

Regular Session, 2012

HOUSE BILL NO. 547

BY REPRESENTATIVE GEYMANN

BUDGETARY PROCEDURES: Provides relative to the development of the budget

1 AN ACT

2 To amend and reenact R.S. 39:24(A), 34(A), 36(A)(1), 51(A), and 54(A) and to enact R.S.
3 39:24(G), 24.1, 24.2, 26(D), and 54(D) and (E), relative to the budget process; to
4 require certain contents in the executive budget; to provide for the powers, duties,
5 and functions of the Revenue Estimating Conference; to provide for the contents of
6 the General Appropriation Bill and other appropriations bills; to provide for
7 effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:24(A), 34(A), 36(A)(1), 51(A), and 54(A) are hereby amended
10 and reenacted and R.S. 39:24(G), 24.1, 24.2, 26(D), and 54(D) and (E) are hereby enacted
11 to read as follows:

12 §24. Official forecast

13 A.(1) The Revenue Estimating Conference shall establish an official forecast
14 for each fiscal year which shall be derived and revised only as provided in this Part.
15 Each such official forecast shall contain a designation of all money which is
16 nonrecurring. The conference shall designate all other money in each official
17 forecast as recurring.

18 (2) The conference may designate other money as nonrecurring, but shall
19 designate the following as nonrecurring:

20 (a) Money available for appropriation from any special treasury fund
21 received by the state general fund or a dedicated fund in a previous fiscal year.

1 (b) Money available for appropriation from the state general fund from one
 2 time transactions, including but not limited to court settlements, the sale of state
 3 facilities, and the privatization of state operations.

4 * * *

5 G. The Revenue Estimating Conference estimate shall designate the estimate
 6 of money to be received by the state general fund and the estimate of money
 7 available for appropriation from each dedicated fund.

8 §24.1. Precertification

9 A.(1) The Revenue Estimating Conference shall review the executive budget
 10 for the next fiscal year prior to its submission to the legislature as required by Article
 11 VII, Section 10(B)(2) of the Constitution of Louisiana. The Revenue Estimating
 12 Conference shall determine if the executive budget is balanced, does not exceed the
 13 official forecast, does not exceed the expenditure limit, does not contain the
 14 appropriation of any money designated as nonrecurring for purposes other than those
 15 specifically authorized by Article VII, Section 10(D)(2) of the Constitution of
 16 Louisiana, and contains no contingent appropriations. The determination shall be
 17 transmitted by letter to the governor for inclusion in the executive budget submitted
 18 to the Joint Legislative Committee on the Budget in accordance with R.S. 39:37.

19 (2) The Revenue Estimating Conference shall meet as needed to certify an
 20 appropriation bill as required by Article III, Section 16(B)(2) of the Constitution of
 21 Louisiana.

22 B. The Revenue Estimating Conference may utilize whatever staff,
 23 information, and technical expertise which it may determine is required to make the
 24 determination required under Paragraph (A)(1) of this Section.

25 C.(1) Except as provided in Paragraph (2) of this Subsection, any conference
 26 determination pursuant to this Section shall be by unanimous vote of its members.

27 (2) If the conference is unable to make a unanimous determination, the
 28 determination may be made by a three-fourths vote of the conference principals if
 29 such determination is affirmed by at least two-thirds of the elected member of each

1 house of the legislature. Such affirmation shall be by concurrent resolution or by
2 mail ballot if the legislature is not in session.

3 §24.2. Certification of appropriation priorities

4 A. Prior to its submission to the legislature, the Revenue Estimating
5 Conference shall review the executive budget as required by Article VII, Section
6 10(B)(3) of the Constitution of Louisiana. The Revenue Estimating Conference shall
7 determine if the budget estimate includes appropriations from the state general fund
8 for both higher education and for health care for the next fiscal year to be included
9 in the General Appropriation Bill in amounts equal to or greater than the amounts
10 appropriated for higher education and for health care in the most recently enacted
11 General Appropriation Act. The conference decision shall be transmitted by letter
12 to the governor for inclusion in the executive budget submitted to the Joint
13 Legislative Committee on the Budget in accordance with R.S. 39:37.

14 B. The Revenue Estimating Conference may utilize whatever staff,
15 information, and technical expertise which it may determine is required to make such
16 determination.

17 C.(1) Except as provided in Paragraph (2) of this Subsection, the conference
18 determination shall be by unanimous vote of its members.

19 (2) If the conference is unable to make a unanimous determination, the
20 determination may be made by a three-fourths vote of the conference principals if
21 such determination is affirmed by at least two-thirds of the elected members of each
22 house of the legislature. Such affirmation shall be by concurrent resolution or by
23 mail ballot if the legislature is not in session.

24 * * *

25 §26. Sessions

26 * * *

27 D. The Revenue Estimating Conference shall meet at least two weeks prior
28 to the submission of the executive budget to the Joint Legislative Committee on the

1 Budget as required by R.S. 39:37 to determine if the governor's budget estimate can
2 be precertified and to make the determination required pursuant to R.S. 39:24.2.

3 * * *

4 §34. Executive budget

5 A. The governor shall cause to be prepared an executive budget presenting
6 a complete financial and programmatic plan for the ensuing fiscal year which shall
7 include recommendations for appropriations from the state general fund and
8 dedicated funds which shall not exceed the official forecast of the Revenue
9 Estimating Conference. Except as provided by R.S. 39:75(E), the executive budget
10 shall not include recommendations for appropriations from any fund in excess of the
11 official forecast of money available for appropriation from that fund.

12 * * *

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

14 A. The executive budget shall present a complete financial and
15 programmatic plan for the ensuing year, and it shall be configured in a format so as
16 to clearly present and highlight the functions and operations of state government and
17 the financial requirements associated with those functions and operations. The
18 executive budget shall be a performance-based budget. It shall include at a minimum
19 the following:

20 (1)(a) A budget message signed by the governor giving a summary
21 description of his proposed financial plan and major programmatic and budgetary
22 policies for the ensuing fiscal year and including a statement of the impact that his
23 proposed recommendation has on the existing operating budget.

24 (b) A letter from the Revenue Estimating Conference certifying that the
25 executive budget is balanced, does not exceed the official forecast of the conference,
26 does not exceed the expenditure limit, does not contain the appropriation of any
27 nonrecurring money for purposes other than those permitted by Article VII, Section
28 10(D)(2) of the Constitution of Louisiana, and contains no contingent appropriations.

1 (c) A letter from the Revenue Estimating Conference determining whether
2 appropriations contained in the executive budget include appropriations from the
3 state general fund for both higher education and for health care for the next fiscal
4 year to be included in the General Appropriation Bill in amounts equal to or greater
5 than the amounts appropriated for higher education and for health care in the most
6 recently enacted General Appropriation Act.

7 * * *

8 §51. General Appropriation Bill; other appropriation bills

9 A.(1) The governor shall cause a General Appropriation Bill for the ordinary
10 operating expenses of the executive branch of state government to be introduced
11 which shall be in conformity with the recommendations for appropriations contained
12 in the budget estimate as provided by Article VII, Section 11(B) of the Constitution
13 of Louisiana. The General Appropriation Bill and the bill appropriating funds for
14 ancillary expenses of state government shall each be submitted for introduction at
15 the same time required for submission of the executive budget as required by R.S.
16 39:37.

17 (2) The General Appropriation Bill shall not include appropriations to
18 political subdivisions or to public charities, except those authorized by the
19 Constitution of Louisiana and by statute, unless the General Appropriation Bill
20 includes appropriations out of the state general fund for both health care and higher
21 education in amounts equal to or greater than the amounts appropriated in the current
22 fiscal year, as determined by the Revenue Estimating Conference in accordance with
23 R.S. 39:24.2. The governor may cause one or more bills supplementing the General
24 Appropriation Bill to be introduced which shall be in conformity with the
25 recommendations for appropriations contained in the budget estimate as provided by
26 Article VII, Section 11(B) of the Constitution of Louisiana appropriating to political
27 subdivisions and public charities at the same time required for submission of the
28 executive budget as required by R.S. 39:37.

29 * * *

1 §54. Limitations on appropriations

2 A. Appropriations by the legislature from the state general fund and
3 dedicated funds for any fiscal year shall not exceed the official forecast in effect at
4 the time the appropriations are made. Except as otherwise provided by R.S.
5 39:75(E), appropriations by the legislature from any fund shall not exceed the
6 official forecast of money available for appropriation from that fund in effect at the
7 time the appropriations are made.

8 * * *

9 D. In making appropriations for any fiscal year, the legislature shall first
10 finally pass the general appropriation bill.

11 E. No bill for appropriating money may be received by the Senate, no
12 amendment to such a bill may be concurred in by the House of Representatives, and
13 no conference committee report concerning such a bill adopted by either house of the
14 legislature, except after separate certification by the Revenue Estimating Conference
15 that the bill contains no appropriation of nonrecurring money for any purpose other
16 than those specifically authorized in Article VII, Section 10(D)(2) of the Constitution
17 of Louisiana, contains no contingent appropriation, and would not cause
18 appropriations by the legislature to exceed the expenditure limit or the official
19 forecast in effect at the time the appropriations are made.

20 Section 2. This Act shall take effect and become operative if and when the proposed
21 amendment of Article III, Section 16(A-D) and Article VII, Sections 10 and 11 of the
22 Constitution of Louisiana contained in the Act which originated as House Bill No. ___ of this
23 2012 Regular Session of the Legislature is adopted at a statewide election and becomes
24 effective.

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)]

Geymann

HB No. 547

Abstract: Changes the manner in which state revenue is budgeted and appropriated. Requires budget precertification and certification of appropriations by the Revenue Estimating Conference (REC); requires a determination of funding levels and priorities, requires a separate appropriations bill under certain conditions and requires the General Appropriations Bill be passed prior to other appropriation bills.; and, provides for the role of the REC in the expenditure of state funds, including determining what money is designated as nonrecurring.

BUDGET PRECERTIFICATION

Present law requires the governor to submit an executive budget to the legislature at each regular session presenting the governor's recommended, complete financial plan for the year. (R.S. 39:2(14)) Requires the executive budget be submitted to the Joint Legislative Committee on the Budget no later than 30 days prior to the regular session of the legislature in the first year of a term and 45 days prior otherwise. (R.S. 39:37(A)) The budget must include a recommendation for appropriations from the state general fund and from dedicated funds which do not exceed the official forecast of the Revenue Estimating Conference (REC). Proposed law retains present law and adds that the executive budget shall be reviewed by the REC two weeks prior to its submission to the Joint Legislative Committee on the Budget. The REC is charged under the proposed law with reviewing and precertifying that the governor's budget estimate is balanced, does not exceed the official forecast of the conference, does not exceed the expenditure limit, does not contain any nonrecurring money for purposes other than those specifically enumerated in the constitution, and contains no contingent appropriations. The proposed law requires that the REC's precertification be included in the governor's subsequent submission of his executive budget to the legislature. (R.S. 39:24.1, 26, and 36)

Present law requires, after submitting his executive budget, that the governor then cause to be introduced a General Appropriations Bill (GAB) for the ordinary operating expenditures in conformity with the budget estimate. Proposed law retains this provision.

CERTIFICATION OF APPROPRIATIONS

Proposed law provides that an appropriation bill can only be received by the Senate, concurred in by the House, or adopted by conference if, at each point in the process, the REC certifies that the bill contains no prohibited appropriation of nonrecurring money or contingent appropriations and would not cause the expenditure limit or the official forecast in effect at the time the appropriations are made to be exceeded. (R.S. 39:54(E))

DETERMINATION OF FUNDING LEVEL & PRIORITIES

Proposed law requires the REC to also review and determine if the governor's budget estimate contains a recommendation for appropriations to both higher education and health care that is equal to or greater than the amounts appropriated in the prior fiscal year. Proposed law also requires that the governor's executive budget include a statement of the REC determination. If the general fund appropriations in the GAB for both higher education and health care are less than in the most recently enacted GAB, then proposed law limits the GAB to only appropriations for the ordinary operating expenses of the executive branch and requires that any appropriation to political subdivisions or public charities, except those

authorized by present constitution or present law be in a separate appropriation bill. (R.S. 39:24.2 and 51(A)(2))

Proposed law additionally requires that the legislature must first pass the GAB before passing any other bill appropriating money for any given fiscal year. (R.S. 39:54(D))

VOTE REQUIREMENT OF REC

With respect to budget precertification, certification of an appropriation, and the determination of funding levels by the REC, proposed law requires that the REC's actions be by unanimous vote. If the REC is unable to make a unanimous decision on any action required by proposed law, such action may be made by a 3/4 vote of the conference principals if such decision is affirmed by at least 2/3 of the elected members of each house of the legislature. Such affirmation shall be by concurrent resolution or by mail ballot if the legislature is not in session. (R.S. 39:24.1(C) and 24.2(C))

EXPENDITURE OF STATE FUNDS

Present law sets forth requirements relative to the expenditure of state funds and establishes the REC to prepare and publish initial and revised estimates of money to be received by the state general fund and dedicated funds for the current and next fiscal years which are available for appropriation, the most recent of which is called the official forecast. In each estimate, the REC must also designate money as nonrecurring. Money not designated as nonrecurring is designated recurring. Proposed law provides that the REC must designate as nonrecurring estimates of money available for appropriation from any special treasury fund received by the state general fund or a dedicated fund in the previous fiscal year and from one time transactions such as court settlements, the sale of state facilities, and the privatization of state operations. (R.S. 39:24(A))

Proposed law also specifies that unless otherwise provided by present law permitting the use and transfer of funds to avoid a projected deficit, the amount appropriated out of any fund shall not exceed the official forecast of money available for appropriation from that fund. (R.S. 39:54(A))

Effective if and when the proposed amendment of Article III, §16(A-D) and Article VII, §§ 10 and 11 of the Constitution of La. contained in the Act which originated as House Bill No. __ of this 2012 R.S. is adopted at a statewide election and becomes effective.

(Amends R.S. 39:24(A), 34(A), 36(A)(1), 51(A), and 54(A); Adds R.S. 39:24(G), 24.1, 24.2, 26(D), and 54(D) and (E))