With the December release of Quarterly State Personal Income estimates by the U.S Department of Commerce Bureau of Economic Analysis, the State Office of Planning and Budget and the Legislative Fiscal Office have confirmed the calculation of the expenditure limit for the upcoming fiscal year 2012/13. As provided by the State Constitution (Art. VII, Sec. 10(C)(1)) and by the Revised Statutes (R.S. 39:33.1(B)(1)), the expenditure limit will increase by 1.37% or $204,255,230 over the FY 2011/12 limit, to $15,117,140,870.

The calculation of the limit is broadly defined in the Constitution as the average annual growth rate over three calendar years prior to the start of the fiscal year, and the specific calculation methodology is provided in statute (as revised by Act 734 of the 2008 Regular Session (R.S. 39:33.1(B)(4))). By this method, simple averages of the quarterly estimates of annual income are used and the third year of averaging has only three quarters of data available at the time of calculation. These figures determine the annual growth rates that are averaged to arrive at the fiscal year expenditure limit growth rate.
The expenditure limit applies to most state tax and fee spending, but does not apply to federal funds, higher education tuition and fees, transfers among agencies, funds held by the state in a fiduciary capacity, and certain constitutional allocations to parishes.

While the expenditure limit has been a consideration in some prior years, in general it is not a significant constraint on state spending. For example, the limit for the current year (FY 2011/12) is more than $3.6 billion greater than enacted appropriations. It is highly unlikely that affected means-of-finance would experience upward mid-year budget adjustments that exhaust that difference. Likewise, in the absence of dramatic revenue upswings on the scale of the post-Katrina/Rita period, it is highly unlikely that affected means-of-finance would be limited by this calculation in the foreseeable future.