

Regular Session, 2010

HOUSE BILL NO. 1110

BY REPRESENTATIVE LAFONTA

FUNDS/FUNDING: (Constitutional Amendment) Provides for the use and redirection of funds and allocations in certain circumstances

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10(F)(2)(a) and (b) of the Constitution of
3 Louisiana, relative to the expenditure of state funds; to provide for the limited
4 redirection and transfer of funds supporting appropriations or allocations from the
5 state general fund and dedicated funds, including those constitutionally protected or
6 mandated, to be used for other nonmandatory purposes under certain circumstances;
7 to provide for submission of the proposed amendment to the electors; and to provide
8 for related matters.

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

14 §10. Expenditure of State Funds

15 Section 10.

16 * * *

17 (F) Projected Deficit.

18 * * *

19 (2)(a) Notwithstanding any other provision of this constitution to the
20 contrary, adjustments to any constitutionally protected or mandated allocations or

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

15 (b) Notwithstanding any other provision of this constitution to the contrary,
16 for the purposes of the budget estimate and enactment of the budget for the next
17 fiscal year, when the official forecast of recurring revenues for the next fiscal year
18 is at least one percent less than the official forecast for the current fiscal year, the
19 following procedure may be employed to avoid a budget deficit in the next fiscal
20 year. An amount not to exceed ~~five~~ four percent of the total appropriations or
21 allocations for the current fiscal year from any fund established by law or this
22 constitution shall be available for expenditure in the next fiscal year for a purpose
23 other than as specifically provided by law or this constitution. For the purposes of
24 this Subsubparagraph, an amount not to exceed one percent of the current fiscal year
25 appropriation for expenditures required by Article VIII, Section 13(B) of this
26 constitution shall be available for expenditures for other purposes in the next fiscal
27 year. Notwithstanding any other provisions of this constitution to the contrary,
28 monies made available as authorized under this Subsubparagraph may be transferred
29 to a fund for which revenues have been forecast to be less than the revenues in the

1 current fiscal year for such fund. Monies transferred as a result of the budget actions
2 authorized by this Subsubparagraph are deemed available for appropriation and
3 expenditure, but in no event shall the aggregate amount of any such transfers exceed
4 the amount of the difference between the official forecast for the current fiscal year
5 and the next fiscal year.

6 * * *

7 Section 2. Be it further resolved that this proposed amendment shall be submitted
8 to the electors of the state of Louisiana at the congressional election to be held on November
9 2, 2010.

10 Section 3. Be it further resolved that on the official ballot to be used at said election
11 there shall be printed a proposition, upon which the electors of the state shall be permitted
12 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
13 read as follows:

14 To reduce from five percent to four percent the authorization of adjustments
15 of constitutionally protected and mandated allocations and appropriations if
16 aggregate reductions of seven-tenths of one percent of allocations and
17 appropriations from the state general fund have been made; to reduce the
18 authority from five percent to four percent or certain mandated allocations
19 and appropriations, for the purposes of the budget estimate and enactment of
20 the budget for the next fiscal year, that shall be available for appropriation
21 in the next fiscal year for a purpose other than as specified by law or
22 constitution. (Amends Article VII, Section 10(F)(2)(a) and (b))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

LaFonta

HB No. 1110

Abstract: Constitutional amendment proposing to decrease authority to reduce or redirect statutory dedications from 5% to 4% of the fund's appropriation when a deficit is projected or revenues decrease.

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 0.7% 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 decreases the amount of reductions 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 0.7% in appropriations from the state general fund have already occurred from 5% to 4%.

Present constitution authorizes the legislature 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 decreases the percentage the legislature is authorized to reduce the monies appropriated or allocated for mandatory expenditures or allocations from up to 5% to up to 4%, 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.

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 (Art. VII, §4(D) and (E)); (3) state retirement contributions; (4) the La. Education Quality Trust Fund; and (5) the Millennium Trust, except for appropriations from the trust.

Provides for submission of the proposed amendment to the voters at the congressional election to be held on Nov. 2, 2010.

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