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Bill would let lawmakers tap into "rainy day" fund

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The Associated Press

BATON ROUGE, La. (AP) — With a simple definition change, the Legislature could tap into the state's "rainy day" trust fund next year — without going to the voters for a constitutional change — under a bill approved Monday by a Senate committee.

The bill by Senate President Don Hines, D-Bunkie, would change the definition of "total state revenue receipts" to change the way the cap is calculated on the rainy day fund. Once the cap is reached, lawmakers can spend the dollars above that cap.

In essence, the bill would mean the state would hit the cap on the fund about \$300 million sooner than it would under the way it is currently calculated — and would be able to use some money that otherwise would go into the rainy day fund in the fiscal year that begins July 1.

Hines told the Senate Finance Committee that the rainy day fund would include about \$465 million when the cap is reached under his bill, and he said most lawmakers feel that dollar figure is sufficient for a reserve in times of severe budget crisis.

The committee approved the bill without objection, sending it to the full Senate for debate.

Booming oil and gas prices are feeding the fund that the Legislature currently can't touch.

The rainy day fund was created in October 1998. Annual budget surpluses, mineral revenue in excess of \$850 million in any given year and other sources of revenue that are not always available every year pour into the fund.

The nonpartisan Public Affairs Research Council, which studies state issues, opposes changes to the way the cap on the rainy day fund is determined, saying the current cap "is barely adequate now."

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The bill is filed as Senate Bill 228 and can be found at www.legis.state.la.us