

2015 Regular Session

SENATE BILL NO. 63

BY SENATOR CROWE

FUNDS/FUNDING. Authorizes limited redirection and transfer of funds supporting appropriations and allocations from the state general fund and dedicated funds in certain circumstances. (2/3-CAs10(F)(1)) (See Act)

1 AN ACT

2 To amend and reenact R.S. 39:75(A)(4), (B), the introductory paragraph of 75(C), and the  
3 introductory paragraph of 75(E) and to enact R.S. 39:75(F), relative to the avoidance  
4 of budget deficits; to authorize the limited redirection and transfer of funds  
5 supporting appropriations or allocations from the state general fund and dedicated  
6 funds, including those constitutionally protected or mandated, to be used for other  
7 nonmandatory purposes under certain circumstances; to provide for an effective date;  
8 and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:75(A)(4), (B), the introductory paragraph of 75(C), and the  
11 introductory paragraph of 75(E) are hereby amended and reenacted, and R.S. 39:75(F) is  
12 hereby enacted to read as follows:

13 §75. Avoidance of budget deficits

14 A. \* \* \*

15 (4)(a) The budget status report shall include a section describing any issues  
16 which materially affect the budgetary soundness of the state but which are not  
17 required to be fully addressed during the current fiscal year. The division of

1 administration, after consultation with the Legislative Fiscal Office, shall prepare a  
2 description of each such issue. The description of such issues shall be submitted to  
3 the Legislative Fiscal Office at least one week prior to each meeting of the Joint  
4 Legislative Committee on the Budget.

5 **(b) The budget status report shall include a section with a report of**  
6 **federal revenues associated with the support of state assistance programs**  
7 **received by the state and describing any issues which may materially affect the**  
8 **budgetary soundness of the state during the current fiscal year. The division of**  
9 **administration, after consultation with the Legislative Fiscal Office, shall**  
10 **prepare a description of each such issue. The description of such issues shall be**  
11 **submitted to the Legislative Fiscal Office at least one week prior to each**  
12 **meeting of the Joint Legislative Committee on the Budget.**

13 B.(1) If the budget status report indicates that the total appropriation from  
14 any fund will exceed the official forecast for that fund **or that there is a decrease**  
15 **in the receipt of federal revenues associated with the support of a state**  
16 **assistance program**, the Joint Legislative Committee on the Budget shall  
17 immediately notify the governor that a projected deficit exists for that fund **or**  
18 **program**.

19 **(2) For purposes of this Section, a decrease in the receipt of federal**  
20 **revenues associated with the support of a state assistance program shall mean**  
21 **a decrease in federal financial participation in a state assistance program**  
22 **caused by an action of the United States Congress or by an action by the United**  
23 **States government which decreases the federal financial participation to a state**  
24 **assistance program in the amount of one percent or more.**

25 C. Upon receiving notification that a projected deficit exists **or that there is**  
26 **a decrease in the receipt of federal revenues associated with the support of a**  
27 **state assistance program in the current fiscal year**, the governor shall have  
28 interim budget balancing powers to adjust the budget in accordance with the  
29 following provisions:

\* \* \*

E. If the official forecast of recurring money for the next fiscal year is at least one percent less than the official forecast of recurring money for the current fiscal year **or if there is a projected decrease in the receipt of federal revenues associated with the support of state assisted programs in the next fiscal year**, the governor and the legislature may employ the following methods and procedures in the development of the state budget for the next fiscal year pursuant to authority granted in Article VII, Section 10(F) of the Constitution of Louisiana, for the purpose of avoiding a budget deficit in the next fiscal year.

\* \* \*

**F. The projected decrease in federal revenues associated with state assistance programs shall be incorporated into the continuation and five-year baseline budget projection as presented to the Joint Legislative Committee on the Budget.**

Section 2. Section 1 of this Act shall take effect and become operative if the amendment of Article VII, Section 10 of the Constitution of Louisiana contained in the Act which originated as Senate Bill No. \_\_\_ of this 2015 Regular Session of the Legislature is adopted at the statewide election to be held on October 24, 2015, and at the same time as such proposed amendment becomes effective.

Section 3. Sections 2 and 3 of this Act shall become effective on July 1, 2015. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha Hess.

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DIGEST

SB 63 Original 2015 Regular Session Crowe

Present law provides that the division of administration shall submit a budget status report monthly to the Joint Legislative Committee on the Budget (JLCB) which shall indicate the balance of the budget for the state general fund and dedicated funds by comparing the official forecast for these funds to the total authorized appropriations from each fund.

Present law provides that the budget status report shall include a section describing any issues which materially affect the budgetary soundness of the state but which are not

required to be fully addressed during the current fiscal year. The division of administration, after consultation with the Legislative Fiscal Office, shall prepare a description of each such issue. The description of such issues shall be submitted to the Legislative Fiscal Office at least one week prior to each meeting of the JLCB.

Proposed law retains present law and further provides that the budget status report shall include a section with a report of federal revenues associated with the support of state assistance programs received by the state and describing any issues which may materially affect the budgetary soundness of the state during the current fiscal year. The division of administration, after consultation with the Legislative Fiscal Office, shall prepare a description of each such issue. The description of such issues shall be submitted to the Legislative Fiscal Office at least one week prior to each meeting of the JLCB.

Present law provides that if the budget status report indicates that the total appropriation from any fund will exceed the official forecast for that fund, the JLCB shall immediately notify the governor that a projected deficit exists for that fund.

Proposed law retains present law and provides that if the budget status report indicates that there is a decrease in the receipt of federal revenues associated with the support of a state assistance program, the JLCB shall immediately notify the governor that a projected deficit exists for that fund or program.

Proposed law provides that a decrease in the receipt of federal revenues associated with the support of a state assistance program means a decrease in federal financial participation in a state assistance program caused by an action of the United States Congress or by an action by the United States government which decreases the federal financial participation to a state assistance program in the amount of one percent or more.

Present law provides that upon receiving notification that a projected deficit exists, the governor shall have interim budget balancing powers to adjust the budget.

Proposed law retains present law and provides the governor shall also have interim budget balancing powers to adjust the budget upon receiving notification that there is a decrease in the receipt of federal revenues associated with the support of a state assistance program in the current fiscal year.

Present law provides that if the official forecast of recurring money for the next fiscal year is at least one percent less than the official forecast of recurring money for the current fiscal year, the governor and the legislature may employ certain methods and procedures in the development of the state budget for the next fiscal year for the purpose of avoiding a budget deficit in the next fiscal year.

Proposed law retains present law and provides that the governor and the legislature may employ certain methods and procedures in the development of the state budget for the next fiscal year for the purpose of avoiding a budget deficit in the next fiscal year, if there is a projected decrease in the receipt of federal revenues associated with the support of state assisted programs in the next fiscal year.

Proposed law provides that the projected decrease in federal revenues associated with state assistance programs shall be incorporated into the continuation and five-year baseline budget projection as presented to the JLCB.

Section 1 of the Act which authorizes the reduction of certain appropriations or allocations if there is a decrease or projected decrease in federal revenues associated with state assistance programs, becomes effective if and when the proposed amendment of Article VII, Section 10 of the Constitution of Louisiana contained in the Act which originated as SB \_\_\_ of the 2015 RS is adopted at the statewide election to be held on October 24, 2015, and becomes effective. Sections 2 and 3 of the Act, which are the effective date provisions,

become effective on July 1, 2015.

(Amends R.S. 39:75(A)(4), (B), (C)(intro para), and (E)(intro para); adds R.S. 39: 75(F))