

1 authorized when state general fund allocations or appropriations have been reduced
2 in an aggregate amount equal to at least seven-tenths of one percent of the total of
3 such allocations and appropriations for a fiscal year. Such adjustments ~~may~~ shall not
4 exceed ~~five~~ twenty percent of the total appropriation or allocation from a fund for the
5 fiscal year. For purposes of this Subsubparagraph, reductions to expenditures
6 required by Article VIII, Section 13(B) of this constitution shall not exceed one
7 percent and such reductions shall not be applicable to instructional activities included
8 within the meaning of instruction pursuant to the Minimum Foundation Program
9 formula. Notwithstanding any other provisions of this constitution to the contrary,
10 monies transferred as a result of such budget adjustments are deemed available for
11 appropriation and expenditure in the year of the transfer from one fund to another,
12 but in no event shall the aggregate amount of any transfers exceed the amount of the
13 deficit.

14 (b) Notwithstanding any other provision of this constitution to the contrary,
15 for the purposes of the budget estimate and enactment of the budget for the next
16 fiscal year, when the official forecast of recurring revenues for the next fiscal year
17 is at least one percent less than the official forecast for the current fiscal year, the
18 following procedure may be employed to avoid a budget deficit in the next fiscal
19 year. An amount not to exceed ~~five~~ twenty percent of the total appropriations or
20 allocations for the current fiscal year from any fund established by law or this
21 constitution shall be available for expenditure in the next fiscal year for a purpose
22 other than as specifically provided by law or this constitution. For the purposes of
23 this Subsubparagraph, an amount not to exceed one percent of the current fiscal year
24 appropriation for expenditures required by Article VIII, Section 13(B) of this
25 constitution shall be available for expenditures for other purposes in the next fiscal
26 year. Notwithstanding any other provisions of this constitution to the contrary,
27 monies made available as authorized under this Subsubparagraph may be transferred
28 to a fund for which revenues have been forecast to be less than the revenues in the
29 current fiscal year for such fund. Monies transferred as a result of the budget actions

1 authorized by this Subsubparagraph are deemed available for appropriation and
2 expenditure, but in no event shall the aggregate amount of any such transfers exceed
3 the amount of the difference between the official forecast for the current fiscal year
4 and the next fiscal year.

5 * * *

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

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

13 Do you support an amendment to increase the amount of allowable deficit
14 reductions to statutory dedications and constitutionally protected funds from
15 five percent to twenty percent? (Amends Article VII, Section 10(F)(2)(a) and
16 (b))

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 Engrossed 2021 Regular Session Echols

Abstract: Increases allowable reductions to statutory dedications and constitutionally protected funds from 5% to 20% when there is a projected budget deficit.

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 increases the allowable reduction to statutory dedications, including constitutional funds from 5% to 20% of the total appropriation or allocation from the fund for the fiscal year.

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)(2)(a) and (b))

Summary of Amendments Adopted by House

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

1. Remove changes to the deficit avoidance process.
2. Remove the cap on allowable deficit reductions to higher education and the La. Dept. of Health.
3. Remove the repeal of exemptions from deficit reductions for certain constitutional funds.