85. The Louisiana Legislature authorized utilizing \$28,164,341 of the balance available by mail ballot on December 9, 2015, to address a mid-year deficit recognized by the Revenue Estimating Conference on November 16, 2015. Therefore, the remaining available balance that may be utilized with legislative authorization is \$128,459,663.85 in FY 2015-16. Utilization of this full balance, in accordance with La Constitution Article VII, Sections 10.3(C)(1) and 10.3(C)(3), will preclude any funds being available for use in FY 17 should the SGF revenue estimate for that year fall below the FY 16 estimate in any subsequent meetings of the REC between now and the end of the fiscal year.

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of John D. Carpenter

John D. Carpenter
Legislative Fiscal Officer