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2 (2)(a) Notwithstanding any other provision of this constitution to the
3 contrary, adjustments to any constitutionally protected or mandated allocations or
4 appropriations, and transfer of monies associated with such adjustments, are
5 authorized when state general fund allocations or appropriations have been reduced
6 in an aggregate amount equal to at least seven-tenths of one percent of the total of
7 such allocations and appropriations for a fiscal year. Such adjustments may not
8 exceed ~~five~~ **ten** percent of the total appropriation or allocation from a fund for the
9 fiscal year. For purposes of this Subsubparagraph, reductions to expenditures
10 required by Article VIII, Section 13(B) of this constitution shall not exceed one
11 percent and such reductions shall not be applicable to instructional activities included
12 within the meaning of instruction pursuant to the Minimum Foundation Program
13 formula. Notwithstanding any other provisions of this constitution to the contrary,
14 monies transferred as a result of such budget adjustments are deemed available for
15 appropriation and expenditure in the year of the transfer from one fund to another,
16 but in no event shall the aggregate amount of any transfers exceed the amount of the
17 deficit. **Any adjustments pursuant to this Subsubparagraph in excess of five**
18 **percent shall not be effective unless approved by the legislature by a favorable**
19 **vote of a majority of the elected members of each house. Such approval shall**
20 **be by mail ballot, as provided by law, if the adjustments are made while the**
21 **legislature is not in session.**

22 (b) Notwithstanding any other provision of this constitution to the contrary,
23 for the purposes of the budget estimate and enactment of the budget for the next
24 fiscal year, when the official forecast of recurring revenues for the next fiscal year
25 is at least one percent less than the official forecast for the current fiscal year, the
26 following procedure may be employed to avoid a budget deficit in the next fiscal
27 year. An amount not to exceed ~~five~~ **ten** percent of the total appropriations or
28 allocations for the current fiscal year from any fund established by law or this
29 constitution shall be available for expenditure in the next fiscal year for a purpose

1 other than as specifically provided by law or this constitution. For the purposes of
 2 this Subsubparagraph, an amount not to exceed one percent of the current fiscal year
 3 appropriation for expenditures required by Article VIII, Section 13(B) of this
 4 constitution shall be available for expenditures for other purposes in the next fiscal
 5 year. Notwithstanding any other provisions of this constitution to the contrary,
 6 monies made available as authorized under this Subsubparagraph may be transferred
 7 to a fund for which revenues have been forecast to be less than the revenues in the
 8 current fiscal year for such fund. Monies transferred as a result of the budget actions
 9 authorized by this Subsubparagraph are deemed available for appropriation and
 10 expenditure, but in no event shall the aggregate amount of any such transfers exceed
 11 the amount of the difference between the official forecast for the current fiscal year
 12 and the next fiscal year. **Any adjustments pursuant to this Subsubparagraph in**
 13 **excess of five percent shall not be effective unless approved by the legislature by**
 14 **a favorable vote of a majority of the elected members of each house. Such**
 15 **approval shall be by mail ballot, as provided by law, if the adjustments are**
 16 **made while the legislature is not in session.**

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18 Section 2. Be it further resolved that this proposed amendment shall be submitted
 19 to the electors of the state of Louisiana at the statewide election to be held on November 2,
 20 2010.

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

25 To authorize adjustments of up to ten percent of constitutionally protected
 26 and mandated allocations and appropriations if aggregate reductions of
 27 seven-tenth of one percent of allocations and appropriations from the state
 28 general fund have been made; to require that any adjustment in excess of five
 29 percent shall only be effective if approved by a majority of the elected

1 members of each house of the legislature; to authorize, for the purposes of
 2 the budget estimate and enactment of the budget for the next fiscal year, that
 3 if the official revenue forecast for the next fiscal year is at least one percent
 4 less than the forecast for the current fiscal year, an amount not to exceed ten
 5 percent of the monies appropriated from any funds established by law or
 6 constitution shall be available for appropriation in the next fiscal year for a
 7 purpose other than as specified by law or constitution; to require that any
 8 adjustment in excess of five percent shall only be effective if approved by a
 9 majority of the elected members of each house of the legislature. (Amends
 10 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 Martha Hess.

DIGEST

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 increases 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 at least seven-tenths of 1% in appropriations from the state general fund have already occurred from 5% to 10%.

Proposed constitutional amendment requires any adjustments in excess of 5% not be effective unless approved by a majority of the elected members of each house of the legislature. Further requires such approval to be made by mail ballot, as provided by law, if the adjustments are made while the legislature is not in session.

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 increases 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 10%, 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 requires any adjustments in excess of 5% not be

effective unless approved by a majority of the elected members of each house of the legislature. Further requires such approval to be made by mail ballot, as provided by law, if the adjustments are made while the legislature is not in session.

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 Louisiana Education Quality Trust Fund; and (5) the Millennium Trust, except for appropriations from the trust.

Specifies submission of the amendment to the voters at the election to be held on November 2, 2010.

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