

2021 Regular Session

HOUSE BILL NO. 428

BY REPRESENTATIVE GEYMANN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

BUDGETARY CONTROLS: Prohibits the use of federally declared disaster funds for increases in recurring state expenditures

1 AN ACT

2 To enact Subpart F of Part II of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised
3 Statutes of 1950, to be comprised of R.S. 39:89.1, relative to recurring expenses of
4 executive branch entities; to prohibit use of certain federal funds to increase such
5 expenses in certain circumstances; to provide for definitions; to provide for
6 exceptions; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart F of Part II of Chapter 1 of Subtitle I of Title 39 of the Louisiana
9 Revised Statutes of 1950, comprised of R.S. 39:89.1, is hereby enacted to read as follows:

10 SUBPART F. RESTRICTIONS ON USE OF CERTAIN FEDERAL FUNDS

11 §89.1. Use of federal funds for recurring expenses prohibited

12 A. For the remainder of any fiscal year in which money is received by the
13 state from the federal government for costs associated with a federally declared
14 disaster, and continuing each fiscal year thereafter until all such dollars are obligated
15 and paid, recurring expenses shall not be increased above amounts budgeted in the
16 previous fiscal year if maintaining the increased amount would be required for two
17 or more full fiscal years.

18 B. The provisions of this Section shall apply to all state offices, departments,
19 divisions, boards, commissions, councils, committees, postsecondary education
20 institutions, or other entities of the executive branch of state government.

1 C. The provisions of this Section shall not apply if either of the following
2 conditions is met:

3 (1) If the federal funds received are payable to the state on a reimbursement
4 basis.

5 (2) If the Revenue Estimating Conference adopts a revised forecast that
6 shows recurring revenues are sufficient to fully fund existing obligations and such
7 increase for the current fiscal year and the next two fiscal years.

8 D. For the purposes of this Section, the phrase "recurring expense" shall
9 mean an expenditure necessary for the operation of a state office, department,
10 division, board, commission, council, committee, postsecondary education
11 institution, or other state executive branch entity, including but not limited to salary
12 expenses, utilities, and supplies. The phrase shall not include acquisitions, major
13 repairs, debt service, or employee or retiree benefits payments.

14 Section 2. This Act shall become effective upon signature by the governor or, if not
15 signed by the governor, upon expiration of the time for bills to become law without signature
16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
17 vetoed by the governor and subsequently approved by the legislature, this Act shall become
18 effective on the day following such approval.

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 428 Engrossed

2021 Regular Session

Geymann

Abstract: If federal disaster dollars are received by the state, prohibits increases in recurring expenses of any state office, department, division, board, commission, council, committee, postsecondary education institution, or other executive branch entity, unless certain circumstances are met.

Present law provides for the development, enactment, and execution of the operating budget for the executive branch of government. Proposed law retains present law.

Proposed law prohibits any increase in recurring expenses for an executive branch entity for the remainder of any fiscal year in which money is received by the state from the federal government for costs associated with a federally declared disaster, and continuing each fiscal year thereafter until all such dollars are obligated and paid. Provides that in each such year, recurring expenses shall not increase above amounts budgeted in the previous fiscal year.

Defines "recurring expense" to mean an expenditure necessary for the operation of the executive branch entity, including but not limited to salary expenses, utilities, and supplies. Further provides that the phrase shall not include acquisitions, major repairs, debt service, or employee or retiree benefit payments.

Provides that proposed law applies to all state offices, departments, divisions, boards, commissions, councils, committees, postsecondary education institutions, or other entities of the executive branch of state government. Further provides that proposed law shall not apply if either of the following conditions is met:

- (1) If the federal funds received are payable to the state on a reimbursement basis.
- (2) If the Revenue Estimating Conference adopts a revised forecast that shows recurring revenues sufficient to fully fund existing obligations and such increase for the current fiscal year and the next two fiscal years.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 39:89.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the cap on recurring expenses from amounts budgeted immediately prior to the federal declaration of the disaster to amounts budgeted the previous fiscal year.