

SENATE CONCURRENT RESOLUTION NO. 3

BY SENATORS CORTEZ, ABRAHAM, ALLAIN, BARROW, BERNARD, BOUDREAUX, BOUIE, CARTER, CATHEY, CONNICK, DUPLESSIS, FESI, FIELDS, FOIL, HARRIS, HENSGENS, HEWITT, JACKSON, KLEINPETER, LAMBERT, LUNEAU, MCMATH, MILLIGAN, FRED MILLS, ROBERT MILLS, MIZELL, MORRIS, POPE, PRICE, REESE, SMITH, TALBOT, TARVER AND WHITE AND REPRESENTATIVES BAGLEY, BOYD, BRASS, BRYANT, CARRIER, WILFORD CARTER, FISHER, FREEMAN, GREEN, HUGHES, JEFFERSON, JENKINS, TRAVIS JOHNSON, JORDAN, KNOX, LAFLEUR, LANDRY, LARVADAIN, MARCELLE, MOORE, NEWELL, PIERRE, SELDERS, STAGNI, THOMPSON AND WILLARD

A CONCURRENT RESOLUTION

To direct the commissioner of administration to change the expenditure limit for Fiscal Year 2022-2023 and Fiscal Year 2023-2024.

WHEREAS, the expenditure limit was authorized by the Legislature and ratified by the electors of the state of Louisiana in 1990 to provide stability and ensure fiscal responsibility in a time of great uncertainty in state revenues in concert with other budgetary reforms, including the codification of the creation of the Revenue Estimating Conference, balanced budget requirements and procedures for mitigating a projected or year-end deficit into the state constitution; and

WHEREAS, the expenditure limit was intended to restrain growth in the ordinary expenditures of the state by coordinating the growth in the state's expenditures to the growth in the drivers of state revenues and to achieve this outcome the legislature provided for a mechanism to change the expenditure limit in times of unprecedented growth of state resources; and

WHEREAS, since 2006, the expenditure limit has permanently been rebased downward twice and, conversely, it has never been used for ordinary operating expenses and has only been increased for specific purposes on two occasions, in 2007 and 2008; and

WHEREAS, Article VII, Section 10 of the Louisiana Constitution specifically limits the expenditure of nonrecurring revenues to six purposes: (1) the retiring or defeasance of debt; (2) payments toward the unfunded accrued liability of the state retirement systems; (3) capital outlay projects in the comprehensive state capital budget; (4) deposits into the Budget Stabilization Fund; (5) deposits into the Coastal Protection and Restoration Fund; and (6)

new highway construction for which federal funds are available; and

WHEREAS, increasing the expenditure limit in 2023 for the use of surplus and excess revenue on one-time investments in infrastructure and deferred maintenance will not increase future expenditure obligations; and

WHEREAS, failure to increase the expenditure limit to address the numerous backlogs, infrastructure needs, highway projects, and other capital priorities across the state will produce constraints on future operating expenses; and

WHEREAS, the state's higher education institutions have a backlog of deferred maintenance projects totaling approximately \$1.8 billion, of which \$360 million is needed to fund the projects the universities place as a priority, \$121.8 million is the cost of the most pressing projects on that priority list, and \$5.6 million in demolition needs to remove unusable buildings; and

WHEREAS, transportation construction projects could be jeopardized without the approval of the funding requested in 2023 for fully funding the projects authorized during the Fiscal Year 2021-2022 legislative session; and

WHEREAS, Louisiana's ports are economic engines for their local communities and the entire state, and investments in the infrastructure of the ports across the state provides both local and state returns many times over; and

WHEREAS the current needs of the Port Priority Program total \$166.7 million with the estimated benefits of these projects totaling \$2.2 billion to the local communities and \$3 billion to the state; and

WHEREAS, protecting and restoring the coastal resources of the state is of extreme importance, in terms of citizen safety, recreation, and enjoyment as well as wildlife habitation and land retention, the Legislature has appropriated in addition to the state's ongoing coastal master plan expenditures, supplemental funding of \$150 million in the current fiscal year and \$157 million recommended for Fiscal Year 2023-24 for various river studies, restoration partnerships, and construction projects for levees, pump stations, marsh creation, shoreline protection, lock structures, canal backfilling, and breakwaters; and

WHEREAS, the Legislature recognizes the importance of lowering homeowner's insurance premiums for Louisiana residents through supporting the Insure Louisiana

Incentive Fund and the Louisiana Fortify Homes Fund; and

WHEREAS, the Legislature also recognizes the importance of ensuring the Louisiana Water Systems are safe, effective, and resilient; and

WHEREAS, the expenditure limit provided for in Article VII, Section 10(C)(1) for Fiscal Year 2022-2023 is established as Fifteen Billion Eight Hundred Eighty-Nine Million Two Hundred Sixty-Three Thousand Three Hundred Forty-Two and No/100 (\$15,889,263,342.00) Dollars; and

WHEREAS, the expenditure limit provided for in Article VII, Section 10(C)(1) for Fiscal Year 2023-2024 is established as Sixteen Billion Four Hundred Ninety-Seven Million Seven Hundred Twenty-One Thousand Two Hundred Fifty-Two and No/100 (\$16,497,721,252.00) Dollars; and

WHEREAS, Article VII, Section 10(C)(2) of the Constitution of Louisiana provides that the expenditure limit may be changed in any fiscal year by a favorable vote of two-thirds of the elected members of each house and that any such change in the expenditure limit shall be approved by the passage of a specific legislative instrument which clearly states the intent to change the limit; and

WHEREAS, R.S. 39:52.1 of the Louisiana Revised Statutes of 1950 provides that a change to the expenditure limit shall be made pursuant to a concurrent resolution adopted by a favorable vote of two-thirds of the elected members of each house directing the commissioner of administration to change the expenditure limit to a designated amount for a specified fiscal year.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana, two-thirds of the elected members of each house concurring, does hereby direct the commissioner of administration to increase the expenditure limit for Fiscal Year 2022-2023 by the amount of Two Hundred Fifty Million and No/100 (\$250,000,000) Dollars to change the expenditure limit for Fiscal Year 2022-2023 to Sixteen Billion One Hundred Thirty-Nine Million Two Hundred Sixty-Three Thousand Three Hundred Forty-Two and No/100 (\$16,139,263,342.00) Dollars and to increase the expenditure limit for Fiscal Year 2023-2024 by the amount of One Billion Four Hundred Million and No/100 (\$1,400,000,000.00) Dollars to change the expenditure limit for Fiscal Year 2023-2024 to

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ENROLLED

Seventeen Billion Eight Hundred Ninety-Seven Million Seven Hundred Twenty-One Thousand Two Hundred Fifty-Two and No/100 (\$17,897,721,252.00) Dollars.

BE IT FURTHER RESOLVED that the provisions of this Resolution shall not be construed to affect or in any way change the calculation of the expenditure limit for Fiscal Year 2024-2025 and thereafter in accordance with Article VII, Section 10(C) of the Constitution of Louisiana.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES