

1 ~~protected or mandated allocations or appropriations~~, once enacted, shall not be
2 changed except by specific legislative instrument which receives a favorable vote of
3 two-thirds of the elected members of each house of the legislature. Notwithstanding
4 the provisions of Article III, Section 2 of this constitution, such law may be
5 introduced and considered in any regular session of the legislature.

6 (2)(a) Notwithstanding any other provision of this constitution to the
7 contrary, ~~adjustments to~~ if state general fund allocations or appropriations for the
8 current fiscal year are projected to exceed the official forecast of recurring revenues
9 for the current fiscal year, the governor may direct the commissioner of
10 administration to adjust any appropriations or allocations from the state general fund
11 and dedicated funds, including any constitutionally protected or mandated allocations
12 or appropriations, and transfer of monies associated with such adjustments, ~~are~~
13 ~~authorized when state general fund allocations or appropriations have been reduced~~
14 ~~in an aggregate amount equal to at least seven-tenths of one percent of the total of~~
15 ~~such allocations and appropriations for a fiscal year. Such adjustments~~ If the
16 legislature is not in session, such adjustments shall require approval of the Joint
17 Legislative Committee on the Budget. If the legislature is in session, such
18 adjustments shall require approval of a majority of the elected members of each
19 house of the legislature. Any adjustment made to appropriations or allocations from
20 any dedicated fund, including constitutionally protected or mandated allocations or
21 appropriations, or to state general fund appropriations for higher education, including
22 the Board of Regents and higher education management boards created pursuant to
23 this constitution, or to state general fund appropriations or fees and self-generated
24 revenue appropriations for the Louisiana Department of Health, or its successor, may
25 not exceed ~~five~~ twenty percent of the total appropriation or allocation from a the fund
26 for the fiscal year. ~~For purposes of this Subsubparagraph, reductions to expenditures~~
27 ~~required by Article VIII, Section 13(B) of this constitution shall not exceed one~~
28 ~~percent and such reductions shall not be applicable to instructional activities included~~
29 ~~within the meaning of instruction pursuant to the Minimum Foundation Program~~

1 ~~formula.~~ Notwithstanding any other provisions of this constitution to the contrary,
2 monies transferred as a result of such budget adjustments are deemed available for
3 appropriation and expenditure in the year of the transfer from one fund to another,
4 but in no event shall the aggregate amount of any transfers exceed the amount of the
5 deficit. In addition to the reductions authorized pursuant to this Paragraph, the
6 governor may issue executive orders in the form of freeze orders prohibiting the
7 expenditure of monies for specific items. The total dollar savings estimated to be
8 achieved as a result of a freeze order shall be deducted from appropriations from the
9 state general fund.

10 (b) Notwithstanding any other provision of this constitution to the contrary,
11 for the purposes of the budget estimate and enactment of the budget for the next
12 fiscal year, when the official forecast of recurring revenues for the next fiscal year
13 is at least one percent less than the official forecast for the current fiscal year, the
14 following procedure may be employed to avoid a budget deficit in the next fiscal
15 year. An amount not to exceed ~~five~~ twenty percent of the total appropriations or
16 allocations for the current fiscal year from any dedicated fund established by law or
17 this constitution shall be available for expenditure in the next fiscal year for a
18 purpose other than as specifically provided by law or this constitution. ~~For the~~
19 ~~purposes of this Subsubparagraph, an amount not to exceed one percent of the~~
20 ~~current fiscal year appropriation for expenditures required by Article VIII, Section~~
21 ~~13(B) of this constitution shall be available for expenditures for other purposes in the~~
22 ~~next fiscal year.~~ Notwithstanding any other provisions of this constitution to the
23 contrary, monies made available as authorized under this Subsubparagraph may be
24 transferred to a the state general fund ~~for which revenues have been forecast to be~~
25 ~~less than the revenues in the current fiscal year for such fund.~~ Monies transferred as
26 a result of the budget actions authorized by this Subsubparagraph are deemed
27 available for appropriation and expenditure, but in no event shall the aggregate
28 amount of any such transfers exceed the amount of the difference between the
29 official forecast for the current fiscal year and the next fiscal year.

1 Section 2. Be it further resolved that this proposed amendment shall be submitted
2 to the electors of the state of Louisiana at the statewide election to be held on November 8,
3 2022.

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

8 Do you support an amendment to cap at twenty percent the amount the
9 legislature may reduce appropriations from constitutionally protected funds
10 and appropriations to health care and higher education during a projected
11 budget deficit? (Amends Article VII, Section 10(F))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 487 Original

2021 Regular Session

Echols

Abstract: Allows reductions of up to 20% to appropriations from constitutionally protected funds and appropriations to health care and higher education during a projected budget deficit.

Present constitution authorizes the legislature to establish by law a method for adjusting appropriations in order to eliminate a projected budget deficit. Proposed constitution repeals present constitution.

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 removes the governor's unilateral authority and other reduction limitations and instead authorizes the governor, with a majority vote of the legislature during session or approval of JLCB when the legislature is not in session, to make adjustments to

any appropriations or allocations from the state general fund and dedicated funds, including any constitutionally protected or mandated allocations or appropriations.

Proposed constitution further provides that any adjustment made to appropriations or allocations from any dedicated fund, including constitutionally protected or mandated allocations or appropriations, or to state general fund appropriations for higher education, including the Board of Regents and higher education management boards, or to state general fund appropriations or fees and self-generated revenue appropriations for the La. Department of Health may not exceed 20% of the total appropriation or allocation from the fund for the fiscal year.

Present law authorizes the governor to issue executive orders in the form of freeze orders prohibiting the expenditure of monies for specific items. Proposed constitution includes this provision in the constitution.

Present constitution exempts appropriations from certain funds from being reduced during a projected deficit. Proposed constitution removes that exemption.

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))