

2015 Regular Session

SENATE BILL NO. 51

BY SENATOR CROWE

FUNDS/FUNDING. Constitutional amendment to authorize limited redirection and transfer of funds supporting appropriations and allocations from the state general fund and dedicated funds in certain circumstances. (2/3s-CA7s10(F)(1))

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 10(F)(2)(a) and (b) of the Constitution of Louisiana, relative to the expenditure of state funds; to authorize the limited redirection and transfer of funds supporting appropriations or allocations from the state general fund and dedicated funds, including those constitutionally protected or mandated, to be used for other nonmandatory purposes under certain circumstances; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 10(F)(2)(a) and (b) of the Constitution of Louisiana, to read as follows:

§10. Expenditure of State Funds

Section 10.

\* \* \*

(F) Projected Deficit.

\* \* \*

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

18           (b) Notwithstanding any other provision of this constitution to the contrary,  
19 for the purposes of the budget estimate and enactment of the budget for the next  
20 fiscal year, when the official forecast of recurring revenues for the next fiscal year  
21 is at least one percent less than the official forecast for the current fiscal year **or**  
22 **when there is a decrease in the receipt of federal revenues associated with the**  
23 **support of state assistance programs**, the following procedure may be employed  
24 to avoid a budget deficit in the next fiscal year. An amount not to exceed five percent  
25 of the total appropriations or allocations for the current fiscal year from any fund  
26 established by law or this constitution shall be available for expenditure in the next  
27 fiscal year for a purpose other than as specifically provided by law or this  
28 constitution. For the purposes of this Subsubparagraph, an amount not to exceed one  
29 percent of the current fiscal year appropriation for expenditures required by Article

1 VIII, Section 13(B) of this constitution shall be available for expenditures for other  
2 purposes in the next fiscal year. Notwithstanding any other provisions of this  
3 constitution to the contrary, monies made available as authorized under this  
4 Subsubparagraph may be transferred to a fund for which revenues have been forecast  
5 to be less than the revenues in the current fiscal year for such fund. Monies  
6 transferred as a result of the budget actions authorized by this Subsubparagraph are  
7 deemed available for appropriation and expenditure, but in no event shall the  
8 aggregate amount of any such transfers exceed the amount of the difference between  
9 the official forecast for the current fiscal year and the next fiscal year.

10 \* \* \*

11 Section 2. Be it further resolved that this proposed amendment shall be submitted  
12 to the electors of the state of Louisiana at the statewide election to be held on October 24,  
13 2015.

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

18 Do you support an amendment to authorize adjustments of up to five percent  
19 of constitutionally protected and mandated allocations and appropriations if  
20 aggregate reductions of seven-tenths of one percent of allocations and  
21 appropriations from the state general fund have been made or when there is  
22 a decrease in the receipt of federal revenues associated with the support of  
23 state assistance programs; to authorize, for the purposes of the budget  
24 estimate and enactment of the budget for the next fiscal year, that if the  
25 official revenue forecast for the next fiscal year is at least one percent less  
26 than the forecast for the current fiscal year or when there is a decrease in the  
27 receipt of federal revenues associated with the support of state assistance  
28 programs, an amount not to exceed five percent of the monies appropriated  
29 from any funds established by law or constitution shall be available for

1                   appropriation in the next fiscal year for a purpose other than as specified by  
 2                   law or constitution?  
 3                   (Amends Article VII, Section 10(F)(2)(a) and (b))

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

## DIGEST

SB 51 Original

2015 Regular Session

Crowe

Present constitution authorizes the legislature to establish a procedure to determine a projected deficit and a method for adjusting appropriations to eliminate the deficit.

Present constitution authorizes the governor, with legislative approval, to reduce up to 5% of appropriations or allocations from the state general fund and dedicated funds in any fiscal year in which a deficit is projected and reductions of at least seven-tenths of 1% in appropriations from the state general fund have already occurred. Further provides that such reductions to the Minimum Foundation Program (MFP) shall be limited to 1% and shall not be applicable to instructional activities.

Proposed constitutional amendment retains present constitution and authorizes the reduction in appropriations or allocations from the state general fund and dedicated funds when there is a decrease in the receipt of federal revenues associated with the support of state assistance programs.

Present constitution authorizes the legislature for the purposes of the enactment of the budget for the next fiscal year to reduce the monies appropriated or allocated for mandatory expenditures or allocations by up to 5%, making those funds available for other, nonmandatory expenditures if the official revenue forecast for the next year is at least 1% less than for the current year.

Proposed constitutional amendment retains present constitution and authorizes the reduction of monies appropriated or allocated for mandatory expenditures or allocations, making those funds available for other, nonmandatory expenditures when there is a decrease in the receipt of federal revenues associated with the support of state assistance programs.

Present constitution provides that these provisions shall not be applicable to, nor affect (1) the Bond Security and Redemption Fund or any bonds secured thereby, or any other funds pledged as security for bonds or evidences of indebtedness; (2) the severance tax and royalty allocations to parishes as provided in Art. VII, Sec. 4(D) and (E); (3) state retirement contributions; (4) the Louisiana Education Quality Trust Fund; (5) the Millennium Trust, except for appropriations from the trust; (6) any money not required to be deposited into the state treasury as provided in Art. VII, Sec. 9; and (7) the Medicaid Trust Fund for the Elderly created under the provisions of R.S. 46:2691, et seq. Proposed constitutional amendment retains present constitution.

Specifies submission of the amendment to the voters at the statewide election to be held on October 24, 2015.

(Amends Const. Art. VII, Sec. 10(F)(2)(a) and (b))