

2016 Regular Session

SENATE BILL NO. 274

BY SENATOR DONAHUE

FISCAL CONTROLS. Provides for the requirement of the division of administration to produce a standstill budget. (7/1/16)

1 AN ACT

2 To amend and reenact R.S. 39:29(A), 32(E)(3) and (7), and 36(B)(1)(c), (6), and (8), relative
3 to budgets; to provide for the budget office under the direction of the division of
4 administration to produce a standstill budget; to define and describe the elements of
5 the standstill budget; to provide for the utilization of the standstill budget in the
6 executive budget contents; to provide for an effective date; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:29(A), 32(E)(3) and (7), and 36(B)(1)(c), (6), and (8) are hereby
10 amended and reenacted to read as follows:

11 §29. Budget guidelines

12 A.(1) On or before the twentieth day of September of each year, the budget
13 office shall furnish to each budget unit a set of specific guidelines under which the
14 budget unit shall provide information to allow the budget office to ~~establish~~ **prepare**
15 **a standstill budget and** a continuation budget.

16 (2) The **standstill budget and the** continuation budget shall **each** be
17 prepared by the budget office and submitted to the Joint Legislative Committee on

1 the Budget at the first meeting of the Joint Legislative Committee on the Budget
2 after January first of each year.

3 (3) The budget office under the direction of the division of
4 administration shall define and describe the elements of the standstill budget.
5 At a minimum, the standstill budget shall be developed beginning with the
6 existing operating budget for the current fiscal year as the base and shall
7 include component adjustments as determined by the budget office, including
8 but not limited to:

9 (a) Compulsory adjustments that reflect activities imposed by one sphere
10 of government on another by constitutional, legislative, administrative, or
11 judicial action.

12 (b) Workload adjustments for activities that are based on demographic
13 or other significant environmental changes.

14 (c) Elimination or reduction of non-recurring items.

15 (d) Any other environmental factors affecting a program such as growth
16 or decline in the revenue and expenditure trends affecting a program.

17 (e) Annualizations of items that were initiated partway through a fiscal
18 year and must be continued in subsequent fiscal years on a twelve-month basis.

19 (4) The standstill budget shall not contain or include certain elements,
20 including but not limited to the following:

21 (a) Merit Increases/Performance Adjustments.

22 (b) Inflation Adjustments.

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24 §32. Budget request contents

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26 E. A personnel table as defined by this Subsection shall be included with the
27 budget request. The table shall contain information and be in a form as required by
28 the budget office and shall include authorized, estimated, and requested positions
29 organized according to programs or subprograms as follows:

* * *

(3) The number of positions estimated for the **standstill and the** continuation budget for the next fiscal year and the number classified and unclassified.

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(7) The estimated amount for salaries continuing for the positions estimated for the **standstill and the** continuation budget for the next fiscal year.

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§36. Contents and format of executive budget; supporting document

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B. The budget office shall prepare a document known as the supporting document which shall be in conformity with the executive budget and shall include, at a minimum, the following:

(1) For each program, budget unit, and department, itemized by source of funds, expenditure category, and activity, detailed comparative statements of:

* * *

(c) The **standstill budget and the** continuation budget and recommended expenditures for the ensuing fiscal year.

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(6) For each agency's programmatic structure, the performance indicators that are intended to accomplish each objective of a program for the initial operating budget and existing operating budget, the **standstill budget and the** continuation budget, and recommended expenditures for the ensuing fiscal year and the performance standard associated with each. Such performance indicators, objectives, and standards shall be as the commissioner of administration may deem appropriate.

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(8) For each program, a listing of expenditures for the last fiscal year concluded, the initial operating budget and existing operating budget, the **standstill budget and the** continuation budget, and recommended expenditures for the ensuing fiscal year out of each statutorily dedicated fund.

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Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2016, or on the day following such approval by the legislature, whichever is later.

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

DIGEST

SB 274 Original 2016 Regular Session Donahue

Present law provides that the budget office under the direction of the division of administration shall furnish each budget unit a set of guidelines to allow the office to establish a continuation budget. The continuation budget is defined as that funding level for each budget unit which reflects the financial resources necessary to carry on all existing programs and functions of the budget unit at their current level of service in the ensuing fiscal year.

Proposed law retains present law and requires the budget office to also prepare a standstill budget as well as a continuation budget. Additionally, both budgets shall be submitted to the Joint Legislative Committee on the Budget at the first meeting in January of each year.

Proposed law provides that the elements of the standstill budget, to be defined and developed by the budget office under the direction of the division of administration, shall begin with the existing operating budget for the current fiscal year as the base and shall include component adjustments as determined by the budget office, including but not limited to:

- (1) Compulsory adjustments that reflect activities imposed by one sphere of government on another by constitutional, legislative, administrative, or judicial action.
- (2) Workload adjustments for activities that are based on demographic or other significant environmental changes.
- (3) Elimination or reduction of non-recurring items.
- (4) Any other environmental factors affecting a program such as growth or decline in the revenues and expenditures trends affecting a program.
- (5) Annualizations of items that were initiated partway through a fiscal year and must be continued in subsequent fiscal years on a twelve-month basis.

Proposed law provides for the elements that shall not be included in the standstill budget:

- (1) Merit Increases/Performance Adjustments.
- (2) Inflation Adjustments.

Proposed law also provides for implementation of the standstill budget in the executive budget contents and format of the executive budget.

Effective July 1, 2016.

(Amends R.S. 39:29(A), 32(E)(3) and (7), and 36(B)(1)(c), (6), and (8))