



**LOUISIANA
REPUBLICAN
LEGISLATIVE DELEGATION**

FOR IMMEDIATE RELEASE
Monday, April 2, 2007
<http://lrld.louisiana.gov>

CONTACT: Senator Schedler
Representative Tucker
225.342.6287

**REPUBLICAN DELEGATION REQUESTS GOVERNOR BLANCO TO
RESUBMIT EXECUTIVE BUDGET WITH “REAL” NUMBERS**

BATON ROUGE, LOUISIANA—Today, the Republican Legislative Delegation issued a letter to Governor Blanco requesting that her Administration resubmit an amended budget which reflects the latest personal income data released last week by the United States Commerce Department. The letter specifically requests that a new budget be submitted to the Legislature no later than April 13, 2007.

The Governor’s executive budget released in March did not utilize these “real” numbers; instead, estimated income projections for the fourth quarter of 2006 were used to arrive at the expenditure limit. The Louisiana Constitution clearly states that if these actual numbers are available, such data must be used to determine the expenditure limit afforded in the budget.

A copy of the Delegation’s letter to Governor Blanco is attached to this release.

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**LOUISIANA
REPUBLICAN
LEGISLATIVE DELEGATION**

April 2, 2007

BY HAND

The Honorable Kathleen Blanco
Governor
STATE OF LOUISIANA
State Capitol, Fourth Floor
Baton Rouge, Louisiana 70802

Re: Expenditure Limit for FY08

Dear Governor Blanco:

Last Tuesday, the United States Commerce Department released personal income data for Louisiana residents for the fourth quarter of 2006. This data clearly shows that if the expenditure limit were to be calculated using these "real" numbers, it would reflect a \$733 million difference from the numbers presented by your Administration to the Joint Legislative Committee on the Budget on March 16, 2007.

Enclosed is the Legislative Fiscal Office's calculation using the actual numbers which indicates a total of \$547 million available under the spending cap for FY08 (using the growth formula spelled out in the Louisiana Constitution Article VII, §10). This is significantly different from the \$1.28 billion proposed by your Administration less than two weeks ago.

The state Constitution requires that actual numbers be used, if available, to determine the expenditure limit afforded in the budget. With the availability of the fourth quarter numbers, we respectfully request that an amended budget be available to the Legislature no later than April 13, 2007.

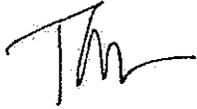
We, as elected officials, all took the oath to uphold the Constitution of this State. Equally important is that we uphold the will of the people by calculating the expenditure limit in strict accordance with the language set forth in the Constitution. Representative Steve Scalise, along with many others, will offer a bill in the upcoming session to require that actual numbers be adopted in the calculation of the budget. Our constituents made their intentions clear when they placed the expenditure limit in the Constitution--they want to limit the growth of state government.



Honorable Kathleen Blanco
March 30, 2007
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We will be happy to meet with you to discuss options relating to the budget and are available at your request. We look forward to working with you and your Administration for the good of the citizens of Louisiana.

Sincerely,



TOM SCHEDLER, CHAIRMAN
Senate Republican Delegation



JIM TUCKER, CHAIRMAN
House Republican Delegation

ON BEHALF OF MANY MEMBERS OF THE REPUBLICAN DELEGATION

Enclosure

cc: Capitol Press

STATE OF LOUISIANA
LEGISLATIVE FISCAL OFFICE
BATON ROUGE

H. Gordon Monk
 Legislative Fiscal Officer

Post Office Box 44097
 Capitol Station
 Baton Rouge, Louisiana 70804
 Phone: 225.342.7233
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EXPENDITURE LIMIT CALCULATIONS

TRADITIONAL COMPUTATION METHOD SINCE INCEPTION

January 2007 Calculation (December 2006 data)
 For the FY08 Expenditure Limit

	Personal Income Estimates (millions of \$)	Qtrly Annual Change	Annual Change	3 year average
2003	115,873			
2004Q1	119,854			
2004Q2	120,972			
2004Q3	122,387			
2004Q4	124,988			
2004	122,060		5.33%	
2005Q1	124,577	3.94%		
2005Q2	125,623	3.84%		
2005Q3	63,462	-48.75%		
2005Q4	131,147	4.93%		
2005	111,201		-8.89%	
2006Q1	131,129	5.26%		
2006Q2	132,220	5.25%		
2006Q3	134,470	111.90%		
2006	n/a *		40.60%	12.42%

Average of the 3 separate 2005 quarterly percent changes

← Percent change in 2004 total from 2003 total (totals will equal average of 4 quarterly estimates)
 ← Percent change in 2005 total from 2004 total (totals will equal average of 4 quarterly estimates)
 ← Each is percent change of 2005 quarter from same quarter in 2004
 ← Growth factor result of computation method in place since inception

\$10,318,239,142 FY07 Expenditure Limit
 1.1242
 \$11,598,764,443 FY08 Expenditure Limit

\$1,281,525,301 Dollar growth from FY07 limit

* This computation method implies a 2006Q4 estimate of 228,450 (millions of \$), over 70% higher than the first three quarters of 2006 and 74% higher than the 4th quarter of 2005.

COMPUTATION BASED ON COMPLETE DATA

March 2007 Calculation (March 2007 data)
 For the FY08 Expenditure Limit

	Personal Income Estimates (millions of \$)	Qtrly Annual Change	Annual Change	3 year average
2003	115,695			
2004Q1	119,624			
2004Q2	120,621			
2004Q3	121,995			
2004Q4	124,884			
2004	121,781		6.26%	
2005Q1	124,361			
2005Q2	125,389			
2005Q3	63,308			
2005Q4	131,710			
2005	111,167		-8.72%	
2006Q1	130,410			
2006Q2	131,429			
2006Q3	133,432			
2006Q4	135,587			
2006	132,715		19.38%	5.31%

Percent change in 2006 total from 2005 total

← Growth factor result utilizing March 27, 2007 data

\$10,318,239,142 FY07 Expenditure Limit
 1.0531
 \$10,866,137,840 FY08 Expenditure Limit

\$547,898,498 Dollar growth from FY07 limit