
DIGEST

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HB 884 Engrossed

2022 Regular Session

Beaullieu

Abstract: Changes the calculation of the expenditure limit and requires the Joint Legislative Committee on the Budget (JLCB) to determine the state general fund and designated funds that are excluded from the calculation of the expenditure limit.

Present constitution (Art. VII, Sec. 10) requires the legislature to provide for a determination of an expenditure limit for each fiscal year, to be established during the first quarter of the calendar year for the next fiscal year.

Present law (R.S. 39:33.1) establishes the calculation of the expenditure limit in accordance with present constitution. Requires the commissioner of administration (commissioner) to submit a calculation for the expenditure limit to JLCB no later than 35 days prior to each regular session. Proposed law retains present law and further requires the commissioner to submit a list of recommendations for state general fund and designated funds to exclude from the calculation of expenditures in relation to the expenditure limit pursuant to present and proposed law.

Present law provides for calculation of the expenditure limit. Present law establishes a formula to calculate the growth factor, which is a component of the expenditure limit calculation. Proposed law retains present law. Further provides that the expenditure limit for the ensuing fiscal year shall be the expenditure limit for the current fiscal year plus an amount equal to that limit times the growth factor, if the growth factor is positive. Proposed law provides that, beginning with the calculation for the 2023-2024 fiscal year and for each calculation thereafter, the expenditure limit for the ensuing fiscal year shall be the lesser of:

- (1) The sum of the total amounts appropriated by act of the legislature from the state general fund and dedicated funds as of July first of the fiscal year in which the calculation is made, less amounts appropriated from the state general fund and dedicated funds that were vetoed by the governor and not overridden by the legislature, plus the total amount of non-appropriated constitutional requirements reflected on the most recent budget status report submitted to JLCB pursuant to present law plus an amount equal to that sum times the growth factor, if the growth factor is positive.
- (2) The limit established by the legislature pursuant to the authority granted in present constitution.

Present law provides that after the calculation is reviewed by JLCB, or its designated staff, the commissioner shall determine the state general fund and designated funds to include in the

calculation of the expenditure limit in accordance with present law. Proposed law repeals this authority and instead requires JLCB to determine which state general fund and dedicated funds to exclude from any calculation of expenditures in relation to the expenditure limit. Further requires the following to be included in any such calculation:

- (1) The total amount of non-appropriated constitutional requirements reflected on the most recent budget status report submitted to the JLCB pursuant to present law.
- (2) The total expenditures of monies held by the state in a fiduciary capacity, to the extent such monies are not excluded pursuant to present law.
- (3) Each expenditure of funds from an appropriation for a prior fiscal year made by legislative act which appropriation has been carried forward into the current fiscal year, to the extent such monies are not excluded pursuant to present law.

(Amends R.S. 39:33.1(A), (B)(1), and (C))

Summary of Amendments Adopted by House

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

1. Remove proposed law provision establishing the expenditure limit as the lesser of the amount established by the legislature pursuant to present constitution or the total amount appropriated by the legislature from the state general fund and dedicated funds as of December first for the current fiscal year, excluding changes to budget authority made by the commissioner of administration or the Joint Legislative Committee on the Budget, plus an amount equal to that amount times the growth factor if the growth factor is positive.
2. Add provision establishing the expenditure limit as the lesser of the amount established by the legislature pursuant to present constitution or the sum of the total amounts appropriated by act of the legislature from the state general fund and dedicated funds as of July first of the fiscal year in which the calculation is made, less amounts appropriated from the state general fund and dedicated funds that were vetoed by the governor and not overridden by the legislature, plus the total amount of non-appropriated constitutional requirements reflected on the most recent budget status report submitted to the Joint Legislative Committee on the Budget pursuant to present law plus an amount equal to that sum times the growth factor, if the growth factor is positive.
3. Add requirement that certain expenditures be included in any calculation of expenditures in relation to the expenditure limit.