



Louisiana Budget Project

PROVIDING INDEPENDENT,
NONPARTISAN research and analysis
of Louisiana fiscal issues and their
impact on low and moderate
income residents.

FOR IMMEDIATE RELEASE
Thursday, October 13, 2011

Contact:

KAREN MILLER
225.929.5266, x220
EDWARD ASHWORTH
225.929.5266 x224
225.907.3035 (cell)

STAFF

Edward Ashworth
Director
edwardashworth@lano.org

Tim Mathis
Analyst
timmathis@lano.org

Steve Spires
Analyst
stevespires@lano.org

Karen Miller
Communications
karenmiller@lano.org

**AMENDMENT NO. 4: A SENSIBLE SOLUTION TO STABILIZE
THE RAINY DAY FUND**

(Baton Rouge – October 13, 2011) A recent [commentary](#) by the Louisiana Budget Project urges voters to approve Amendment No. 4 on the October 22nd primary ballot. The measure is sound fiscal policy that will both strengthen the Rainy Day Fund and allow for greater flexibility in future budget shortfalls.

Amendment No. 4 institutes a more specific repayment schedule for Louisiana’s Rainy Day Fund, a savings account that can be used to fill in temporary budget shortfalls in tough economic times. The proposed amendment solves an unintended flaw in how the fund is replenished. Currently, when the Legislature withdraws money from the Rainy Day Fund, the Fund is automatically replenished with oil and gas revenues during the same fiscal year. This requirement worsens the fiscal situation it was meant to solve.

The proposed amendment would prevent money from automatically flowing into the Fund for two years after money is taken out. After that, the money taken out of the Fund would be paid back over the next three years.

“Amendment No. 4 is a prudent solution that strikes a balance between fiscal flexibility and fiscal responsibility,” says Edward Ashworth, Director of the Louisiana Budget Project. “This amendment will make it easier for the Legislature to use the Rainy Day Fund for its intended purpose to prevent cuts to critical services such as education and health care.”

The Baton Rouge-based Louisiana Budget Project provides independent research and analysis of Louisiana fiscal issues and their impact on low- and moderate-income residents.

For more information, visit www.labudget.com and read [“Amendment No. 4: A Sensible Solution to Stabilize the Rainy Day Fund.”](#)

###

Changing Policy. Improving Lives.

8281 Goodwood Blvd, Ste A
Baton Rouge, LA 70806
PO Box 66558
Baton Rouge, LA 70896
225-929-5266
225-925-2711 [fax]

In Partnership with LANO