

RÉSUMÉ DIGEST

ACT 271 (HB 469)

2020 Regular Session

Beaulieu

Prior law required the commissioner of administration to submit the calculation for the expenditure limit for the ensuing fiscal year to the Joint Legislative Committee on the Budget (JLCB) no later than 35 days prior to each regular session.

New law deletes the 35-day requirement and instead requires that the expenditure limit be submitted at the same time the executive budget is submitted to JLCB.

Existing law provides for the determination of the expenditure limit for the next fiscal year to be a base amount plus the base amount times a positive growth factor.

Prior law provided that the base amount was the expenditure limit for the current fiscal year.

New law changes the base from the current expenditure limit to the lesser of the original calculated expenditure limit for the current fiscal year or the appropriated amounts out of the state general fund and dedicated funds.

Prior law defined the growth factor as the three-year average growth in La. personal income.

New law establishes the growth factor as the average of the following four components:

- (1) The three-year average growth in La. personal income.
- (2) The three-year average change in gross domestic product as defined and reported by the U.S. Dept. of Commerce, or its successor agency.
- (3) The three-year average change in state population as defined and reported by the U.S. Dept. of Commerce, or its successor agency.
- (4) The three-year average change of the consumer price index for the South Region (CPI-South) as defined and reported by the U.S. Dept. of Labor, or its successor agency.

Prior law provided for the determination of the percentage rate of change of personal income in the current year and prior years. Proposed law repeals present law.

New law limits the growth of the expenditure limit to five percent.

New law further requires the commissioner of administration to submit documentation of the methodology and data sources used to determine the rates of change for each factor. Requires any changes in the methodology from the prior-year calculation to be reviewed and approved by JLCB prior to implementation.

Prior law requires the commissioner to determine the state general fund and designated funds to be used in the expenditure limit.

New law requires the commissioner to determine what funds are to be excluded as well as included in the expenditure limit. Further requires the commissioner to determine the state general fund and dedicated funds to be included and excluded from the determination of the amount appropriated in the current fiscal year applicable to the expenditure limit.

New law specifically exempts any federal funds related to the COVID-19 crisis from being counted towards the state's expenditure limit.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in Act 366 of the 2020 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:33.1(A)-(C))