



1           WHEREAS, the balance in the Budget Stabilization Fund as of July 1, 2015, was  
2           \$469,872,014.56, and one-third of such balance was \$156,624,004.85, which is the  
3           maximum amount of the Budget Stabilization Fund available for appropriation for Fiscal  
4           Year 2015-2016 to address a projected deficit; and

5           WHEREAS, on November 16, 2015, the Revenue Estimating Conference met and  
6           adopted a reduction in the Official Forecast for the current fiscal year in the amount of \$370  
7           million, which was announced on the Fiscal Status Statement presented to the Joint  
8           Legislative Committee on the Budget on November 20, 2015; and

9           WHEREAS, the former governor implemented a deficit reduction plan in November  
10          of 2015 to address the November reduction in the Official Forecast of \$370 million and the  
11          prior year's deficit of \$117 million; and

12          WHEREAS, pursuant to a mail ballot, on December 9, 2015, more than two-thirds  
13          of the membership of each house of the legislature approved \$28,164,341 from the Budget  
14          Stabilization Fund being made available for appropriation to satisfy the budget deficit; and

15          WHEREAS, during the current fiscal year the state of Louisiana has experienced a  
16          severe financial crisis due to many factors including declining revenues because of the  
17          national decline in the prices of oil and gas and decreased collections of corporate income  
18          and franchise tax, individual income tax, sales and use tax, and royalty revenues, causing  
19          corresponding decreases in the official forecasts of the Revenue Estimating Conference; and

20          WHEREAS, in addition to declining revenues the state has experienced expenditure  
21          shortfalls in the current fiscal year which total over \$370 million which are mostly  
22          attributable to shortfalls in the Medicaid program, the Louisiana Taylor Opportunity  
23          Program for Students (TOPS), the Minimum Foundation Program, and the Department of  
24          Corrections for local housing of state adult prisoners; and

25          WHEREAS, on February 10, 2016, the Revenue Estimating Conference met and  
26          reduced the Fiscal Year 2015-2016 Official Forecast by \$570.1 million; and

27          WHEREAS, on February 13, 2016, the Joint Legislative Committee on the Budget  
28          met and recognized for the current year an operating deficit of approximately \$570,064,000  
29          and unfunded shortfalls of approximately \$373.5 million; and

30          WHEREAS, the options to eliminate the budget deficit in the last four months of the

1 fiscal year are significantly reduced, thereby leading to the request to use \$128,459,663.85  
2 from the Budget Stabilization Fund for the purposes for which it is intended; and

3 WHEREAS, subsequent to obtaining the consent of two-thirds of the elected  
4 members of each house of the legislature for the use of \$128,459,663.85 from the Budget  
5 Stabilization Fund, the legislature shall appropriate such amount for use in Fiscal Year  
6 2015-2016.

7 THEREFORE, BE IT RESOLVED that pursuant to Article VII, Section 10.3 of the  
8 Constitution of Louisiana and R.S. 39:94, the Legislature of Louisiana does hereby consent  
9 to make available for appropriation from the Budget Stabilization Fund the sum of  
10 \$128,459,663.85 not to exceed one-third of the balance of the Budget Stabilization Fund as  
11 of July 1, 2015, due to the second reduction of the revenue forecast for the current fiscal year  
12 in the amount of \$570.1 million as adopted by the Revenue Estimating Conference at its  
13 meeting on February 10, 2016, and recognized by the Joint Legislative Committee on the  
14 Budget at its meeting on February 13, 2016.

15 BE IT FURTHER RESOLVED that the treasurer is directed, after complying with  
16 the provisions of Article VII , Section 9(B) of the Constitution of Louisiana relative to the  
17 allocation of monies to the Bond Security and Redemption Fund, to take the appropriate  
18 steps to transfer \$128,459,663.85 from the Budget Stabilization Fund to the state general  
19 fund.

20 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
21 treasurer.

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

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DIGEST

SCR 2 Engrossed

2016 First Extraordinary Session

Morrell

Provides legislative consent to make available for appropriation from the Budget Stabilization Fund the sum of \$128,459,663.85 not to exceed one-third of the balance of the Budget Stabilization Fund, due to the reduction of the revenue forecast for the current fiscal year in the amount of \$570.1 million as adopted by the Revenue Estimating Conference at its meeting on February 10, 2016 and recognized by the Joint Legislative Committee on the Budget at its meeting on February 13, 2016.