Louisiana Legislative Fiscal Office

FISCAL HIGHLIGHTS

Fiscal Year 2014-2015

Presented to:

The Honorable John A. Alario,
President of the State Senate
The Honorable Chuck Kleckley,
Speaker of the House of Representatives
and Honorable Members of the Louisiana Legislature

Presented by:

Legislative Fiscal Office
John D. Carpenter, Legislative Fiscal Officer
Evan Brasseaux, LFO Staff Director

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LEGISLATIVE FISCAL OFFICE STAFF

John D. Carpenter, Legislative Fiscal Officer
Evan Brasseaux, Staff Director
Debbie Roussel, Executive Assistant

Economic Section
Gregory V. Albrecht, Chief Economist
Deborah Vivien, Economist/Fiscal Analyst

Education Section
Jodi Mauroner, Section Director
Charley Rome, Fiscal Analyst
Stephanie C. Blanchard, Fiscal Analyst

General Government Section
J. Travis McIlwain, Section Director
Matthew LaBruyere, Fiscal Analyst
Drew Danna, Fiscal Analyst
Zachary Rau, Fiscal Analyst

Health & Hospitals and Social Services Section
Shawn Hotstream, Section Director
Patrice Thomas, Fiscal Analyst
Alan Boxberger, Fiscal Analyst

Information Services Section
Willie Marie Scott, Section Director

Support Staff
Rachael Feigley
Jean M. Pedersen

Phone:	(225) 342-7233
Fax:	(225) 342-7243
Address:	Post Office Box 44097; Baton Rouge, LA 70804 or 900 North Third Street; State Capitol Building, 18th Floor Baton Rouge, LA 70802
Web Site:	lfo.louisiana.gov

OVERVIEW OF THE LEGISLATIVE FISCAL OFFICE

The Legislative Fiscal Office is an independent agency created by statute (Act 169, 1973 R.S.) to provide factual and unbiased information to both the House of Representatives and the State Senate.

The Legislative Fiscal Office duties and functions include, but are not limited to the following:

Fiscal Information Provided to Individual Legislators - To provide assistance to individual legislators, committees of the Legislature and the entire Legislature. Legislators' individual requests are considered confidential and will remain confidential unless otherwise requested.

Budget Analysis - To analyze budgets prepared by the executive branch and make recommendations to the Joint Legislative Committee on the Budget, other committees and the Legislature.

Revenue and Expenditure Forecasting - To make continuous short and long range projections on revenues and expenditures (i.e., economic forecasting).

Committee Support - To review and evaluate requests/amendments for appropriations during the legislative sessions and make presentations to the House Appropriations Committee, the Senate Finance Committee and the Legislature. Answer the fiscal information requests of committees and individual legislators.

Fiscal Notes - To evaluate legislation for fiscal effect and provide fiscal notes detailing the effect on revenues and expenditures of such proposed legislation.

BA-7s - To review on a monthly basis requests for budget adjustments from state agencies and make recommendations to the Joint Legislative Committee on the Budget as to the merits of such requests.

Interim Emergency Board - To evaluate requests submitted to the Interim Emergency Board and to make recommendations of approval or disapproval to the Legislature of those requests.

Fiscal & Economic Impact Statements - To review on a monthly basis rules and regulations as submitted by the executive branch and to inform the Legislature and the public as to the fiscal and economic impact of such proposed rules and regulations.

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Section I

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

REVENUE

FY 15 Revenue: The 6/19/2014 Revenue Estimating Conference (REC) forecast for FY 15 projected traditional state tax, license, and fee revenue of $10.640 B or 2.8% growth from the FY 14 forecast. SGF revenue was projected at $8.683 B or 4.4% growth. Revenue growth is expected in the general fund sources while dedications of those revenues are expected to be essentially flat. Oil prices are projected to average $96.69/bbl over the year with natural gas prices averaging $4.13/mcf. FY 15 is the first full year of implementing Act 419 of 2013 requiring the REC to adopt estimates of all appropriated state revenues except higher education SGR and transfers between agencies. This resulted in an additional $1.094 B of dedicated funds being recognized, for a total of $3.052 B of dedications, as well as $2.369 B of agency SGR. Thus, at the outset of FY 15, a total of $14.103 B of state revenue is estimated to be available to support the fiscal year budget.

Budget Stabilization Fund: Act 646 of 2014 again modified the statutory provisions of the Budget Stabilization Fund. Under the new law, the greater of $25 M from any source, or 25% of officially designated non-recurring revenue shall annually be deposited into the fund. The dedication of 25% of non-recurring revenue already existed. Thus, this change results in a minimum of $25 M per year to be deposited regardless of whether any non-recurring revenue has been designated. For FY 15, $25 M is allocated to the fund from anticipated Overcollections Fund resources officially designated as non-recurring. ***See "2014 Regular Legislative Session – Major Money Bills" overview on page 67.***

Debt Defeasance as a SGF Revenue Source: Included in FY 15 budget is the one-time availability of $210 M in SGF due to a one-year retirement or defeasance of bonds in advance or in addition to the existing amortization requirements of the state. This is essentially a dollar-for-dollar prepayment of FY 15 debt service. The prepayments allow the SGF designated for debt service to be available for other uses in FY 15. Because the defeasance only addresses FY 15 debt service payments, this is considered a one-time availability of SGF revenue, as the debt commitment in FY 16 and beyond will proceed according to their specified amortization schedules. ***See "Debt Service" overview on page 71.***

FY 16 Replacement Financing Decision List: Although HR 7.19 contains a definition of "one-time money," the rule itself is not indicative of the significant financing decisions that will have to be made in FY 16 relative to the structure of FY 15 budget. Due to this issue, the LFO is not only providing the HR 7.19 list to comply with the House Rule, but also a list of the significant potential FY 16 financing replacements as a result of the FY 15 budget. ***See "One-Time Funding for FY 15" on pages 11 – 14.***

GENERAL GOVERNMENT

Office of Group Benefits: The FY 15 budget includes a 5% increase in OGB premiums for its members that will cost the state $24.2 M ($13.1 M in SGF) and will increase the amount paid by its members. The total amount of revenue generation (employer/employee) to the OGB as a result of the 5% increase equates to $57.9 M. The FY 14 projected ending year OGB fund balance is anticipated to be approximately $220 M, which represents an approximately $200 M loss to the OGB fund balance. The program has been spending $16.1 M more per month than it is collecting in revenues. The OGB will be implementing various health plan changes effective on 1/1/2015 to assist in offsetting the monthly negative burn rate of $16.1 M. ***See "Office of Group Benefits" overview on pages 72 - 77.***

Office of Technology Services (OTS): Act 15 includes various budget adjustments to state agencies related to state IT consolidation initiatives. Based upon the budget adjustments, statewide IT consolidation is anticipated to result in approximately $25 M in savings. Approximately 730 positions were transferred from various state agencies into the newly created OTS within the Ancillary Appropriation Bill. OTS will be completely funded with IAT revenues paid by various state agencies for OTS IT menu of services. ***See "Statewide IT Consolidation" issue on pages 113 - 114.***

A&M Contract: The State entered into a $4,208,757 consulting services contract in December 2013 with the consulting firm Alvarez & Marsal (A&M) relative to efficiencies in state government. Since 12/19/2013 (start date), the total maximum value of the contract has increased to $7,391,556, an increase of $3,182,799 or 76%.

The 425-page A&M Report (GEMS) presents 72 recommendations that the company believes will save the state $2.7 B in expenditures over 5 years. Preamble language (Section 18 (F)) in Act 15 authorizes and directs the commissioner of administration to adjust SGF appropriations to achieve a SGF savings of $75,659,793. The preamble further provides that in order to achieve the savings the SGF reductions shall include reductions from efficiencies recommendations contained in the GEMS Report. ***See "Alvarez & Marsal" overview on page 70.***

Elderly Affairs: Act 874 of 2014 provides for a constitutional amendment to increase the maximum number of executive departments from 20 to 21. If the majority of voters approve the amendment (Amendment #11 on the ballot 11/4/2014), existing law creating the Department of Elderly Affairs becomes effective when funding for the department by the legislature becomes effective. The creation of a new department may result in the need for additional state resources.

An additional $5 M was appropriated for Parish Councils on Aging (PCOA). Since the $5 M is not part of the PCOA funding formula, the $5 M will be distributed equally among the 64 PCOAs at $78,125 per council. ***See "Elderly Affairs Additional $5 M Funding for Parish Councils on Aging" overview on pages 79 – 80.***

LA Department of Transportation & Development (DOTD): Beginning for the first time in FY 15, the DOTD will initiate utilization of authority provided under the Capital Outlay Act (Act 25 of 2014) to collect administrative fees charged against capital projects to support its operating budget. The authorizing language allows DOTD to charge receiving entities up to 6% of each capital appropriation item for the costs of administering the projects or for providing engineering and construction supervision. Historically, DOTD provided administrative and direct service charges for non-federal and non-federal match projects as non-billed services. DOTD has experienced increasing operating budget strains due to the continuing dilution of the Transportation Trust Fund (TTF) caused by flattening growth in gas-tax revenues as well as the constitutionally allowed supplantation of TTF funds into the Office of State Police for traffic control purposes. In FY 15, DOTD received an appropriation of $6M IAT budget authority for allowable fees to generate sufficient revenues to support its anticipated operating activities***. For additional information, see "DOTD Initiates Billing for Direct Charges Against Certain Capital Outlay Projects in FY 15" issue on page 117.***

HEALTH & HUMAN SERVICES

Human Services Districts/Authorities: The legislature provided supplemental funding to the base levels of 3 human services districts/authorities in response to criticism that base funding levels were established based on historical appropriation levels and not upon metrics considering either population or service demand. The funding provides increased SGF support for the Individual & Family Support Program within the Florida Parishes Human Services Authority ($490,000), Capital Area Human Services District ($555,000), and Acadiana Area Human Services District ($40,000). This funding supplements historical base level funding to account for behavioral health and developmental disability service needs within each district's geographical footprint. ***See "Statewide Localization of Behavioral Health Services (Human Services Districts/Authorities)" issue on pages 118 - 119.***

Medicaid Outlook for FY 16: The FY 15 Medicaid budget contains approximately <u>$655.8 M in funding from 3 separate sources that will likely have to be partially or entirely replaced in FY 16</u>. These sources of revenue include <u>Amnesty tax collections</u> projected to be collected in FY 15 (and a portion in FY 14), <u>Overcollections Fund</u> revenues, and <u>revenues from the Medicaid Trust Fund for the Elderly</u>. These fund sources collectively will draw $1.1 B ($1,072,721,008) in federal match for a total of $1.7 B ($1,728,522,411) in claims payments to private providers. In addition to having to replace these fund sources with SGF (or like resources) for FY 16 Medicaid expenditures, to the extent these sources are not collected up to the level of appropriation in FY 15, claims payments to providers would be reduced by the level of shortfall plus associated matching funds. ***See "Medicaid Outlook" issue on page 121.***

Public/Private Partnership funding: Act 15 provides an additional $39.7 M in funding for the public/private partnerships. The increase is based on the recommended level of projected expenditures over the FY 14 allocation of expenditures for the partnerships. Based on the actual FY 14 total partnership expenditures, FY 15 projected expenditures will increase by $68,417,087.

Act 15 further provided an additional $50 M in Disproportionate Share Hospital (DSH) payments for uncompensated care costs (UCC). It is unclear which provider will receive these payments in FY 15. Information provided by DHH indicates these funds will be made to non-partner hospitals. To the extent these payments are made to a public hospital partner, partner hospital payments will be $89 M greater than the FY 14 allocation of expenditures for the partnerships (or $118 M greater than FY 14 actual expenditures). ***See "Public/Private Partnership Payments" issue on pages 122 – 123.***

EDUCATION

Minimum Foundation Program (MFP): SCR 55 is based upon the revised Minimum Foundation Program (MFP) formula that was adopted by BESE on 5/12/2014, which resulted in an increase in state expenditures over the Existing Operating Budget of $83.7 M for FY 15. The MFP base funding includes the following adjustments: 1) $75 M increase associated with an increase in student enrollment of 9,472 students and adjustments for changes in local revenues; 2) $15.5 M increase for recommendations of the MFP Task Force which included career development education, high cost services for students with disabilities and supplemental course allocations; and 3) $6.8 M reduction due to a projected 1,355 students moving out of public schools and into the Student Scholarship for Educational Excellence Program. Additionally, the FY 15 MFP, annualizes the $69 M legislative appropriation that was funded outside of the formula in FY 14. As a result of this adjustment, the proposed formula recognized a 2.75% growth in the base per pupil cost from $3,855 to $3,961. ***See "FY 15 Minimum Foundation Program (MFP)" overview on pages 108 – 109.***

Higher Education Funding: FY 15 funding for Higher Education (excluding hospitals) effectively reflects a standstill budget at $2.6 B (52% of which comes from SGR). It includes a MOF swap replacing $255 M in Overcollections Funds with SGF and an increase of $78 M in SGR for tuition increases in accordance with the LA Grad Act Performance Agreements. However, since institutions are impacted by several issues which affect their ability to realize the full benefit of tuition increases, further analysis will be required to determine the full impact of these increases. Finally, the budget includes approximately $47 M in funding for specific initiatives including the Workforce & Innovation for Stronger Economy (WISE) Fund; Science, Technology, Engineering & Math (STEM) programs at Southern institutions and Grambling; and formula funding to address equity for some LCTCS schools that have experienced rapid growth in recent years. The $40 M appropriation for WISE is comprised of SGF ($16.8 M), and IAT ($12.1 M) from Community Development Block Grant (CDBG) Program funding. Additionally, $11 M in Overcollections Funds will be deposited into the WISE Fund and is appropriated in the Capital Outlay Bill (Act 25 of 2014) for Library, Instructional and Scientific Equipment. **See *"Higher Education FY 15 Funding"* overview on pages 110 - 111.**

TOPS funding totals $250 M, an increase of $32.5 M associated primarily with the projected Grad Act tuition increases. The Office of Student Financial Assistance projects that approximately 49,135 awards will be granted; with an average award amount of $5,059. ***See "Higher Education FY 15 Funding" overview on page 111.***

LSU Health Sciences Center in Shreveport (LSU HSC-S): FY 15 funding for the LSU HSC-S is currently in question. Prior to 2013, LSU HSC-S functioned as an academic medical center, a linked public university teaching hospital and Schools of Medicine, Allied Health Professionals, and Graduate Studies. The teaching hospital historically provided funding to the medical school to meet expenses not covered by other revenues. In October 2013, the hospital was transferred to the private management of the Biomedical Research Foundation of Northwest LA (BRF) and revenues previously received from the hospital were to be funded with contracted revenue sources from BRF. However, many of the legal agreements defining these revenues have not been completed resulting in a dispute between LSU and BRF as to the amount owed for services rendered in FY 14 as well as projected revenues for FY 15. **See *"FY 15 Funding for the LSU Health Sciences Center in Shreveport (including Medical School)" issue* on pages 124 – 126.**

Section II

BUDGET COMPARISONS

TOTAL MEANS OF FINANCE BY DEPARTMENT (TABLE 1)

DEPARTMENT	Actual FY 13	Budgeted FY 14 (1)	Appropriated FY 15 (2)	Dollar Change	Percent Change
Executive (a)	$2,827,029,237	$3,666,547,574	$2,615,099,835	($1,051,447,739)	(28.7%)
Veterans Affairs	$54,439,622	$58,002,476	$60,632,375	$2,629,899	4.5%
State (a)	$68,422,210	$69,861,652	$77,583,815	$7,722,163	11.1%
Justice (a)	$58,893,591	$83,261,774	$64,386,101	($18,875,673)	(22.7%)
Lt. Governor	$5,347,443	$7,352,466	$7,327,122	($25,344)	(0.3%)
Treasury (a)	$9,876,348	$19,958,524	$12,439,953	($7,518,571)	(37.7%)
Public Service Commission	$8,697,647	$9,621,266	$9,745,801	$124,535	1.3%
Agriculture & Forestry	$75,537,527	$73,833,053	$76,943,517	$3,110,464	4.2%
Insurance	$29,047,810	$31,768,173	$34,167,975	$2,399,802	7.6%
Economic Development (a)	$37,729,588	$58,536,646	$42,953,881	($15,582,765)	(26.6%)
Culture, Rec. & Tourism	$83,487,323	$90,657,946	$90,806,252	$148,306	0.2%
Transp. & Development	$523,421,682	$587,981,395	$569,196,252	($18,785,143)	(3.2%)
Corrections Services	$462,718,742	$496,224,606	$532,313,541	$36,088,935	7.3%
Public Safety Services (a)	$388,594,973	$507,295,741	$444,066,771	($63,228,970)	(12.5%)
Youth Services	$112,609,023	$116,725,872	$117,079,020	$353,148	0.3%
Health & Hospitals	$8,303,418,021	$9,197,472,565	$9,524,350,087	$326,877,522	3.6%
Children & Family Services	$669,100,726	$783,138,052	$778,110,023	($5,028,029)	(0.6%)
Natural Resources (a)	$111,576,228	$102,624,925	$80,996,718	($21,628,207)	(21.1%)
Revenue	$83,920,900	$100,322,641	$107,025,784	$6,703,143	6.7%
Environmental Quality	$100,803,015	$123,735,193	$128,517,090	$4,781,897	3.9%
LA Workforce Commission	$250,466,987	$277,508,815	$280,433,376	$2,924,561	1.1%
Wildlife & Fisheries	$133,430,735	$205,028,764	$205,354,210	$325,446	0.2%
Civil Service (a)	$23,242,639	$24,150,968	$18,885,224	($5,265,744)	(21.8%)
Retirement Systems (a)	$0	$8,044,399	$6,000,000	($2,044,399)	(25.4%)
Higher Education	$2,764,972,333	$2,661,830,313	$2,634,208,496	($27,621,817)	(1.0%)
Special Schools & Comm.	$88,739,491	$91,829,317	$91,667,720	($161,597)	(0.2%)
Elem. & Secondary Ed	$5,170,468,596	$5,329,711,835	$5,192,116,991	($137,594,844)	(2.6%)
Health Care Srvc. Division (a)	$834,253,575	$112,958,465	$131,024,302	$18,065,837	16.0%
Other Requirements	$716,421,490	$802,073,777	$782,580,088	($19,493,689)	(2.4%)
General Appropriation Total	**$23,996,667,502**	**$25,698,059,193**	**$24,716,012,320**	**($982,046,873)**	**(3.8%)**
Ancillary (a)	$1,710,356,115	$1,864,226,502	$2,079,436,099	$215,209,597	11.5%
Judiciary	$149,170,052	$167,572,877	$175,998,230	$8,425,353	5.0%
Legislative	$96,319,533	$102,643,499	$108,307,938	$5,664,439	5.5%
Capital Outlay - Cash Portion (a)	$1,232,512,825	$1,056,497,716	$1,756,664,577	$700,166,861	66.3%
Other Approp. Bills' Total	**$3,188,358,525**	**$3,190,940,594**	**$4,120,406,844**	**$929,466,250**	**29.1%**
Non-Approp. Required (a)	**$523,306,062**	**$733,346,391**	**$311,470,216**	**($421,876,175)**	**(57.5%)**
Grand Total	**$27,708,332,089**	**$29,622,346,178**	**$29,147,889,380**	**($474,456,798)**	**(1.6%)**

(1) Budgeted as of June 30, 2014.

(2) Appropriated in Act 15 of 2014 Regular Session. Does not include carry-forward BA-7s.

(a) See Footnotes on pages 9 - 10.

TOTAL STATE EFFORT BY DEPARTMENT (TABLE 2)

(TOTAL STATE EFFORT = TOTAL MOF - IAT & FED)

DEPARTMENT	Actual FY 13	Budgeted FY 14 (1)	Appropriated FY 15 (2)	Dollar Change	Percent Change
Executive	$517,616,968	$643,355,139	$506,388,805	($136,966,334)	(21.3%)
Veterans Affairs	$19,751,475	$21,515,278	$22,328,917	$813,639	3.8%
State	$67,948,762	$69,503,074	$77,236,085	$7,733,011	11.1%
Justice	$25,346,661	$35,222,967	$34,623,347	($599,620)	(1.7%)
Lt. Governor	$1,387,688	$1,518,211	$1,492,867	($25,344)	(1.7%)
Treasury	$8,218,093	$18,330,072	$10,811,501	($7,518,571)	(41.0%)
Public Service Commisson	$8,617,853	$9,198,657	$9,745,801	$547,144	5.9%
Agriculture & Forestry	$62,396,105	$64,915,790	$68,296,671	$3,380,881	5.2%
Insurance	$28,257,127	$29,776,066	$32,326,291	$2,550,225	8.6%
Economic Development	$34,897,516	$45,310,871	$40,153,881	($5,156,990)	(11.4%)
Culture, Rec. & Tourism	$73,140,391	$75,874,261	$77,902,530	$2,028,269	2.7%
Transp. & Development	$500,897,325	$553,908,034	$530,524,841	($23,383,193)	(4.2%)
Corrections Services	$455,449,794	$488,626,595	$514,300,308	$25,673,713	5.3%
Public Safety Services	$317,560,043	$414,235,075	$358,826,576	($55,408,499)	(13.4%)
Youth Services	$95,809,667	$92,700,416	$99,137,265	$6,436,849	6.9%
Health & Hospitals	$2,668,590,661	$3,190,121,006	$3,397,288,694	$207,167,688	6.5%
Children & Family Services	$167,656,357	$166,610,550	$158,260,327	($8,350,223)	(5.0%)
Natural Resources	$32,742,066	$45,345,885	$36,110,393	($9,235,492)	(20.4%)
Revenue	$83,209,090	$98,618,334	$105,946,992	$7,328,658	7.4%
Environmental Quality	$82,012,636	$98,693,924	$106,269,287	$7,575,363	7.7%
LA Workforce Commission	$98,592,578	$105,661,057	$110,986,433	$5,325,376	5.0%
Wildlife & Fisheries	$96,267,609	$117,716,669	$122,423,482	$4,706,813	4.0%
Civil Service	$6,622,568	$7,357,590	$8,241,035	$883,445	12.0%
Retirement	$0	$8,044,399	$6,000,000	($2,044,399)	(25.4%)
Higher Education	$2,315,515,996	$2,411,167,883	$2,498,876,984	$87,709,101	3.6%
Special Schools & Comm.	$63,751,366	$67,269,336	$68,027,395	$758,059	1.1%
Elem. & Secondary Ed	$3,634,927,980	$3,818,890,114	$3,854,314,039	$35,423,925	0.9%
Health Care Srvc. Division	$435,828,059	$39,336,383	$85,634,298	$46,297,915	117.7%
Other Requirements	$666,796,644	$752,596,743	$733,103,054	($19,493,689)	(2.6%)
General Appropriation Total	**$12,569,809,078**	**$13,491,420,379**	**$13,675,578,099**	**$184,157,720**	**1.4%**
Ancillary	$1,427,120,237	$1,581,038,708	$1,512,117,380	($68,921,328)	(4.4%)
Judiciary	$149,170,052	$157,136,377	$165,561,730	$8,425,353	5.4%
Legislative	$96,319,533	$102,643,499	$108,307,938	$5,664,439	5.5%
Capital Outlay - Cash Portion	$1,139,619,817	$998,748,480	$1,231,866,014	$233,117,534	23.3%
Other Approp. Bills' Total	**$2,812,229,639**	**$2,839,567,064**	**$3,017,853,062**	**$178,285,998**	**6.3%**
Non-Approp. Required	**$523,306,062**	**$733,346,391**	**$311,470,216**	**($421,876,175)**	**(57.5%)**
Grand Total	**$15,905,344,779**	**$17,064,333,834**	**$17,004,901,377**	**($59,432,457)**	**(0.3%)**

(1) Budgeted as of June 30, 2014.

(2) Appropriated in Act 15 of 2014 Regular Session. Does not include carry-forward BA-7s.

STATE GENERAL FUND BY DEPARTMENT (TABLE 3)

DEPARTMENT	Actual FY 13	Budgeted FY 14 (1)	Appropriated FY 15 (2)	Dollar Change	Percent Change
Executive	$124,145,925	$143,442,721	$162,868,906	$19,426,185	13.5%
Veterans Affairs	$4,771,555	$4,976,193	$5,772,903	$796,710	16.0%
State	$44,985,386	$38,870,482	$51,934,430	$13,063,948	33.6%
Justice	$11,990,495	$7,032,457	$14,093,892	$7,061,435	100.4%
Lt. Governor	$1,378,838	$1,508,211	$1,482,867	($25,344)	(1.7%)
Treasury	$0	$0	$0	$0	0.0%
Public Service Commisson	$0	$0	$0	$0	0.0%
Agriculture & Forestry	$26,640,791	$25,310,405	$26,702,044	$1,391,639	5.5%
Insurance	$0	$0	$0	$0	0.0%
Economic Development	$13,312,547	$15,106,178	$16,978,576	$1,872,398	12.4%
Culture, Rec. & Tourism	$33,275,466	$33,124,184	$37,135,365	$4,011,181	12.1%
Transp. & Development	$145,292	$92,440	$0	($92,440)	(100.0%)
Corrections Services	$415,733,854	$445,819,174	$475,108,411	$29,289,237	6.6%
Public Safety Services	$1,099,611	$396,639	$4,432,500	$4,035,861	1017.5%
Youth Services	$95,304,475	$91,568,888	$98,189,778	$6,620,890	7.2%
Health & Hospitals	$1,877,026,687	$2,230,531,942	$2,305,552,644	$75,020,702	3.4%
Children & Family Services	$150,781,500	$147,268,113	$138,665,467	($8,602,646)	(5.8%)
Natural Resources	$5,461,231	$7,321,470	$12,095,265	$4,773,795	65.2%
Revenue	$61,864	$0	$1,375,682	$1,375,682	0.0%
Environmental Quality	$484,712	$495,377	$495,377	$0	0.0%
LA Workforce Commission	$8,207,733	$8,163,582	$8,163,120	($462)	(0.0%)
Wildlife & Fisheries	$0	$0	$0	$0	0.0%
Civil Service	$4,039,201	$4,681,679	$5,301,966	$620,287	13.2%
Retirement	$0	$8,044,399	$0	($8,044,399)	(100.0%)
Higher Education	$980,259,306	$535,447,121	$935,011,852	$399,564,731	74.6%
Special Schools & Comm.	$37,970,934	$40,641,893	$40,354,037	($287,856)	(0.7%)
Elem. & Secondary Ed	$3,331,778,732	$3,478,079,011	$3,489,854,549	$11,775,538	0.3%
Health Care Srvc. Division	$19,261,831	$7,612,504	$3,860,659	($3,751,845)	(49.3%)
Other Requirements	$475,472,971	$496,264,384	$487,459,160	($8,805,224)	(1.8%)
General Appropriation Total	**$7,663,590,937**	**$7,771,799,447**	**$8,322,889,450**	**$551,090,003**	**7.1%**
Ancillary	$1,189,181	$0	$0	$0	0.0%
Judiciary	$142,862,434	$147,338,908	$155,338,908	$8,000,000	5.4%
Legislative	$69,210,424	$69,263,933	$73,352,811	$4,088,878	5.9%
Capital Outlay - Cash Portion	$55,161,067	$0	$0	$0	0.0%
Other Approp. Bills' Total	**$268,423,106**	**$216,602,841**	**$228,691,719**	**$12,088,878**	**5.6%**
Non-Approp. Required	**$414,643,038**	**$595,119,396**	**$206,170,216**	**($388,949,180)**	**(65.4%)**
Grand Total	**$8,346,657,081**	**$8,583,521,684**	**$8,757,751,385**	**$174,229,701**	**2.0%**

(1) Budgeted as of June 30, 2014.

(2) Appropriated in Act 15 of 2014 Regular Session. Does not include carry-forward BA-7s.

INTERAGENCY TRANSFERS BY DEPARTMENT (TABLE 4)

DEPARTMENT	Actual FY 13	Budgeted FY 14 (1)	Appropriated FY 15 (2)	Dollar Change	Percent Change
Executive	$238,828,340	$408,931,157	$113,611,229	($295,319,928)	(72.2%)
Veterans Affairs	$1,188,382	$1,407,771	$1,310,979	($96,792)	(6.9%)
State	$262,250	$358,578	$347,730	($10,848)	(3.0%)
Justice	$28,370,803	$40,424,316	$21,928,340	($18,495,976)	(45.8%)
Lt. Governor	$106,945	$325,000	$325,000	$0	0.0%
Treasury	$1,658,255	$1,628,452	$1,628,452	$0	0.0%
Public Service Commisson	$0	$0	$0	$0	0.0%
Agriculture & Forestry	$7,487,406	$1,200,445	$636,945	($563,500)	(46.9%)
Insurance	$0	$150,423	$0	($150,423)	(100.0%)
Economic Development	$841,438	$1,150,793	$2,400,000	$1,249,207	108.6%
Culture, Rec. & Tourism	$3,657,138	$7,094,455	$5,755,462	($1,338,993)	(18.9%)
Transp. & Development	$8,423,993	$7,311,950	$11,910,000	$4,598,050	62.9%
Corrections Services	$5,834,394	$6,117,314	$16,532,536	$10,415,222	170.3%
Public Safety Services	$33,494,039	$45,002,408	$37,636,571	($7,365,837)	(16.4%)
Youth Services	$15,907,560	$23,133,660	$17,049,959	($6,083,701)	(26.3%)
Health & Hospitals	$344,798,360	$456,776,521	$431,818,561	($24,957,960)	(5.5%)
Children & Family Services	$18,615,261	$9,365,899	$16,058,417	$6,692,518	71.5%
Natural Resources	$14,000,836	$25,162,206	$23,294,491	($1,867,715)	(7.4%)
Revenue	$200,412	$821,300	$750,000	($71,300)	(8.7%)
Environmental Quality	$1,404,612	$2,251,869	$500,000	($1,751,869)	(77.8%)
LA Workforce Commission	$3,006,347	$2,222,766	$1,836,339	($386,427)	(17.4%)
Wildlife & Fisheries	$10,387,278	$15,759,443	$6,875,185	($8,884,258)	(56.4%)
Civil Service	$16,620,071	$16,793,378	$10,644,189	($6,149,189)	(36.6%)
Retirement	$0	$0	$0	$0	0.0%
Higher Education	$297,275,177	$128,139,894	$33,798,908	($94,340,986)	(73.6%)
Special Schools & Comm.	$24,941,299	$24,454,895	$23,535,239	($919,656)	(3.8%)
Elem. & Secondary Ed	$493,410,502	$391,024,943	$250,824,482	($140,200,461)	(35.9%)
Health Care Srvc. Division	$324,212,648	$55,403,076	$40,589,668	($14,813,408)	(26.7%)
Other Requirements	$44,618,938	$45,295,774	$45,295,774	$0	0.0%
General Approp. Total	**$1,939,552,684**	**$1,717,708,686**	**$1,116,894,456**	**($600,814,230)**	**(35.0%)**
Ancillary	$283,235,878	$283,187,794	$567,318,719	$284,130,925	100.3%
Judiciary	$0	$10,436,500	$10,436,500	$0	0.0%
Legislative	$0	$0	$0	$0	0.0%
Capital Outlay - Cash Portion	$59,252,586	$26,787,724	$417,841,541	$391,053,817	1459.8%
Other Approp. Bills' Total	**$342,488,464**	**$320,412,018**	**$995,596,760**	**$675,184,742**	**210.7%**
Non-Approp. Required	**$0**	**$0**	**$0**	**$0**	**0.0%**
Grand Total	**$2,282,041,148**	**$2,038,120,704**	**$2,112,491,216**	**$74,370,512**	**3.6%**

(1) Budgeted as of June 30, 2014.

(2) Appropriated in Act 15 of 2014 Regular Session. Does not include carry-forward BA-7s.

SELF GENERATED REVENUE BY DEPARTMENT (TABLE 5)

DEPARTMENT	Actual FY 13	Budgeted FY 14 (1)	Appropriated FY 15 (2)	Dollar Change	Percent Change
Executive	$139,077,638	$136,988,374	$179,407,090	$42,418,716	31.0%
Veterans Affairs	$14,864,950	$16,423,557	$16,440,486	$16,929	0.1%
State	$20,969,150	$28,546,514	$24,787,577	($3,758,937)	(13.2%)
Justice	$3,146,759	$9,284,869	$6,706,990	($2,577,879)	(27.8%)
Lt. Governor	$8,850	$10,000	$10,000	$0	0.0%
Treasury	$7,757,281	$8,772,860	$9,022,947	$250,087	2.9%
Public Service Commisson	$0	$0	$0	$0	0.0%
Agriculture & Forestry	$6,742,470	$6,687,210	$8,914,481	$2,227,271	33.3%
Insurance	$26,963,383	$28,358,862	$30,822,786	$2,463,924	8.7%
Economic Development	$2,198,115	$3,710,281	$3,509,272	($201,009)	(5.4%)
Culture, Rec. & Tourism	$28,733,731	$32,159,154	$26,289,673	($5,869,481)	(18.3%)
Transp. & Development	$40,327,033	$24,605,008	$26,175,937	$1,570,929	6.4%
Corrections Services	$39,661,940	$42,753,421	$39,137,897	($3,615,524)	(8.5%)
Public Safety Services	$126,408,809	$128,813,585	$157,616,046	$28,802,461	22.4%
Youth Services	$376,000	$959,528	$775,487	($184,041)	(19.2%)
Health & Hospitals	$94,468,728	$241,115,582	$211,393,974	($29,721,608)	(12.3%)
Children & Family Services	$14,139,485	$17,795,316	$17,795,316	$0	0.0%
Natural Resources	$46,959	$345,875	$345,875	$0	0.0%
Revenue	$81,456,962	$94,020,406	$103,868,503	$9,848,097	10.5%
Environmental Quality	$30,359	$105,000	$90,000	($15,000)	(14.3%)
LA Workforce Commission	$25,147	$272,219	$272,219	$0	0.0%
Wildlife & Fisheries	$11,986,641	$9,925,686	$10,001,843	$76,157	0.8%
Civil Service	$691,935	$792,112	$874,637	$82,525	10.4%
Retirement	$0	$0	$0	$0	0.0%
Higher Education	$1,145,792,798	$1,285,917,051	$1,367,693,220	$81,776,169	6.4%
Special Schools & Comm.	$2,435,291	$2,600,635	$3,067,633	$466,998	18.0%
Elem. & Secondary Ed	$28,593,387	$63,966,178	$57,693,111	($6,273,067)	(9.8%)
Health Care Srvc. Division	$104,566,228	$11,723,879	$81,773,639	$70,049,760	597.5%
Other Requirements	$5,671,625	$8,761,908	$9,443,474	$681,566	7.8%
General Appropriation Total	**$1,947,141,654**	**$2,205,415,070**	**$2,393,930,113**	**$188,515,043**	**8.5%**
Ancillary	$1,338,274,611	$1,460,038,708	$1,391,117,380	($68,921,328)	(4.7%)
Judiciary	$0	$0	$0	$0	0.0%
Legislative	$21,136,648	$23,379,566	$24,954,064	$1,574,498	6.7%
Capital Outlay - Cash Portion	$92,568,382	$121,618,184	$112,642,000	($8,976,184)	(7.4%)
Other Approp. Bills' Total	**$1,451,979,641**	**$1,605,036,458**	**$1,528,713,444**	**($76,323,014)**	**(4.8%)**
Non-Approp. Required	**$0**	**$4,563,971**	**$0**	**($4,563,971)**	**(100.0%)**
Grand Total	**$3,399,121,295**	**$3,815,015,499**	**$3,922,643,557**	**$107,628,058**	**2.8%**

(1) Budgeted as of June 30, 2014.

(2) Appropriated in Act 15 of 2014 Regular Session. Does not include carry-forward BA-7s.

STATUTORY DEDICATIONS BY DEPARTMENT (TABLE 6)

DEPARTMENT	Actual FY 13	Budgeted FY 14 (1)	Appropriated FY 15 (2)	Dollar Change	Percent Change
Executive	$253,792,580	$362,071,936	$164,112,809	($197,959,127)	(54.7%)
Veterans Affairs	$114,970	$115,528	$115,528	$0	0.0%
State	$1,994,226	$2,086,078	$514,078	($1,572,000)	(75.4%)
Justice	$10,209,407	$18,905,641	$13,822,465	($5,083,176)	(26.9%)
Lt. Governor	$0	$0	$0	$0	0.0%
Treasury	$460,812	$9,557,212	$1,788,554	($7,768,658)	(81.3%)
Public Service Commisson	$8,617,853	$9,198,657	$9,745,801	$547,144	5.9%
Agriculture & Forestry	$29,012,844	$32,918,175	$32,680,146	($238,029)	(0.7%)
Insurance	$1,293,744	$1,417,204	$1,503,505	$86,301	6.1%
Economic Development	$19,386,854	$26,494,412	$19,666,033	($6,828,379)	(25.8%)
Culture, Rec. & Tourism	$11,131,194	$10,590,923	$14,477,492	$3,886,569	36.7%
Transp. & Development	$460,425,000	$529,210,586	$504,348,904	($24,861,682)	(4.7%)
Corrections Services	$54,000	$54,000	$54,000	$0	0.0%
Public Safety Services	$190,051,623	$285,024,851	$196,778,030	($88,246,821)	(31.0%)
Youth Services	$129,192	$172,000	$172,000	$0	0.0%
Health & Hospitals	$697,095,246	$718,473,482	$880,342,076	$161,868,594	22.5%
Children & Family Services	$2,735,372	$1,547,121	$1,799,544	$252,423	16.3%
Natural Resources	$27,233,876	$37,678,540	$23,669,253	($14,009,287)	(37.2%)
Revenue	$1,690,264	$4,597,928	$702,807	($3,895,121)	(84.7%)
Environmental Quality	$81,497,565	$98,093,547	$105,683,910	$7,590,363	7.7%
LA Workforce Commission	$90,359,698	$97,225,256	$102,551,094	$5,325,838	5.5%
Wildlife & Fisheries	$84,280,968	$107,790,983	$112,421,639	$4,630,656	4.3%
Civil Service	$1,891,432	$1,883,799	$2,064,432	$180,633	9.6%
Retirement	$0	$0	$6,000,000	$6,000,000	0.0%
Higher Education	$189,463,892	$589,803,711	$196,171,912	($393,631,799)	(66.7%)
Special Schools & Comm.	$23,345,141	$24,026,808	$24,605,725	$578,917	2.4%
Elem. & Secondary Ed	$274,555,861	$276,844,925	$306,766,379	$29,921,454	10.8%
Health Care Srvc. Division	$312,000,000	$20,000,000	$0	($20,000,000)	(100.0%)
Other Requirements	$185,652,048	$247,570,451	$236,200,420	($11,370,031)	(4.6%)
General Appropriation Total	**$2,958,475,662**	**$3,513,353,754**	**$2,958,758,536**	**($554,595,218)**	**(15.8%)**
Ancillary	$87,656,445	$121,000,000	$121,000,000	$0	0.0%
Judiciary	$6,307,618	$9,797,469	$10,222,822	$425,353	4.3%
Legislative	$5,972,461	$10,000,000	$10,001,063	$1,063	0.0%
Capital Outlay - Cash Portion	$991,143,684	$877,130,296	$1,119,224,014	$242,093,718	27.6%
Other Approp. Bills' Total	**$1,091,080,208**	**$1,017,927,765**	**$1,260,447,899**	**$242,520,134**	**23.8%**
Non-Approp. Required	**$108,663,024**	**$133,663,024**	**$105,300,000**	**($28,363,024)**	**(21.2%)**
Grand Total	**$4,158,218,894**	**$4,664,944,543**	**$4,324,506,435**	**($340,438,108)**	**(7.3%)**

(1) Budgeted as of June 30, 2014.

(2) Appropriated in Act 15 of 2014 Regular Session. Does not include carry-forward BA-7s.

INTERIM EMERGENCY BOARD FUNDS DISTRIBUTED BY DEPARTMENT (TABLE 7)

DEPARTMENT	Actual FY 13	Budgeted FY 14 (1)	Appropriated FY 15 (2)	Dollar Change	Percent Change
Executive	$600,825	$852,108	$0	($852,108)	(100.0%)
Veterans Affairs	$0	$0	$0	$0	0.0%
State	$0	$0	$0	$0	0.0%
Justice	$0	$0	$0	$0	0.0%
Lt. Governor	$0	$0	$0	$0	0.0%
Treasury	$0	$0	$0	$0	0.0%
Public Service Commisson	$0	$0	$0	$0	0.0%
Agriculture & Forestry	$0	$0	$0	$0	0.0%
Insurance	$0	$0	$0	$0	0.0%
Economic Development	$0	$0	$0	$0	0.0%
Culture, Rec. & Tourism	$0	$0	$0	$0	0.0%
Transp. & Development	$0	$0	$0	$0	0.0%
Corrections Services	$0	$0	$0	$0	0.0%
Public Safety Services	$0	$0	$0	$0	0.0%
Youth Services	$0	$0	$0	$0	0.0%
Health & Hospitals	$0	$0	$0	$0	0.0%
Children & Family Services	$0	$0	$0	$0	0.0%
Natural Resources	$0	$0	$0	$0	0.0%
Revenue	$0	$0	$0	$0	0.0%
Environmental Quality	$0	$0	$0	$0	0.0%
LA Workforce Commission	$0	$0	$0	$0	0.0%
Wildlife & Fisheries	$0	$0	$0	$0	0.0%
Civil Service	$0	$0	$0	$0	0.0%
Retirement	$0	$0	$0	$0	0.0%
Higher Education	$0	$0	$0	$0	0.0%
Special Schools & Comm.	$0	$0	$0	$0	0.0%
Elem. & Secondary Ed	$0	$0	$0	$0	0.0%
Health Care Srvc. Division	$0	$0	$0	$0	0.0%
Other Requirements	$0	$0	$0	$0	0.0%
General Appropriation Total	**$600,825**	**$852,108**	**$0**	**($852,108)**	**(100.0%)**
Ancillary	$0	$0	$0	$0	0.0%
Judiciary	$0	$0	$0	$0	0.0%
Legislative	$0	$0	$0	$0	0.0%
Capital Outlay - Cash Portion	$746,684	$0	$0	$0	0.0%
Other Approp. Bills' Total	**$746,684**	**$0**	**$0**	**$0**	**0.0%**
Non-Approp. Required	**$0**	**$0**	**$0**	**$0**	**0.0%**
Grand Total	**$1,347,509**	**$852,108**	**$0**	**($852,108)**	**(100.0%)**

(1) Budgeted as of June 30, 2014.

(2) Appropriated in Act 15 of 2014 Regular Session. Does not include carry-forward BA-7s.

FEDERAL FUNDS BY DEPARTMENT (TABLE 8)

DEPARTMENT	Actual FY 13	Budgeted FY 14 (1)	Appropriated FY 15 (2)	Dollar Change	Percent Change
Executive	$2,070,583,929	$2,614,261,278	$1,995,099,801	($619,161,477)	(23.7%)
Veterans Affairs	$33,499,765	$35,079,427	$36,992,479	$1,913,052	5.5%
State	$211,198	$0	$0	$0	0.0%
Justice	$5,176,127	$7,614,491	$7,834,414	$219,923	2.9%
Lt. Governor	$3,852,810	$5,509,255	$5,509,255	$0	0.0%
Treasury	$0	$0	$0	$0	0.0%
Public Service Commisson	$79,794	$422,609	$0	($422,609)	(100.0%)
Agriculture & Forestry	$5,654,016	$7,716,818	$8,009,901	$293,083	3.8%
Insurance	$790,683	$1,841,684	$1,841,684	$0	0.0%
Economic Development	$1,990,634	$12,074,982	$400,000	($11,674,982)	(96.7%)
Culture, Rec. & Tourism	$6,689,794	$7,689,230	$7,148,260	($540,970)	(7.0%)
Transp. & Development	$14,100,364	$26,761,411	$26,761,411	$0	0.0%
Corrections Services	$1,434,554	$1,480,697	$1,480,697	$0	0.0%
Public Safety Services	$37,540,891	$48,058,258	$47,603,624	($454,634)	(0.9%)
Youth Services	$891,796	$891,796	$891,796	$0	0.0%
Health & Hospitals	$5,290,029,000	$5,550,575,038	$5,695,242,832	$144,667,794	2.6%
Children & Family Services	$482,829,108	$607,161,603	$603,791,279	($3,370,324)	(0.6%)
Natural Resources	$64,833,326	$32,116,834	$21,591,834	($10,525,000)	(32.8%)
Revenue	$511,398	$883,007	$328,792	($554,215)	(62.8%)
Environmental Quality	$17,385,767	$22,789,400	$21,747,803	($1,041,597)	(4.6%)
LA Workforce Commission	$148,868,062	$169,624,992	$167,610,604	($2,014,388)	(1.2%)
Wildlife & Fisheries	$26,775,848	$71,552,652	$76,055,543	$4,502,891	6.3%
Civil Service	$0	$0	$0	$0	0.0%
Retirement	$0	$0	$0	$0	0.0%
Higher Education	$152,181,160	$122,522,536	$101,532,604	($20,989,932)	(17.1%)
Special Schools & Comm.	$46,826	$105,086	$105,086	$0	0.0%
Elem. & Secondary Ed	$1,042,130,114	$1,119,796,778	$1,086,978,470	($32,818,308)	(2.9%)
Health Care Srvc. Division	$74,212,868	$18,219,006	$4,800,336	($13,418,670)	(73.7%)
Other Requirements	$5,005,908	$4,181,260	$4,181,260	$0	0.0%
General Appropriation Total	**$9,487,305,740**	**$10,488,930,128**	**$9,923,539,765**	**($565,390,363)**	**(5.4%)**
Ancillary	$0	$0	$0	$0	0.0%
Judiciary	$0	$0	$0	$0	0.0%
Legislative	$0	$0	$0	$0	0.0%
Capital Outlay - Cash Portion	$33,640,422	$30,961,512	$106,957,022	$75,995,510	245.5%
Other Approp. Bills' Total	**$33,640,422**	**$30,961,512**	**$106,957,022**	**$75,995,510**	**245.5%**
Non-Approp. Required	**$0**	**$0**	**$0**	**$0**	**0.0%**
Grand Total	**$9,520,946,162**	**$10,519,891,640**	**$10,030,496,787**	**($489,394,853)**	**(4.7%)**

(1) Budgeted as of June 30, 2014.

(2) Appropriated in Act 15 of 2014 Regular Session. Does not include carry-forward BA-7s.

FOOTNOTES

Executive – The $19.4 M SGF increase is due to the IT consolidation initiative (Office of Technology Services) and the mechanism by which the Division of Administration (DOA) chose to illustrate the change. The majority of the SGR increase is due to the increase of program income within various hurricane disaster programs for FY 15. The decrease in Federal funds is primarily due to a reduction of excess federal budget authority in the Community Development Block Grant (CDBG) Program, Disaster Recovery Unit (DRU) in the amount of approximately $520 M.

State – The increase in SGF is due to an additional $1.5 M for the State's portion of merits and training series for employees of the Registrar of Voters Offices; and $9.5 M due to election expenses for 2 statewide elections (open primary and general/congressional). The decrease in SGR is attributed to BA-7s approved ($4 M) in May 2014 for reimbursement of local election expenses in the latter part of FY 14. The decrease in statutorily dedicated funding is due to the replacement of $1.6 M from the Help Louisiana Vote Fund with SGF for the Election and Information Network (ERIN).

Justice – The increase in SGF is primarily related to a means of financing swap which increased SGF by $4.6 M and decreased the Overcollections Fund by a like amount. The $4.6 M is used to continue the Civil Law program operations. The reduction in SGR is related to Mortgage Settlement/Chinese Drywall monies in the amount of $3.2 M being used in the Supplemental Bill.

Treasury – The decrease in statutorily dedicated revenues is due to a reduction in funding authority from the Geaux Pass Transition Fund.

Economic Development – The total means of financing decreased by $15.6 M (26.6%) primarily due to non-recurring carry forward BA-7s from FY 14. Specifically, these carry forward BA-7s included $7.1 M in Statutory Dedications funding from the Rapid Response Funds and $6.7 M in Federal funds.

Public Safety Services – The increase in SGF is due to an additional $4.4 M that is to be used for salary and related benefits increases for the Office of State Police. Troopers will receive $2.58 M in salary increases and $1.85 M to cover the increase in related benefits. The majority of the $28.8 M increase in SGR for DPS is related to $18 M for a state trooper pay raise as a result of revenues generated through Act 641 of 2014.

Natural Resources – The increase in SGF is primarily related to a means of financing swap increasing SGF by $4.5 M and decreasing the statutorily dedicated Oil & Gas Regulatory Fund by $2 M and decreasing the statutorily dedicated Minerals & Operations Fund by $2.5 M. The funds were reduced based on FY 15 revenue projects and SGF is needed to maintain the services provided by the department from the funds.

Civil Service – The $6.1 M decrease in IAT is primarily attributable to the transfer of the Division of Administrative Law from Civil Service to Ancillary Appropriations (Schedule 21). The $620,287 increase in SGF and $82,525 increase in SGR are both primarily due to the transfer of the Board of Tax Appeals to Civil Service from the Executive.

Retirement Systems – The decrease in SGF is a result of one-time funding from the FY 13 surplus for the LA State Employees' Retirement System ($2.5 M) and the Teachers' Retirement System of LA ($5.5 M) to make a payment to each system's unfunded accrued liability in FY 14.

Health Care Services Division – The total appropriation to the LSU Health Care Services Division (HCSD) in FY 15 increased by $18.1 M total MOF, or 16% above FY 14 levels. During FY 14, the Executive Administration & General Support Program was moved off budget and brought back on budget in FY 15. It includes a recommendation of $77.4 M in SGR associated with services provided to private partner hospitals as well as utilization of approximately $40 M in cash reserve funds. HCSD additionally received an IAT budget authority increase of $10 M to receive a SGF transfer from DHH to address legacy costs such as retiree group insurance premiums. These increases in budget authority were offset by non-recurring items funded in FY 14: $20 M appropriation from the Overcollections Fund due to one-time termination pay expenses incurred during the transition to the public/private hospitals partnership model during FY 14 and funding associated with the expenditures of 2 privatized hospitals in FY 15; eliminating $22.3 M total MOF budget authority for W.O. Moss Regional Medical Center; and $27 M total MOF budget authority for the Washington – St. Tammany Regional Medical Center.

Ancillary – The increase in funding is primarily attributed to an increase in IAT ($284.1 M) and a decrease in SGR ($68.9 M) due to the transfer of Donald J. Thibodaux Training Academy to Schedule 8 B (DC&PS, Public Safety Services); creation and transfer of the Office of Technology Services to Ancillary Appropriations; and reductions in the Office of Group Benefits.

Capital Outlay – The increase in capital outlay allocation is primarily attributed to an increase in IAT ($391.1 M), Statutory Dedications ($242.1.3 M) and Federal funds ($76 M); and a $9 M reduction in SGR.

ONE-TIME FUNDING FOR FY 15

House Rule 7.19 One-Time Money List: Pursuant to House Rule 7.19, the Legislative Fiscal Office (LFO) submits a report to the House of Representatives indicating whether an appropriation bill appropriates one-time money for ordinary recurring expenses. Pursuant to HR 7.19(C)(2), *the threshold calculation is the difference between the FY 15 SGF forecast of $8,682.6 B and FY 16 SGF forecast of $8,921.8 B, which equates to a $239.2 M threshold.* Based upon the HR 7.19, no more than $239.2 M of HR 7.19 defined one-time money can be in the FY 15 budget. The following table includes a detailed listing of all components considered in the LFO decision-making process to determine HR 7.19 defined one-time money and potential financing needs in FY 16. The LFO provided the following list along with a description of the changes that occurred as a result of Act 419 and a discussion of the financing decisions that will have to be made in FY 16 as a result of the structure of the FY 15 budget.

TABLE 9

Act 646 Resources (Funds Bill)		
Various Fund Sweeps		
Community Water Enrichment Fund	$777,318	
DOJ Debt Collection Fund	$90,375	
DOJ Legal Support Fund	$191,558	
DHH Facility Support Fund	$238	
DNA Testing Post-Conviction Relief for Indigent Fund	$1,773	
Employment Security Administration Account	$3,850,189	
FEMA Reimbursement Fund	$35,375	
Fish & Wildlife Violations Reward Fund	$679	
Hazardous Waste Site Cleanup Fund	$2,681,729	
Health Care Facility Fund	$267,900	
LA Interoperability Communications Fund	$17,329	
LA Help Our Wildlife Fund	$496	
Marketing Fund	$24,064	
Medical & Allied Health Professional Education Scholarship & Loan Fund	$187	
Small Business Surety Bonding Fund	$409,144	
2% Fire Insurance Fund	$1,544,046	
UNO Slidell Technology Park	$111	
Variable Earnings Transaction Fund	$19,892	
Payments Toward the UAL Fund	$12,570,426	
Riverboat Gaming Enforcement Fund	$18,600,000	
Various Fund Sweeps Total	*$41,082,829*	
LA Housing Corporation	$25,000,000	
Self Insurance Fund	$34,000,000	
DOA Excess SGR and Excess Collections from LPAA & Aircraft Services	$43,850,000	
Interest Earned from Recoupment of Underground Storage Tank Settlements	$9,000,000	
SGF Reversions	$13,067,171	
LDR Fraud Initiative Resources	$32,000,000	
Debt Recovery Fund	$10,000,000	
Pharmaceutical Legal Settlement (Act 420 of 2013 - Funds Bill)	$106,000,000	
Go Zone Bond Repayment (Act 420) (Morial Convention Center Debt Payoff)	$25,528,429	
Sub-Total		***$339,528,429***
Historically Designated Non-Recurring Resources		
RLS 2012 Rescinded Capital Outlay Projects (previously funded with SGF)	$20,154,310	
FY 13 Prior Year SGF Surplus	$160,887,965	
Sub-Total		***$181,042,275***
Expiring Resources		
Medicaid Trust Fund for the Elderly	$233,734,602	
Mortgage Settlement Monies (DOJ SGR)	$4,563,971	

TOPS Fund (Tobacco Refinance)	$22,000,000	
2013 Tax Amnesty Fund (Phases I & II)	$156,539,178	
SGF Savings (Executive Order Freezes) & SGF Reductions in Act 55	$7,438,153	
LA Health Insurance High Risk Pool	$20,000,000	
FY 14 Bond Premium (February 2014)	$34,212,631	
LA Lottery Reserves	$9,000,000	
Sub-Total		***$487,488,535***
Act 25 (Capital Outlay Appropriations)		
WISE Initiative (Non-Recurring Overcollections Fund Resources)	$11,000,000	
Sub-Total		***$11,000,000***
Federal Resources		
CDBG Program SGR Income Generated from Federal Funds (WISE Initiative)	$12,150,000	
Sub-Total		***$12,150,000***
Total		***$1,020,209,239***
Less: One-time Expenditures	($287,257,030)	
Less: Act 419 Funds/SGR	($412,273,780)	
Less: REC Deemed Recurring Overcollections Fund Resources	($247,000,000)	
Less: Federal Resources	($12,150,000)	
Less: Act 25 (Capital Outlay Appropriation	($11,000,000)	
Total HR 7.19 Exceptions		***($969,680,810)***
Total HR 7.19 One-Time Money *		***$50,528,429***
*HR 7.19 Threshold (per latest adopted revenue forecast – 5/2014)***		*$239,200,000*
Amount (Under)/Over Threshold		**($188,671,571)**

* Itemized HR 7.19 Defined One-Time Monies:

LA Health Plan Health Insurance High Risk *(Transferred to Mega-Project Development Fund)*	$16,000,000		
Go Zone Bond Repayment Debt Balance Payoff		$25,528,429	
LA Lottery Reserves		$9,000,000	
Total HR One-Time Money			$50,528,429

Note: *Based on Act 15, Act 646 and Act 55, there was $50,528,429 of one-time money allowable by HR 7.19 in Act 15, which could be overstated depending upon whether health insurance high risk pool funds ($16 M) and GO Zone Bond payoff funds ($25.5 M) are included in the Mega-Project Development Fund and Overcollections Fund REC forecast.*

Act 419 of 2013: The Revenue Estimating Conference (REC) began comprehensively incorporating Statutory Dedications and SGR into the revenue forecast at the 1/15/2014 meeting. Virtually all monies associated with these additions to the forecast were designated as recurring revenue. The only exception to this was the designation of $67 M of FY 15 Overcollections Fund resources as non-recurring. The specific non-recurring resources are reflected in Table 10. ***Note:*** *Other non-recurring items include FY 13 Prior Year Surplus ($160.9 M) and Prior Year rescinded capital outlay projects ($20.2 M).* The REC recognized total non-recurring revenue of $132 M, though the LA Housing Corporation figure was subsequently reduced from $40 M to $25 M and the $50 M from the New Orleans Convention Center was removed in adopted HAC amendments to Act 646.

TABLE 10	
Non-Recurring Items	**SGF**
LDR Fraud Initiative	$32 M
LA Housing Corporation	$25 M
Office of Debt Recovery	$10 M
Total	**$67 M**

Table 11 below provides specific Overcollections Fund resources received in FY 14 but supporting the FY 15 budget, the majority of which has been designated recurring by the REC.

TABLE 11	
Recurring Items	**SGF**
Various Fund Sweeps	$41.1 M
DOA SGR	$7.9 M
LPAA (State Surplus Property) SGR	$3.7 M
SGF Reversions	$1.03 M
Pharmaceutical Settlements	$106.0 M
Interest from Underground Storage Tank Legal Settlements	$9.0 M
Sinking Fund for Major Repairs & Equipment Purchases (State Bldgs.)	$25.0 M
Office of Aircraft Services SGR	$0.3 M
Office Facilities Corporation	$25.0 M
Risk Management Self Insurance Fund	$34.0 M
Go Zone Bond Repayment *	$0.3 M
Total	**$272.5 M**

**Act 15 includes $25.5 M of resources being deposited into the Overcollections Fund from paying off GO Zone Bonds. This specific item may have been included in the Overcollections Fund total presented to the REC at its May 2014 meeting, but an itemized listing of the fund's components was not presented for REC consideration.*

FY 16 Replacement Financing Decision List: Although HR 7.19 contains a definition of "one-time money," the rule itself is not indicative of the significant financing decisions that will have to be made in FY 16 relative to the structure of FY 15 budget. Due to this issue, the LFO is not only providing the HR 7.19 list to comply with the House Rule, and a list of the significant potential FY 16 financing replacements as a result of the FY 15 budget. Table 12 below provides a description of resources being utilized in FY 15 that will likely require another revenue source in FY 16.

TABLE 12

Programs	*Potential Financing Replacement in FY 16 (millions)*	*FY 15 Funding Sources*
MVP – Overcollections Fund	$266.3	REC recurring Overcollections Fund – funds sweeps, various DOA SGR resources, Pharmaceutical Settlements, Self Insurance Fund, and Go Zone Bond Repayments.
MVP – Medicaid Trust Fund for the Elderly	$233.7	Monies will be exhausted in FY 15 and other resources will have to be identified in FY 16.
MVP – 2013 Tax Amnesty Fund	$156.5	Remaining Phase I and projected Phase II resources. Phase III collections could be utilized to replace a portion of these Medicaid expenditures, though the specific amount of Phase III collection is indeterminable at this time. Phase 2 collections are anticipated to be approximately $100 M.
Advanced Debt Payment (SGF)	$210.0	REC non-recurring revenues and other revenues – LA Housing Corporation ($25 M), DOJ mortgage settlement funds (($4.6 M), SGF savings/reductions included in Act 55 ($7.4 M) along with FY 13 prior year surplus and FY 12 rescinded capital outlay projects are being utilized to fund the advance debt payment. The use of these resources frees up SGF that would otherwise have been utilized on GO bond debt payments. This budget mechanism is essentially a way to get non-recurring resources into the state's budget.

Bond Premium (SGF	$34.2	In FY 14, the state sold GO bonds that generated a bond premium. Much like the advanced debt payment discussed above, utilizing these resources reduces the amount of SGF allocated for debt payments. This resource basically frees up a like amount of SGF to expend elsewhere in the FY 15 budget.
Department of Revenue	$20.0	SGF need due to exhausting all retained SGR proceeds from the Tax Amnesty Program.
TOPS Fund	$22.0	Remaining proceeds from the Tobacco Refinancing. These funds will have to be replaced in FY 16 from the TOPS Fund in the TOPS Program.
Health Insurance High Risk Pool	$16.0	Senate Finance Committee amendment provided for the remaining proceeds from the LA Health Insurance High Risk Pool to be transferred to the Mega-Project Development Fund once the plan has paid all of its current obligations. This risk pool is no longer needed due to Affordable Care Act (ACA) requirements. These funds are utilized to pay economic development obligations in lieu of utilizing SGF.
WISE Fund	$23.2	$12.15 M of CDBG Program Income and $11 M of non-recurring Overcollections Fund resources are being utilized to fund the WISE Initiative (Act 803) for FY 15. Utilizing these resources likely requires a State Action Plan amendment approval by HUD. These resources will have to be replaced in FY 16 as Act 803 contemplates an annual program with at least $40 M of appropriated resources obligated for this initiative.
LA Lottery Reserves	$9.0	Senate Floor amendment to Act 646 provides for the LA Lottery Corporation to transfer $9 M of its reserves to the State Treasury for deposit into the LA Mega-Project Development Fund. These funds are utilized to pay economic development obligations in lieu of utilizing SGF.
Potential November Bond Sale	?	FY 15 budget anticipates a $300 M bond sale that is expected to require SGF for debt service in FY 16, the amount of which will depend on the final structure of the bonds. Level debt 5% over 20 years places this amount at $24 M in principal and interest for FY 16.
Total	**$990.9**	

NUMBER OF POSITIONS BY DEPARTMENT (TABLE 13)

DEPARTMENT	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Budgeted 2013-14	Approp. 2014-15 (h)	Change 2013-14 to 2014-15
Executive	2,361	1,951	2,046	2,064	2,114	2,327	2,187	2,146	2,311	2,262	2,182	2,777	1,999	(778)
Veterans Affairs (a)	0	410	556	554	642	830	809	816	825	830	835	839	840	1
State	283	229	285	290	328	348	342	337	335	317	317	315	313	(2)
Justice	456	431	516	509	524	531	521	507	503	480	474	472	467	(5)
Lt. Governor	9	9	13	13	14	28	28	25	11	8	8	7	7	0
Treasury	55	56	60	60	60	65	66	63	61	59	58	57	54	(3)
Public Service Commissio	134	122	122	122	122	122	94	103	97	97	97	97	97	0
Agriculture & Forestry	831	822	831	805	798	829	785	710	685	644	625	582	555	(27)
Insurance	273	273	277	277	280	289	281	274	267	265	263	258	253	(5)
Economic Development	100	101	100	99	100	119	131	131	128	124	122	116	114	(2)
Culture, Rec., & Tourism	694	693	734	768	773	785	787	770	694	630	633	633	623	(10)
Transp. & Development	5,280	5,271	5,154	5,137	4,998	4,872	4,837	4,704	4,524	4,494	4,322	4,233	4,228	(5)
Corrections Services	8,039	6,423	6,352	6,113	6,172	6,517	6,124	5,985	5,761	5,284	4,853	4,740	4,703	(37)
Public Safety Services	2,872	2,940	2,854	2,837	2,844	2,936	2,889	2,812	2,862	2,675	2,681	2,483	2,495	12
Youth Services (b)	0	1,492	1,362	1,310	1,277	1,358	1,275	1,187	1,111	1,056	990	986	969	(17)
Health & Hospitals (c)	12,780	12,857	12,274	12,078	12,064	12,324	11,634	11,322	9,247	8,458	6,718	5,776 (c)	5,669	(107)
Children & Family Service	5,515	5,323	5,269	5,193	5,169	5,242	5,057	4,595	4,389	4,082	3,960	3,617	3,540	(77)
Natural Resources	491	496	508	494	495	507	510	508	380	380	367	361	347	(14)
Revenue	977	942	929	928	934	947	877	819	820	802	792	738	726	(12)
Environmental Quality	1,002	1,018	1,021	1,020	986	994	933	933	847	805	762	701	691	(10)
LA Workforce Commissio	1,206	1,208	1,208	1,196	1,107	1,091	1,063	1,263	1,219	1,191	1,155	993	952	(41)
Wildlife & Fisheries	792	786	797	798	795	802	800	783	775	775	777	773	747	(26)
Civil Service	181	176	175	174	167	172	187	189	212	212	213	213	161	(52)
Retirement Systems (d)	290	306	307	307	307	358	357	357	356	356	340	339	336	(3)
Higher Education (e)	33,143	34,400	35,024	34,117	33,115	34,489	35,231	34,082	34,697	27,703	24,866	20,472	19,972	(500)
Special Schools & Comm.	1,045	1,045	1,073	1,051	979	875	868	806	774	750	748	730	731	1
Dept. of Education	1,037	1,022	900	831	818	857	747	739	682	654	596	534	482	(52)
Health Care Srvc Division	0	0	0	0	0	0	0	0	7,215 (f)	6,929	6,329	331 (g)	331	0
Approp. Bill Total	**79,846**	**80,802**	**80,747**	**79,145**	**77,982**	**80,614**	**79,420**	**76,966**	**81,788**	**72,322**	**66,083**	**54,173**	**52,402**	(1,771)
Ancillary Bill	958	837	966	968	958	984	956	801	815	711	516	402	1,105	703
Total with Ancillary	**80,804**	**81,639**	**81,713**	**80,113**	**78,940**	**81,598**	**80,376**	**77,767**	**82,603**	**73,033**	**66,599**	**54,575**	**53,507**	(1,068)

(a) FY 04 is Veterans Affairs first fiscal year as a department.

(b) Act 7 of 2004 created Youth Services as an independent organizational unit in the Department of Public Safety & Corrections.

(c) In FY 14 the Office of Behavioral Health, Office of Public Health and Office for Citizens with Developmental Disabilities realized a reduction in positions.

(d) Funding for Retirement Systems operating budgets are no longer appropriated. Figures reflect positions budgeted by the systems.

(e) Colleges and universities do not have authorized position numbers prior to FY 11. Higher education positions prior to FY 11 are from Civil Service reports showing the number of filled full-time equivalent positions. The reduction in positions in Higher Education for FY 14 is a result of the public/private partnerships with E.A. Conway Medical Center, Huey P. Long Medical Center, and LSU Shreveport.

(f) FY 11 is the first year all MOF & T.O. within HCSD were included in Executive Budget & general appropriations bill.

(g) In FY 14 HCSD eliminated positions due to the annualization of FY 13 mid-year cuts (1,251) and the privatization of public hospitals at the end of FY 13 (4,747)

(h) Act 15 of 2014 (HB 1) includes the number of Other Charges positions within each Schedule #, however the numbers listed are exclusive of those positions (1,886).

(TABLE 14)

Capital Outlay Appropriation
Act 25 of 2014

Means of Finance Category	Appropriation Less Vetoed Items
Cash Section	
State General Fund (Direct)	$0
Interagency Transfers	$417,841,541
Self-Generated Revenues	$112,642,000
Statutory Dedications	
Coastal Protection & Restoration Fund	$277,821,418
Conservation Fund	$4,936,276
Enforcement Emergency Situation Account	$50,000
Fire Marshal Fund	$3,400,000
Rockefeller Wildlife Refuge & Game Preserve Fund	$10,610,400
Russell Sage Fund #2	$3,500,000
State Hwy Improvement Fund	$18,900,000
Transportation Trust Fund - Regular	$94,734,140
Transportation Trust Fund - Federal	$693,515,000
WISE Fund	$11,000,000
Total Statutory Dedications	**$1,119,224,014**
Federal Funds	$106,957,022
Reappropriated Cash	$13,622,939
Reappropriated Interest Earnings	$0
Revenue Bonds	$185,875,000
TOTAL CASH SECTION	**$1,956,162,516**
General Obligation Bond Section	
Priority 1	$1,548,346,100
Priority 2	$445,385,800
Priority 3	$0
Priority 4	$0
Priority 5	$1,943,550,000
TOTAL GENERAL OBLIGATION BONDS	**$3,937,281,900**
Bonds NRP/RBP	**$66,740,048**
Act 25 of 2014	**$5,960,184,464**

TABLE 15

Capital Outlay Bill
Three-Year Comparison

Cash Section	Act 23 of 2012 FY 13	Act 24 of 2013 FY 14	Act 25 of 2014 FY 15	Difference FY 14 to 15
General Fund	$1,300,000	$0	$0	$0
Reappropriated Cash	$33,679,742	$19,894,500	$13,622,939	($6,271,561)
Interagency Transfer	$28,177,455	$25,347,724	$417,841,541	$392,493,817
Self-Generated Revenues	$87,064,480	$113,833,489	$112,642,000	($1,191,489)
Federal (Includes TTF-Federal)	$762,894,987	$731,731,462	$800,472,022	$68,740,560
Transportation Trust Fund (TTF-Regular)	$183,605,906	$90,872,190	$94,734,140	$3,861,950
Tran. Infra. Model for Econ. Dev. (TIMED)	$0	$0	$0	$0
Other Statutory Dedication	$86,687,778	$73,791,400	$330,974,874	$257,183,474
Revenue Bonds	$177,950,000	$165,950,000	$185,875,000	$19,925,000
Reappropriations of Interest Earnings	$849,193	$134,348	$0	($134,348)
Total Cash Section	**$1,362,209,541**	**$1,221,555,113**	**$1,956,162,516**	**$734,607,403**
General Obligation (G. O.) Bond Section				
Priority I	$1,540,715,000	$1,721,470,000	$1,548,346,100	($173,123,900)
Priority II	$277,435,000	$351,125,000	$445,385,800	$94,260,800
Priority III	$14,500,000	$0	$0	$0
Priority IV	$0	$0	$0	$0
Priority V	$1,156,290,000	$1,386,390,000	$1,943,550,000	$557,160,000
Total G. O. Bond Section	**$2,988,940,000**	**$3,458,985,000**	**$3,937,281,900**	**$478,296,900**
NRP/RBP *	$3,689,311	$10,455,700	$66,740,048	$56,284,348
Total Capital Outlay Bill Less Vetoes	**$4,354,838,852**	**$4,690,995,813**	**$5,960,184,464**	**$1,269,188,651**

Notes:
The Capital Outlay Appropriations for each year above are net of items vetoed by the Governor.
The Federal means of finance category includes Federal Funds and Transportation Trust Funds-Federal.

*NRP (Not Requiring a Priority) is the allocation of previously sold bonds.
*RBP (Reimbursement Bond Proceeds) is the appropriation of funding made available from prepayments of reimbursement bond contracts.

Section III

FISCAL ACTIONS

2014 REGULAR SESSION

TABLE 16

Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

2014 Regular Session

Instrument	Description	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	SESSION ACTIONS - REVENUE						
Individual Income Tax							
Act 424 Regular Session HB 780	Expands potential participation in the School Tuition Organization Rebate Program by allowing students currently particpating in the Student Scholarship voucher program to switch to the rebate program.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Severance Tax							
Act 658 Regular Session HB 712	Currently interest is paid on refunds for horizontal drilling and deep well severance tax suspension programs at the judicial interest rate. The bill will pay interest on these refunds at the 6-month U.S. Treasury rate when paid within 180 days of claimed, and at the judicial rate for any days over 180 days. Effect is to retain more of gross collections.		$2,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000
Unclaimed Property							
Act 588 Regular Session SB 603	Provides a process for the treasury to liqidate U.S. savings bonds and incorporate the receipts into the unclaimed property program.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
	Total Adjustments To Major State Tax, License And Fee Estimates	**$0**	**$2,000,000**	**$4,000,000**	**$4,000,000**	**$4,000,000**	**$4,000,000**
	SESSION ACTIONS - DEDICATIONS						
Casino Support Services Fund							
Act 167 Regular Session HB 389	Dedicates land-based casino gaming tax receipts to this new fund if a support services contract is approved by the Joint Legislative Committee on the Budget. Since all casino gaming tax reeipts are already dedicated, largely to the SELF fund, this new special fund gains deposits at the expense of the SELF fund. Total dedications are unaffected.	Support Services SELF	$3,600,000 ($3,600,000)	$3,600,000 ($3,600,000)	$3,600,000 ($3,600,000)	$3,600,000 ($3,600,000)	$3,600,000 ($3,600,000)
Workforce and Innovation for a Stronger Economy Fund (WISE) **Competitive Core Growth Fund (CCG)** **Science, Technology, Engineering, and Math Upgrade Fund (STEM)**							
Act 803 Regular Session HB 1033	Commits $40 M per year to the WISE Fund, but does not specifiy funding sources, and conditions that committment on annual appropriation by the legisalture. For FY 15, financing for the initiative/program is provided via $11 M transferred into the WISE Fund from the Overcollections Fund in HB 1026 (the Funds bill), $12.15 M appropriated to the Board of Regents via interagecny transfer from the Community Development Block Grant Program (pending a HUD action plan amendment approval) in HB 1, and $16.85 M of state general funds appropriated to the Board of Regents in HB 1. For FY 16 and beyond, the ongoing nature of the WISE initiative/program suggests an annual genral fund obligation, unless an alternative financing structure is implemented.		Budgeted From: General Fund OverCollections Fund CDBG Program Funds	$40,000,000	$40,000,000	$40,000,000	$40,000,000

TABLE 16

Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

2014 Regular Session

Instrument	Description	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Act 646 Regular Session HB 1026	Annually allocate 15.25% of the deposits into the WISE Fund to the CCG Fund, conditioned upon appropriation by the legislature. This would amount to $6.1 M of a $40 M deposit to the WISE Fund, but only $1.68 M of a $11 M deposit.		Annually Allocated From The WISE Fund, Subject To Annual Appropriation By The Legislature				
	Annually allocate 5% of the deposits into the WISE Fund to the STEM Fund, conditioned upon appropriation by the legislature. This would amount to $2 M of a $40 M deposit to the WISE Fund, but only $0.55 M of a $11 M deposit.		Annually Allocated From The WISE Fund, Subject To Annual Appropriation By The Legislature				
Reactivization of Stabilization Fund Mineral Revenue Deposits							
Act 646 Regular Session HB 1026	Current statutory provisions that prohibit excess mineral revenues from being diverted into the Budget Stabilization Fund and away from the SGF terminate on 7/1/2015 (FY 16). This bill terminates that provision 2 years later on 7/1/2017 (FY 18). The bill also dedicates at least $25 M per year to the Fund. For FY 15, $25 M is allocated to the Fund from anticipated Overcollections Fund resources officially designated as nonrecurring. For FY 16 and FY 17, the official forecast anticipates allocations from the state general fund. FY 18 estimated general fund exposure is based on the current mineral revenue forecasts and balance of the Stabilization Fund. Once filled to its maximum in FY 18, no further diversions occur unless the calculated maximum balance increases and/or a withdrawal from the fund occurs.			$25,000,000	$25,000,000	$270,600,000	
Deepwater Horizon Economic Damages Collection Fund							
Act 646 Regular Session HB 1026	Establishes this new fund to receive the proceeds of the settlement, judgement, or final disposition of the state's economic damages claims asserted in the DWH litigation. Allocates 45% of receipts to the Budget Stabilization Fund up to its maximum,45% to the Medicaid Trust Fund for the Elderly up to $700 million,=, and 10% to the Health Trust Fund up to $30 million. Expires at the later of the conclusion of the litigation or July 1, 2024.		Potential Increase	Potential Increase	Potential Increase	Potential Increase	Potential Increase
	Adjustments To Dedications of Major State Tax, License, and Fee Estimates	**$0**	**$0**	**$65,000,000**	**$65,000,000**	**$310,600,000**	**$40,000,000**
	TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST	**$0**	**$2,000,000**	**($61,000,000)**	**($61,000,000)**	**($306,600,000)**	**($36,000,000)**
	OTHER ITEMS OF INTEREST						
Tax Amnesty, Phase II, Fall 2014, FY15 Budget							
Act 822 Regular Session HB 663	Modifies the 2014 and 2015 phases of the current law three year tax amnesty program. The 2014 phase now has same taxpayer incentives as the 2013 phase did (waive 100% of penalties and 50% of interest). In the 2015 phase, 33% of penalties and 17% of interest are now waived. Six month installment payments are now allowed, but payment with credits is disallowed. Collections are highly uncertain.		INCREASE	DECREASE			

TABLE 16

Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

2014 Regular Session

Instrument	Description	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Deepwater Horizon Economic Damages Collection Fund							
Act 646 Regular Session HB 1026	Establishes this new fund to receive the proceeds of the settlement, judgement, or final disposition of the state's economic damages claims asserted in the DWH litigation. Allocates 45% of receipts to the Budget Stabilization Fund up to its maximum,45% to the Medicaid Trust Fund for the Elderly up to $700 M,=, and 10% to the Health Trust Fund up to $30 M. Expires at the later of the conclusion of the litigation or 7/1/2024.		Potential Increase	Potential Increase	Potential Increase	Potential Increase	Potential Increase
Debt Recovery Fund							
Act 646 Regular Session HB 1026	Establishes this new fund to receive monies collected by the centralized debt collection program initiated in 2013 (Act 399), involving the Revenue Dept, the Attorney General, and other state agencies. To the extent some portion of these receipts would otherwise be collected as normal baseline collections, this Fund's receipts would represent a dedication of revenue collections. However, some portion of the program's receipts may also be new receipts not otherwise likely to be collected.		Potential Increase	Potential Increase	Potential Increase	Potential Increase	Potential Increase
	ACT 419 FUNDS and FEES						
	STATUTORY DEDICATIONS						
Insurance Verification System Fund							
Act 641 Regular Session HB 872	Increases various auto insurance reinstatement fees and dedicates the additioal receipts to the newly created fund. Effective 7/1/2014.		$52,000,000	$52,000,000	$52,000,000	$52,000,000	$52,000,000
Utility and Carrier Inspection and Supervision Fund							
Act 848 Regular Session HB 1249	Increases fees on certain motor carriers and public utilities, while exemption from fees nonprofit water utilty cooperatives. Fee changes are approximate dollar-for-dollar offsets of some $250,000, resulting in no overall change in the Fund's receipts. Effective 1/1/2015.		$250,000 ($250,000)	$250,000 ($250,000)	$250,000 ($250,000)	$250,000 ($250,000)	$250,000 ($250,000)
Sex Offender Registry Technology Fund							
Act 631 Regular Session HB 637	Allows more of collections to be retained by the Fund for support of the Attorney General's operations, at the expense of distribution to local sheriffs.		$100,000	$100,000	$100,000	$100,000	$100,000
Litter Abatement and Education Account							
Act 100 Regular Session HB 1075	Expands base of defined litter and increases litter penalty fees.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Saltwater Fish Research and Conservation Fund							
Act 804 Regular Session HB 1082	Increases fee for resident saltwater fishing licenses, for four years.		$1,988,000	$1,988,000	$1,988,000	$1,988,000	$0

TABLE 16

Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

2014 Regular Session

Instrument	Description	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Office of Motor Vehicles Drivers License Escrow Fund **Office of Motor Vehicles Handling Fee Escrow Fund**							
Act 807, 765 Regular Session HB 1252, 807 SB 582, 765	Changes current 4-year drivers license periods to 6-years. Creates special funds to capture fee revenue increases in first 4-years of renewal cycle in order to be available to fund OMV operations in the last 2-years of the renewal cycle. Effective 7/1/2015.		$0	$10,100,000	$10,100,000	$10,100,000	$10,100,000
Fishermen's Gear Compensation Fund **Underwater Obstruction fund**							
Act 755 Regular Session SB 395	Exempts political subdivisions from the fee charged for right of way grants and mineral leases. The Fund is terminated 6/30/2018 (FY 19). The Underwater Obstruction Fund loses receipts in FY 19 and beyond since it receives transfers from the Compensation Fund.		($41,000)	($41,000)	($41,000)	($41,000)	($1,100,000)
Concealed Handgun Permit Fund							
Act 614 Regular Session HB 280	Reduces the fee for a concealed handgun permit for armed forces members who are active, reserve, or veterans.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Fiscal Administrator Revolving Loan Fund							
Act 735 Regular Session SB 118	Creates a new special fund to make loans to qualified political subdivisions. No funding source for the new fund is specified in the bill.		No Funding Source	No Funding Source	No Funding Source	No Funding Source	No Funding Source
Overcollections Fund Program Participation Savings Account							
Acts 778, 779, 780 Regular Session SB 655, 656, 657	These bills each create a special account within the Overcollections Fund to effectively receive the dollar amount of donations authorized by each bill. The bills authorize directed donations to participating school entities for students receiving TOPS Scholarships and Go Grants, Student Scholarships for Educational Excellence, and the LA 4 Early Childhood Program, respectively. State support for these programs is offset by the donations, and that amount of state support is deposited into the newly created Program Participation Savngs Account in the Overcollections Fund for use elsewhere in the state budget.		Potential Increase	Potential Increase	Potential Increase	Potential Increase	Potential Increase
	SELF-GENERATED REVENUE						
Act 13 Regular Session HB 433	Allows the Board of Regents to charge a $1,500 application fee to proprietary schools offering online instruction pursuant to reciprocity agreements with other states. Effective upon governor's signature.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 56 Regular Session HB 344	Reduces hunting and fishing license fees to surviving spouses of members of the armed forces who are killed in action in a combat zone.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 222 Regular Session HB 1072	Reduces hunting and fishing license fees to retired members of the armed forces.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE

TABLE 16

Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

2014 Regular Session

Instrument	Description	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Act 63 Regular Session HB 428	Repeals refund provisions for candidates qualifying fees.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 405 Regular Session HB 154	Adds an initial filing fee to all civil cases, courts of appeal, and civil & traffic matters, to defray costs of the LA Judicial College.		$650,000	$650,000	$650,000	$650,000	$650,000
Act 46, HB 257 Act 11, HB 323 Act 76, HB 563 Act 131, SB 7	Fees and roylaties associated with prestige license plates: Louisiana Golf Association Down Syndrome Awareness Mount Carmel Academy Sci-Port Discovery Center in Shreveport		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 802 Regular Session HB 1020	Adds reinstatement fee for removed license plates.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 160 Regular Session HB 316	Exempts single axle 2-wheel trailers from inspection requirements and fees.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 273 Regular Session HB 1238	Adds various passenger vehicles to the requirement for a "For Hire" license plate.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 720 Regular Session SB 580	Allows the Fourth Circuit Court of Appeal to chare a filing fee certain civil motions to defray the costs of the court.		$21,100	$21,100	$21,100	$21,100	$21,100
Act 117 Regular Session SB 254	Modifies licensing of insurers offering travel lines of insurance.		($13,750)	($13,750)	($13,750)	($13,750)	($13,750)

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

<table>
<tr><th>Sch. #</th><th>Dept.</th><th>Agency</th><th>Explanation</th><th>SGF</th><th>Total</th><th>T. O.</th></tr>
<tr><td>00 - 00</td><td>Statewide</td><td>Statewide</td><td>Provides funding ($13,139,882 SGF, $1,879,519 IAT, $2,172,930 SGR and $3,285,126 Federal) for a 5% increase in OGB premiums for its members that will cost the state $24.2 M ($13.1 M SGF) and will increase the amount paid by its members. According to the Division of Administration (DOA), the 5% increase in premiums will result in a total revenue increase to the OGB in the amount of $56.2 M. The DOA anticipates the $56.2 M to come from: State agencies ($24.2 M), participating employees ($9.4 M) and participating school boards ($22.6 M). OGB collected approximately $1.2 B in revenues in calendar year 2013 of which 98% was attributed to premiums. OGB receives its funding from employee contributions (state employees & participating local public school employees) and employer contributions (state agencies & school boards). The additional revenues will be utilized to pay for medical claims payments and administrative costs. Based upon the OGB's calendar year 2013 financials, the agency expends approximately 6% of its total revenue collections on administrative costs and the remaining 94% on medical claims payments.

For FYs 13 & 14, the budget has included a premium decrease (7.11% in August 2012 and 1.77% in August 2013) that has resulted in fewer revenues available for OGB to expend, which has been one of many contributing factors to OGB's fund balance decreasing from approximately $524.6 M in April 2011 to $244.9 M as of December 2013.</td><td>$13,139,882</td><td>$24,185,376</td><td>0</td></tr>
<tr><td>00 - 00</td><td>Statewide</td><td>Statewide</td><td>Provides funding ($26,520,407 SGF, $7,581,304 IAT, $5,423,358 SGR, $12,921,177 Statutory Dedications and $7,674,569 Federal) for state employee performance adjustments for classified ($57,562,236) and unclassified ($2,558,579) employees. Note: This increase does not include Higher Education as Act 15 does not specifically delineate an amount of any potential performance adjustments for Higher Education in FY 15.</td><td>$26,520,407</td><td>$60,120,815</td><td>0</td></tr>
<tr><td>00 - 00</td><td>Statewide</td><td>Statewide</td><td>Provides funding ($35.5 M SGF, $7.2 M IAT, $10.5 M SGR, $34.4 Statutory Dedications and $17.3 M Federal) for LA State Employees' Retirement System (LASERS), Teachers Retirement System of LA (TRSL), and LA State Police Retirement System (STPOL) due to increased employer contribution rates. These increases include a base adjustment for LASERS and TRSL at a cost of $11.8 M and a projected employer contribution rate increase for LASERS, TRSL and STPOL at a cost of $93.1 M. The increase for LASERS, TRSL and STPOL is $89.8 M, $0.5 M, and $2.8 M, respectively. Note: Higher Education is excluded from the cost estimates above. The FY 15 rates have not been approved by the Public Retirement Systems Actuarial Committee (PRSAC) and are subject to change.

<table>
<tr><th>System</th><th>FY 14 Rate</th><th>FY 15 Rate</th><th>Increase</th></tr>
<tr><td>LASERS</td><td>31.7%</td><td>37.4%</td><td>5.7%</td></tr>
<tr><td>TRSL</td><td>27.1%</td><td>27.7%</td><td>0.6%</td></tr>
<tr><td>STPOL</td><td>70.0%</td><td>75.3%</td><td>5.3%</td></tr>
</table></td><td>$35,551,933</td><td>$104,936,261</td><td>0</td></tr>
<tr><td></td><td></td><td></td><td>Major Increases or Enhancements for Statewide</td><td>$75,212,222</td><td>$189,242,452</td><td>0</td></tr>
</table>

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 107	Executive	Division of Administration	Additional SGR budget authority due to the opening of the Northeast LA State Office Building and Office of Public Health (OPH) Lab in FY 15. The additional $3.25 M is anticipated rent collections from various agencies occupying these state facilities. DHH will occupy the OPH Lab while agency agreements with the Northeast LA State Office Building have not yet been finalized.	$0	$3,251,304	0
01 - 107	Executive	Division of Administration	Increases SGR (Disaster Recovery Program income) for various programs in FY 15. Approximately $1.85 M will be utilized on housing, agriculture and economic revitalization of which a portion will be allocated to the Recovery Workforce Facilities Program at Southwest LA Technical Community College (SOWELA). The remaining $12.15 M will be directed to the WISE Fund. Program income is derived from the operation of the original HUD grant funds and can only be expended according to the requirements of the CDBG Program. According to the DRU, these specific funds were generated by the Farm & Agribusiness Recovery Programs (Gustav/Ike Recovery Programs).	$0	$14,000,000	0
01 - 107	Executive	Division of Administration	Increases SGR funding in the CDBG Program for Road Home Revitalization & Agricultural efforts.	$0	$32,965,286	0
01 - 109	Executive	Coastal Protection & Restoration	Increases funding from the statutorily dedicated Coastal Protection & Restoration Fund for the Department of Wildlife & Fisheries' Nutria Herbivory Survey. The survey, prepared annually, provides information on areas of wetlands damaged by nutrias and the impact the Nutria Control Program has on each area and whether it has improved or deteriorated.	$0	$89,720	0
01 - 111	Executive	Homeland Security & Emergency Prep	Provides funding from CDBG monies for Hazard Mitigation Pilot Reconstruction Project grant funds. GOSHEP currently administers the FEMA Pilot Reconstruction Program, which provides funding to eligible homeowners for expenditures related to the demolition and the reconstruction of buildings (including homes) as a result of hurricanes Katrina and Rita. Impacted individuals are allowed to receive up to $150,000 in grant funding from GOSHEP's Hazard Mitigation Grant Program and another $50,000 from these CDBG funds for the total maximum grant funds of $200,000 for demolition and reconstruction.	$0	$6,157,835	0
01 - 112	Executive	Military Department	Provides SGR funding for the following: **$38,800** - Increase due to 10 new 1,700 square feet residential homes at Camp Minden, which became occupied in December 2013. The original source of the SGR is from rental payments from home occupants, which will be utilized to pay for the maintenance and utilities of the homes. According to the Military Department, these are the only homes available at Camp Minden and were originally built with federal hurricane recovery funds. **$17,297** - Increase in the U.S. Marshals Lease Agreement of 1 year on Camp Beauregard. Military Department facilities are being leased by the U.S. Marshals. The lease agreement is based upon the consumer price index (CPI). According to the lease extension, the new lease rate will be based on CPI of July 2013, which results in additional rental expenditure increase of $17,297. **$33,200** - Increase in various maintenance costs associated with maintaining Esler Regional Airport, which is a joint civil/military airport. The facility consists of 1,200 acres, 4 runways and navigational aids. The SGR resources come from various tenants including businesses, military operations and private/corporate aviation.	$0	$89,297	0
01 - 112	Executive	Military Department	Additional federal funding and 1 maintenance position at the Intermediate Staging Base at England Airpark in Alexandria. This position will provide electrical and welding support at various site installations.	$0	$43,000	1

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 112	Executive	Military Department	Annualizes funding ($61,114 SGF and $61,114 Federal) for the operating cost at the Camp Minden Readiness Center. During the FY 14 budget development process, $120,458 ($60,229 SGF and $60,229 Federal) was added to the department's budget for the operations of the center. The total projected annual cost to operate the facility is $242,686 of which $120,458 is included in FY 14 and the remaining $122,228 is included in the FY 15 budget. This facility was originally funded under the FFY 2011 Federal Army National Guard budget. The state is responsible for the operating expenditures associated with the center. The costs incurred for the center will be federally reimbursed via the Sustainment, Restoration (SRM) Cooperative Agreement, which is 50% federal and 50% state.	$61,114	$122,228	0
01 - 112	Executive	Military Department	Increases IAT from the Department of Education, Food & Nutrition Program. This federal program is administered by the Department of Education (DOE). The DOE reimburses the Military Department for the cost of meals served to cadets (Youth Challenge Program). Included within the IAT agreement is a 5% rate increase per cadet, which equates to an additional $177,283 for FY 15. The FY 14 anticipated costs for food is approximately $1.1 M. The current year costs are based upon a per meal per cadet as follows: $1.89 breakfast, $2.65 lunch and $0.80 snack.	$0	$177,283	0
01 - 112	Executive	Military Department	Provides federal funding to the Military Affairs Program to support debt service obligations. The department's FY 15 debt obligation is anticipated to be $3,807,698. Total funding in FY 15 is $3,807,698 ($2,842,637 + $965,061).	$0	$965,061	0
01 - 112	Executive	Military Department	Provides additional SGF for the Youth Challenge Activity in the Education Program due to an increase in funding by the National Guard Bureau. The SGF will be utilized as state match to draw down approximately $2.1 M in Federal funds. The National Guard Bureau has increased the cost per cadet formula from $15,000 to $17,000. The department anticipates the $700,000 being allocated as follows: personal services ($125,000), operating services ($350,000) and supplies ($225,000). Total funding in FY 15 is $5,978,723 SGF for the Youth Challenge Activity.	$700,000	$700,000	0
01 - 112	Executive	Military Department	Increases funding associated with the U.S. Department of Defense transition support and to help establish necessary infrastructure for the operating environment.	$750,000	$750,000	0
01 - 116	Executive	LA Public Defender Board	Increases funding from the statutorily dedicated LA Public Defender Fund for legal fees associated with the "Angola Five" defendants sentenced to death last year. Total funding for FY 15 is $479,500. Prior year actuals "Angola Five" expenditures include: FY 12 - $177,182, FY 13 - $278,631 and FY 14 - $147,932 (expended through February 2014).	$0	$79,500	0
01 - 124	Executive	LA Stadium & Exposition District	Increases funding ($2,184,727 SGR and $2,078,826 Statutory Dedications) to pay for ongoing contractual obligations of the district as well as maintenance costs of the Mercedes-Benz Superdome and Smoothie King Center. Specific statutorily dedicated fund increases include: $800,000 New Orleans Sports Franchise Assistance Fund, $838,826 Sports Facility Assistance Fund, $100,000 New Orleans Sports Franchise Fund and $340,000 LSED License Plate Fund.	$0	$4,263,553	0
01 - 124	Executive	LA Stadium & Exposition District	Provides additional Statutory Dedications budget authority for contractual obligations of the district. The increase is from the New Orleans Sports Franchise Fund ($2.2 M) and Sports Facility Assistance Fund ($200,000).	$0	$2,400,000	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 129	Executive	LA Commission on Law Enforcement	Increases federal funding for the following new grants from the U.S. Department of Justice. The award amounts are for only one year. The National Instant Criminal Background Check System (NICS) discretionary grant in the amount of $1,128,631 is to improve the data quality of criminal history records and reporting of mental health records by increasing the number of courts reporting felony convictions and mental health records, providing standardized charge code files for use statewide by District Attorneys, and establish a NICS Records Improvement Task Force to work with DHH to begin reporting legacy mental health information. Improving the Completeness of Firearms Background Checks discretionary grant in the amount of $670,180 will be used by State Police and the LA Supreme Court to create an interface framework to connect their respective databases and to enable each of the 48 city and municipal court systems in LA to upgrade their record management systems to allow the uploading of charges and disposition information to the state databases.	$0	$1,798,811	0
01 - 129	Executive	LA Commission on Law Enforcement	Increases funding from the statutorily dedicated Crime Victims Reparation Fund as a result of increased carryover amount. The funds will be used to increase Peace Officer Standards Training (P.O.S.T.) program mandated activities of basic, correctional and advance Peace Officer training.	$0	$200,000	0
01 - 129	Executive	LA Commission on Law Enforcement	Increases funding from the statutorily dedicated Innocence Compensation Fund by $498,000. There are currently 20 individuals that are owed compensation. Of the 20 individuals, 19 are owed $25,000 and 1 individual is owed $23,424 for a total of $498,424 (19 individuals x $25,000 + $23,424).	$0	$498,000	0
01 - 129	Executive	LA Commission on Law Enforcement	Increases SGF and adds 1 position to provide law enforcement training for human trafficking. The funding and position is pursuant to Act 564 of 2014, which creates the crime of unlawful purchase of commercial sexually exploited children and provides for penalties. In addition, the legislation also requires the Council on Peace Officer Standards & Training to provide a training for law enforcement agencies in addressing human trafficking.	$250,000	$250,000	1
01 - 133	Executive	Elderly Affairs	Increases funding for the Parish Councils on Aging (PCOA). Funds to the PCOAs are discretionary and can be used for administrative cost or services. In the 2007 Legislative Session, the PCOA formula set the minimum per parish funding at $37,500 and the maximum level of $100,000. In FY 15, total funding for the PCOAs is $7,927,918. The $5 M increase may be distributed equally among the 64 PCOAs ($78,125 per parish) or added to the PCOA formula.	$5,000,000	$5,000,000	0
01 - 255	Executive	Financial Institutions	Increases SGR for various increases in operating services. Those expenditure increases are as follows: $1,500 - printing brochures, $65,000 - annual maintenance of the STAR "commercial off-the-shelf" (COTS) solution which is the financial regulatory system, which will complete migration from the Microsoft Visual FoxPro System, $9,150 - licensing software, $2,268 - dues & subscriptions increase (news clipping service cost increase), $920 - postage, $4,200 - data lines & internet circuits and $5,580 - various communication services.	$0	$88,618	0
			Major Increases or Enhancements for Executive	**$6,761,114**	**$73,889,496**	**2**

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
03 - 130	Veterans' Affairs	Dept. Veterans' Affairs	Increases funding ($152,217 SGF and $42,000 Federal) for operational costs of SE LA State Veterans Cemetery in Slidell. The cemetery opened in June 2014 with a staff of 4. Once the cemetery becomes operational, the T.O. will increase from 4 to 8, similar to the other state cemeteries. The additional T.O. added would be 4 horticultural attendants. The cost of salaries and related benefits for these 4 T.O. would be approximately $152,000. The federal funding is a result of the department being reimbursed $700 by the U.S. Department of Veterans Affairs for each burial.	$152,217	$194,217	4
03 - 131	Veterans' Affairs	LA War Veterans' Home	Increases funding ($22,179 SGR and $29,800 Federal) to pay for a medicare billing contract ($29,800) and the cost of the internal auditor position ($22,179) which is shared by all 5 veteran's homes. The medicare billing contractor provides billing service to receive medicare payments and private insurance payments. The home has an IAT agreement with the Northeast LA War Veterans Home to cover the salary and benefits for the internal audit position.	$0	$51,979	0
03 - 135	Veterans' Affairs	Northwest LA War Veterans' Home	Increases funding ($8,046 SGR and $21,754 Federal) to pay for a medicare billing contract. The medicare billing contractor provides billing service to receive medicare payments and private insurance payments.	$0	$29,800	0
03 - 135	Veterans' Affairs	Northwest LA War Veterans' Home	Increases projected collections of resident fees associated with care & maintenance ($103,000 SGR) and increase in the daily per diem from the Federal Veterans Administration ($90,000 Federal) for increased costs associated with pharmaceutical, X-ray and lab work.	$0	$193,000	0
			Major Increases or Enhancements for Veterans' Affairs	**$152,217**	**$468,996**	**4**
04a - 139	State	Secretary of State	Increases funding for election expenses, including ballot printing. Adjustment includes funding in the amount of $8,707,075 for actual election expenses and $758,516 for ballot printing. The increase is due to two statewide elections, including an open primary (11/04/2014) and a general/congressional election (12/06/2014). In addition to the statewide elections, there are scheduled dates for a municipal primary (03/28/2015) and municipal general (05/02/2015) elections. The total budget for scheduled elections is $16.9 M, which includes the cost of ballot printing.	$9,465,591	$9,465,591	0
04a - 139	State	Secretary of State	Provides additional SGR funding for the Commercial Online Registration Application (CORA) System. All files located online will be mobile enabled. Also, additional documents and filing types will be available online. Notary address changes and duplicate Corporation amendment certificates will be added.	$0	$460,000	0
04a - 139	State	Secretary of State	Provides SGR funding for the One-Stop Shop Portal project. This is a joint project with the LA Workforce Commission (LWC) and the LA Department of Revenue (LDR) to streamline businesses filing paperwork in order to do business in LA. The portal is funded by filing and annual reporting fee increases in the Commercial Program according to Act 316 of 2013. The SOS is in the process of awarding a vendor the contract to begin development of the portal with an anticipated go-live date of 2/1/2015. Projected expenditures include the following: consulting services for application development and ongoing maintenance ($1,975,750); consulting services for each department to retrofit new system in current environment ($105,000); software ($14,328); Corporations Section telecommunications support including 2 job appointments ($121,338); and up to 3 WAE (when actually employed) positions formerly employed by LDR and LWC to assist with program development ($159,450).	$0	$2,375,866	0
04a - 139	State	Secretary of State	Provides SGF for the state's portion (50%) of merits and training series for employees of the Registrar of Voters Offices. R.S. 18:59 requires the Secretary of State to pay 50% of merits for classified employees in registrars offices. Of the $1,531,012, $655,467 is for retirement base adjustment and $875,545 is for merit and step increases for employees of the registrar of voters offices.	$1,531,012	$1,531,012	0
			Major Increases or Enhancements for State	**$10,996,603**	**$13,832,469**	**0**

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b - 141	Justice	Attorney General	Increase in SGR corrects a technical error that occurred during the FY 14 budget process. At the January JLCB meeting, a BA-7 in the amount of $3.48 M was approved to correct the error. The adjustment is not mentioned in the Existing Operating Budget (EOB) as a result of the EOB freeze date set as of 12/1/2013. This adjustment maintains the proper level of budget authority in the Civil Program based on the approved BA-7.	$0	$3,480,272	0
04b - 141	Justice	Attorney General	Increases IAT ($184,833), SGR ($312,011) and funding from the statutorily dedicated Insurance Fraud Investigation Fund ($14,704) to meet legal services provided by the Attorney General to various state and non-state agencies. IAT is received from state agencies and SGR is received from non-state agencies (boards and commissions). These agencies and boards and commissions pay the Attorney General to provide legal services throughout the year.	$0	$511,548	0
04b - 141	Justice	Attorney General	Adds one positions to the Criminal Law & Medicaid Fraud Program due to Act 631 of 2014. The department has the funds available in the statutorily dedicated Sex Offender Technology Registry Fund to pay for the position and expenses in the amount of $100,000.	$0	$0	1
			Major Increases or Enhancements for Justice	**$0**	**$3,991,820**	**1**
04d - 147	Treasury	State Treasury	Increases funding from the statutorily dedicated Crescent City Amnesty Refund (CCAR) Fund pursuant to Act 762 of 2014. Act 762 transfers $128,681 from the Crescent City Connection Transition Fund into the CCAR Fund. All funds transferred into the CCAR Fund will be distributed as unclaimed property through 6/30/2015 and the balance will be appropriated to specified purposes on 7/1/2015. Pursuant to Act 274 of 2013, DOTD established a toll violation amnesty program for all persons alleged to have failed to pay a toll on the Crescent City Connection Bridge prior to 1/1/2013. At that time, outstanding toll violations in this category totaled to $351,926 and outstanding fines/penalties totaled to $9.4 M. Anyone availing themselves of the amnesty program during the period of 8/1/2013 to 10/1/2013 would fulfill all payment obligations by paying the toll violation alone with the fines/penalties being forgiven.	$0	$128,681	0
			Major Increases or Enhancements for Treasury	**$0**	**$128,681**	**0**
04g - 165	Insurance	Commissioner of Insurance	Provides for an increase in SGR budget authority for professional services for the Office of Financial Solvency-Financial Examinations to add self-insurance groups, the LA Citizens Property Corporation and the Office of Group Benefits to the current examination schedule. Act 794 of 2010 added group self-insurance funds to the current examination schedule, but limited resources prevented the Office of Financial Solvency from fully complying with the Act. As per current practice, the company examined pays the cost of conducting the examination. The increased funding level will bring the Commissioner of Insurance into compliance with statutory requirements with regard to the examination of insurance companies at least once in every 5-year period.	$0	$380,000	0
			Major Increases or Enhancements for Insurance	**$0**	**$380,000**	**0**

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
05 - 251	Economic Development	Office of Secretary	Increases IAT for the LA FastStart Program to recruit high demand occupations such as engineering and information technology. The source of the IAT funds are Federal funds from the Community Development Block Grant (CDBG) Program.	$0	$2,400,000	0
05 - 251	Economic Development	Office of Secretary	Increases SGF for the LA FastStart Program to fund training associated with the CGI project in Lafayette. CGI, an information technology and business process services firm, selected the University of LA at Lafayette's Research Park for the establishment of a technology center that will create 400 direct jobs.	$500,000	$500,000	0
05 - 252	Economic Development	Business Development	Provides federal funding for LA's Master Plan for International Commerce from the U. S. Department of Commerce Economic Development Administration Award to LED.	$0	$200,000	0
05 - 252	Economic Development	Business Development	Provides funding for economic development in support of communities that are impacted by the mission and population fluctuations at military installations affected by the Federal Base Realignment and Closure Commission including, but not limited to, Fort Polk, Barksdale Air Force Base, the Naval Air Station Joint Reserve Base and Marine Forces Reserve located in Belle Chasse.	$525,000	$525,000	0
			Major Increases or Enhancements for Economic Development	**$1,025,000**	**$3,625,000**	**0**
06 - 262	Culture, Recreation & Tourism	State Library	Increases funding from the statutorily dedicated Overcollections Fund for state aid to public libraries. State aid is used to strengthen public libraries in the areas of technology and collections. Traditionally, funding for state aid has been included in the State Library's budget, but this funding was removed 2 years ago due to reductions in SGF. In FY 12, approximately $736,335 in SGF was allocated to the Office of State Library for state aid to public libraries.	$0	$1,400,000	0
06 - 265	Culture, Recreation & Tourism	Cultural Development	Provides IAT funding from the Department of Education for CODOFIL.	$0	$300,000	0
06 - 267	Culture, Recreation & Tourism	Tourism	Provides funding from the statutorily dedicated Mega Project Development Fund for the NOLA Motorsports Park for Indy Car.	$4,000,000	$4,000,000	0
06 - 267	Culture, Recreation & Tourism	Tourism	Provides funding for the Bayou Classic ($250,000) and the New Day Foundation for the 2014 National Baptist Convention, U.S.A., Inc. ($100,000).	$350,000	$350,000	0
			Major Increases or Enhancements for Culture, Recreation & Tourism	**$4,350,000**	**$6,050,000**	**0**

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A -	Corrections	Department Wide	Increases T.O. by an additional 24 positions. The positions are medical in nature and are associated with DOC taking over off-site medical care for offenders in FY 14. The positions were job appointments in FY 14 since DOC did not have any available T.O. Total salaries and related benefits for these positions is $1.3 M. The positions are located at Corrections Administration (10), LA State Penitentiary (8) and Elayn Hunt Correctional Center (6).	$0	$0	24
			Major Increases or Enhancements for Corrections	**$0**	**$0**	**24**
08B - 419	Public Safety	State Police	Increases funding from the statutorily dedicated Transportation Trust Fund for the Traffic Enforcement Program to fund a 50-man State Police cadet class in accordance with Act 399 of 2013. The cadet class will begin in September 2014 and the cost will be approximately $5 M. The bulk of the cost is associated with cadet salaries and related benefits, which make up 70% ($3.55 M) of the academy cost. Operating expenditures for the academy total approximately $150,000 and include travel, uniforms, office and automotive supplies and automotive maintenance. Additional expenses include $1.3 M in academy costs for cadets, which include dormitory costs, classroom costs, facility rental and ammunition.	$0	$5,000,000	0
08B - 419	Public Safety	State Police	The Office of State Police pay grid is increasing $4,432,500 to pay for salary increases and the subsequent increase in related benefits (retirement and Medicare). The related benefits are factored in at 71.45% (70% retirement costs + 1.45% Medicare costs) of the raise amount. Under the proposed amendment, state troopers would receive $2.58 M in salary increases and $1.85 M would be used to cover in the increase related benefits. Currently, the salary and related benefits for 969 state troopers is $92.6 M ($54 M salaries + $38.6 M related benefits). The average salary for state troopers is $56,299. With the additional $4.4 M, salaries would increase by an average of $2,695, or 4.8%, to $58,994. In addition to the increase in salaries, the increase in benefits would be an average of $1,927. The total amount paid on average for related benefits would be $42,149 ($40,222 current related benefit amount + $1,927 increase). As a result of the increase in salaries and related benefits, the personnel expense for state troopers would be $97 M.	$4,432,500	$4,432,500	0
08B - 419	Public Safety	State Police	Increases funding from the statutorily dedicated Concealed Handgun Permit Fund to provide for acquisitions and database programming changes.	$0	$117,102	0
08B - 420	Public Safety	Motor Vehicles	Increase in federal budget authority as a result of receiving the 2013 Commercial Driver's License Program Implementation Grant in the amount of $1.5 M in FY 14. The agency will expend approximately $700,000 of the grant in FY 14. This increase of $800,000 will allow OMV to complete the grant in FY 15. This grant is awarded annually to OMV and is used for improving conviction reporting by upgrading to the CDL driver court reporting systems, upgrading CDL testing communications network, providing staff support for help desk resources, and meeting medical certification requirements.	$0	$800,000	0
08B - 422	Public Safety	State Fire Marshal	Increases funding from the statutorily dedicated LA Manufactured Housing Fund for 5 part-time positions to perform manufactured housing installation inspections and investigations. The increase includes $158,534 for personnel expenses, $21,190 in operating expenses, $30,300 in IAT expenses and $97,250 in acquisitions for office furniture, computers and printers, and automobiles. The personnel hired will collect license fees which will offset the cost of the part-time employees and related expenses.	$0	$307,274	0
08B - 422	Public Safety	State Fire Marshal	Adds 6 positions to eliminate the backlog of various inspections and increases associated funding from the statutorily dedicated State Fire Marshal Fund for salaries and related benefits. The average salary for the Senior Deputy positions is $51,252 and the average related benefits is $29,447 for a total of $80,699.	$0	$484,195	6
			Major Increases or Enhancements for Public Safety	**$4,432,500**	**$11,141,071**	**6**

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08C - 403	Youth Services	Juvenile Justice	Increases funding for operating costs of Columbia Center for Youth that opened in May 2013. Including this adjustment, total funding for Columbia Center for Youth is approximately $5.1 M ($3.9 M personnel services and $1.2 M operational expenditures) in FY 15.	$1,232,536	$1,232,536	0
			Major Increases or Enhancements for Youth Services	**$1,232,536**	**$1,232,536**	**0**
09 - 301	Health & Hospitals	Florida Parishes Human Services Authority	Increases SGR budget authority for service fee collections from offenders enrolled in the Adult Drug Treatment Court per the Memorandum of Understanding between the 22nd Judicial District Court and the Authority. The services are based on a 100% cost-reimbursement model.	$0	$339,337	0
09 - 301	Health & Hospitals	Florida Parishes Human Services Authority	Provides an increase in SGF budget authority for the Individual & Family Support Program. This adjustment seeks to supplement historical base-level funding to account for behavioral health and developmental disability service expenditure needs within the Florida Parishes Human Services Authority geographic footprint. Total SGF funding for FY 15 is $11,604,992.	$490,000	$490,000	0
09 - 302	Health & Hospitals	Capital Area Human Services District	Provides an increase in SGF budget authority for the Individual & Family Support Program. This adjustment seeks to supplement historical base-level funding to account for behavioral health and developmental disability service expenditure needs within the Capital Area Human Services District geographic footprint. Total SGF funding for FY 15 is $18,284,942.	$555,000	$555,000	0
09 - 305	Health & Hospitals	Medical Vendor Administration	Increases funding ($1,853,706 SGF and $1,853,706 Federal) for contract services related to Applied Behavior Analysis (ABA) services in Medicaid. The source of Federal funds is Medicaid Administration federal financial participation. Information provided by the Department of Health and Hospitals indicates this funding will be utilized to contract with a vendor (likely Magellon) to manage ABA service eligibles in Medicaid. The vendor will enroll ABA providers in Medicaid, serve a prior authorization function to determine ABA allowable services to clients, manage the services of clients and pay claims to ABA providers. The additional position is anticipated to be a Program Manager 1. The function of the position will be to ensure vendor compliance with the ABA Program and monthly reporting for ABA services (which is a new state plan service).	$1,853,706	$3,707,412	1
09 - 305	Health & Hospitals	Medical Vendor Administration	Increase in the Third Party Liability (TPL) contract to ensure Medicaid is the payor of last resort ($367,303 SGF and $367,304 Federal). The source of Federal funds is Medicaid Administration federal financial participation. The Department of Health & Hospitals is increasing contracted services funding for TPL collections. TPL collections are identified and recovered through DHH's TPL vendor, HMS. TPL is an obligation of a third party entity (insurance, individuals or other programs) to pay part or all of a Medicaid recipeint's medical expenses. Third party payment resources are applied to recipient costs before Medicaid is billed. The Medical Vendor Payments budget reflects a $6.3 M SGF savings associated with increasing these contracted services.	$367,303	$734,607	0
09 - 305	Health & Hospitals	Medical Vendor Administration	Enhanced funding ($219,342 SGF and $219,343 Federal) for actuarial services to develop a waiver to allow LA to establish a payment program to certain providers per HCR 122 of 2013. HCR 122 directed the Department of Health & Hospitals to submit to the Centers for Medicare & Medicaid Services (CMS) an application for a Section 1115 Medicaid Demonstration Waiver that will allow federal reimbursement for cost not otherwise matchable for state and local health programs, and authorizes all hospitals and other health care providers in the state to participate, including rural and critical access hospitals. **Note:** An 1115 demonstration waiver allows CMS to approve an experimental (demonstration) project to promote a state's Medicaid Program. States are granted flexibility as certain Medicaid provisions are 'waived'. An 1115 demonstration waiver is typically used by states to expand Medicaid coverage to individuals not considered Medicaid eligible, provide services not ordinarily covered by Medicaid, or to make system changes (such as managed care). These waivers must be budget neutral to the federal government (cost of the waiver must be same or less that cost to the federal government in the absence of a waiver).	$219,342	$438,685	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health & Hospitals	Medical Vendor Payments	Act 327 of 2007 mandates Department of Health & Hospitals to rebase the inpatient per diem rates for rural hospitals every 2 years. The source of Federal funds is Title 19 federal financial participation. This request is projected to annualize rebased rural hospital rate amounts effective 7/1/2014. The rebase is based on the number of bed days in FY 13. FY 13 Rate @ 7/1/2012 | FY 12 Rate 6/30/2012 | Rate Change | FY 13 Paid Days | Annual Amount Acute | $1,722.88 | $1,587.47 | $135.41 | 18,253 | $2,471,639 Psyc Unit | $861.64 | $862.31 | ($0.67) | 630 | ($422) $2,471,217 Claim Lag ($406,228) $2,064,989	$783,457	$2,064,989	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Increases funding ($10 M in SGF and $16,357,406 Federal) to fill previously frozen waiver slots in FY 14 (including New Opportunities Waiver slots), and for the addition of new waiver slots. The source of Federal funds is Title 19 federal financial participation. Information from the Department indicates this funding will be utilized to decrease the statewide waiting list for all waiver services (and will not be specifically targeted to NOW waiver), based on the specific needs of the individual clients that will receive waiver services. The number of slots projected to be filled/phased in by specific waiver in FY 15 is unknown, and will depend on a department assessment of need and assignment of specific waiver service to the eligible recipient. The statewide waiting list and average cost per slot are reflected in the Budgetary Overviews Section on page 100.	$10,000,000	$26,357,406	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides additional funding ($9.3 M SGF and $15,212,388 Federal) for Applied Behavioral Analysis (ABA) services. The source of Federal funds is Title 19 federal financial participation. The increased funding represents Medicaid claims payments for these specific services that are mandated by a court order (Chisholm v Kliebert) to be provided by LA Medicaid to persons with Pervasive Developmental Disorder or an Autism Spectrum Disorder. Services must be provided by a Board Certified Behavior Analyst. ABA services are intended to target and modify certain behaviors in order to foster certain social development. The Department of Health & Hospitals requested approximately $81.3 M in the agency budget request. The Executive Budget reflects a portion of the funding level request, or $24.5 M in FY 15. Reimbursement to ABA providers will be based on a rate paid per unit (or 15 minute intervals) by provider type.	$9,300,000	$24,512,388	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides additional funding ($1,391,029 SGF and $2,275,363 Federal) for the Children's Choice Waiver based on the FY 14 projected expenditures. The source of Federal funds is Title 19 federal financial participation. The increased funding represents additional Medicaid claims payments to allocate sufficient funding for projected waiver spending. The Medicaid Monthly Financial Report as of January 2014 reflects $13.1 M in projected FY 14 expenditures The adjustment is based on the following calculations: $12,747.28 Average annual costs per recipient x 1,245 Projected number of recipients $15,870,363 FY 15 projected spending on Children's Choice Waivers -$12,203,971 FY 14 Budget (initial projected budget spread) $3,666,392 Total Adjustment Children's Choice Waiver offers support to developmentally disabled in home setting, and are eligible for medically necessary Medicaid services, including case management, respite, home adaptations, and family training.	$1,391,029	$3,666,392	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides additional funding ($9,898,745 SGF and $16,191,780 Federal) for projected Long Term Care Personal Care Services (LT-PCS). The source of Federal funds is Title 19 federal financial participation. The increased funding represents additional Medicaid claims payments for a projected enrollment increase in the LT-PCS Program. The Department of Health & Hospitals (DHH) requested approximately $66.2 M in the agency budget request to aligns the LT-PCS budget with FY 13 actual expenditures and FY 14 projected growth. Act 15 allocates a portion of the funding level request, or $26.1 M in FY 15. DHH's request is based on the following calculations reflected below: $227,137,428 FY 13 LT-PCS Actual Expenditures $216,318,820 FY 14 LT PCS Budget $282,606,420 FY 15 Projected LT-PCS Caims Payments $66,287,600 Requested Medicaid Expenditures for FY 15 Projections are based on 165 new enrollees a month phased in over 12 months.	$9,898,745	$26,090,525	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides funding ($871,822 SGF and $1,426,075 Federal) for 12 new Federally Qualified Health Centers (FQHCs) and 5 new Rural Health Clinics (RHCs) projected to enroll in the Medicaid Program in FY 15. The source of Federal funds is Title 19 federal financial participation. The increased funding represents Medicaid claims payments for projected Medicaid eligible encounters at these health centers that will phase in over 12 months in FY 15. Projected annualized costs are based on an average payment per month to providers ($19,754 for RHCs and $17,051 for FQHCs) phased in over 12 months of FY 15. These safety net providers offer primary care services/supplies in areas that are considered medically under served as designated by the federal government. As of 2/2014 Existing Rural Health Clinics 123 — Existing Federally Qualified Health Center 107 Projected RHCs by 6/30/2014 124 — Projected FQHCs by 6/30/14 5 RHCs to enroll in FY 15 5 — New FQJHCs to enroll in FY 15 12 Total RHCs in FY 15 129 — Total FQHCs in FY 15 124	$871,822	$2,297,897	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides additional funding ($26,610,350 Statutory Dedications and $43,527,632 Federal) for rebasing nursing homes rates and increasing Hospice Room & Board rates. The source of the Statutory Dedications is revenue from the Medicaid Trust Fund for the Elderly. The source of Federal funds is Title 19 federal financial participation. $59,561,779 Nursing Home Rebase $10,576,203 Hospice Room & Board $70,137,982 Nursing Home and Hospice FY 15 adjustment Nursing Home rates are anticipated to increase from an average daily rate of $161.59 in FY 14 to $168.80 in FY 15, and total nursing home expenditures are estimated to be $952.4 M in FY 15. **Note:** The state match source utilized for the Hospice Room & Board increase is revenue from the Medicaid Trust Fund for the Elderly. *It is not clear if these revenues are authorized to be used for Hospice payments. See "Medicaid Trust Fund for the Elderly" issue on page 122.*	$0	$70,137,982	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health & Hospitals	Medical Vendor Payments	Provide additional funding ($17,600,433 SGF and $33,767,462 Federal) for projected increase in pharmacy utilization in fee for service Medicaid. The source of federal funds is Title 19 federal financial participation. Information in the Department of Health & Hospital budget request documents indicate the projection for additional expenditures is based on overall enrollee growth in Medicaid, projected inflationary growth in the program, and a reduction in pharmacy rebate revenues used in the program. Act 15 funds approximately 93% or $51,367,895 of the request. The requested increase is based on the following calculation: FY 14 Budget Spread / FY 15 Projected / Difference Total Pharmacy $479,327,337 $517,534,299 $38,206,962 Rebates ($392,627,298) ($375,323,589) $17,303,709 Net $55,510,671 **Note:** The decrease in pharmacy rebates to the program may result from an increase in managed care or the use of less brand pharmaceuticals (increase in generic usage).	$17,600,433	$51,367,895	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Additional funding ($6,371,433 SGF and $10,422,012 Federal) for projected Medicaid services utilization in the Private Providers Program for FY 15. The source of Federal funds is Title 19 federal financial participation.	$6,371,433	$16,793,445	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Annualization of funding ($819,125 SGF and $1,339,875 Federal) for 150 Community Choices Waiver slots that were approved and phased in for FY 14. The source of Federal funds is Title 19 federal financial participation. The waiver serves individuals 65 or older that meet nursing facility admission criteria or age 22-65 and meet SSI disability criteria. Services provided under this adjustment are for permanent supportive housing. FY 15 annualized costs are based on an average per week costs of $508, and all 150 slots in FY 14 phasing in by February 2014.	$819,125	$2,159,000	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides annualized funding ($802,004 SGF and $1,311,869 Federal) for claims payments to 9 rural health clinics (RHCs) and 10 federally qualified health centers (FQHCs) that enrolled in FY 14. The source of Federal funds is Title 19 federal financial participation. The increased funding represents Medicaid claims payments for Medicaid eligible encounters at these health centers. Projected annualized costs are based on an average payment per month to providers ($19,754 for RHCs and $17,051 for FQHCs) and the number of additional months needed to fund (annualize) from FY 14. These safety net providers offer primary care services/supplies in areas that are considered medically underserved as designated by the federal government.	$802,004	$2,113,873	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Annualization of funding ($4,259,188 SGF and $6,966,927 Federal) for reimbursement of Medicaid covered services to adults currently eligible for but not enrolled in Medicaid. The source of the Federal funds is Title 19 federal financial participation. This increase in enrollment is the result of a “woodwork” effect, in which certain individuals will enroll in Medicaid due to the national attention to increased access to health coverage for lower income individuals. The currently eligible but not enrolled individuals that are anticipated to enroll in greater numbers include parents with income at or below 11% of the Federal Poverty Level. The number of individuals that fall in this category in LA is estimated to be 36,416. This annualized adjustment assumes 40% of this eligible population will enroll in FY 15.	$4,259,188	$11,226,115	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Annualization of funding ($815,333 SGF and $1,333,673 Federal) for physical and occupational therapy rates for 12 months. The annualization is part of compliance with the court order in Chisholm v. Kliebert for Applied Behavioral Analysis. The source of Federal funds is Title 19 federal financial participation. $752,152 Adjustment in Prepaid Managed Care $1,396,854 Adjustment in Shared Savings Plan and Fee-For-Service (legacy) Medicaid $2,149,006	$815,333	$2,149,006	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health & Hospitals	Medical Vendor Payments	Additional funding ($558,186 SGF and $913,048 Federal) for a mandated rate increase for Hospice services. The source of the Federal funds is Title 19 federal financial participation. Funding represents additional claims for Hospice in Medicaid, which is a medically directed program providing a continuum of home, outpatient and homelike inpatient care for the terminally ill patient. The estimated increase is based on the following calculation: $8,240,015 FY 14 Hospice budget $9,711,249 FY 15 Projected expenditures including rate increase $1,471,234 FY 15 Adjustment	$558,186	$1,471,234	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides funding ($222,763 SGF and $364,383 Federal) for the Medicare Economic Index (MEI) rate adjustment for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). The source of Federal funds is Title 19 federal financial participation. This funding will cover the annualized costs of inflation on prospective payment system rates as determined by the published MEI. The MEI is a measure of inflation for physicians and used for determining allowable charges for physicians services. The MEI is updated annually, and is based on a formula that factors physician practice costs, medical equipment costs and general wage levels. The estimated increase is based on MEI percentage of 1.16% for RHCs and FQHCs) FY 14 Budget / MEI / FY 15 Adjustment FQHC $19,972,822 1.16% $231,685 RHC $30,643,176 1.16% $355,461 Adjustment $587,146	$222,763	$587,146	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides DSH funding ($8 M in SGF, $11 M in IAT and $31,065,876 Federal) The source of Federal funds is Title 19 federal financial participation. Provides $50 M in uncompensated care costs (UCC) payments to the Biomedical Research Foundation (partner in Shreveport), in addition to the appropriated UCC paid under the public/private partnerships. Act 15 indicates these payments are for healthcare services, and shall not be made until such time as the Biomedical Research Foundation and the LSU Health Sciences Center at Shreveport finalize all outstanding contractual agreements related to the Biomedical Research Foundation's operation of such hospital and its associated clinics. Information from the DHH indicates these payments will be made directly to various non-partner hospitals.	$8,000,000	$50,065,876	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Additional funding ($134,681 IAT, $10,698,119 Statutory Dedications and $20,486,290 Federal) for Bayou Health. Significant adjustments from FY 14 include adjusting the Per Member Per Month capitated rate to account for the ACA mandated health insurer excise tax, additional shared savings administrative payments due to increased enrollment in the shared savings plans (shifting from full risk), and shared savings plan pay-outs. The source of Federal funds is Title 19 federal financial participation. The source of Statutory Dedication is revenue generated from a premium tax on managed care plans under Title 22 of the Insurance Code and deposited into the Medical Assistance Trust Fund. The IAT is revenue generated from LaChip Phase V (Affordable Plan) enrollees collected by the Office of Group Benefits. See *"Bayou Health"* issue on pages 119 - 121.	$0	$31,319,090	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health & Hospitals	Medical Vendor Payments	Increases SGF for "Clawback" funding. The Clawback represents payments that are made by LA Medicaid to the federal Medicare Program as required by the Centers for Medicare & Medicaid (CMS) on a monthly basis to cover the cost of the Medicare Prescription Drug Program, Part D. As of January 2006, dual eligibles receive prescription drug benefits from Medicare and not Medicaid. The amount that each state is designed to pay is based on what a state would pay if a dual eligible Medicaid enrollee would have continued to receive their prescription drug benefit from Medicaid. Dual enrollees are enrolled in both Medicaid and Medicare. This funding is the result of a projected increase in enrollees and a projected increase in the "Per Capita Phasedown Amount" (monthly payment). Quarterly Clawback payments have increased since 9/30/2011. The adjustment is based on the following: Payments per Quarter July - Sept 14 $34,925,369 Oct - Dec 14 $36,218,611 Jan - Mar 14 $38,098,593 Apr - Jun 15 $39,788,942 Total FY 15 $149,031,515 FY 14 Approp. $138,172,357 Adjustment Amt. $10,859,158	$10,859,158	$10,859,158	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Additional funding ($1,172,856 SGF and $1,918,487 Federal) for LA Behavioral Health Partnership Health Plan as a result of the federally mandated Health Insurer Excise Tax on managed care plans. The source of Federal funds is Title 19 federal financial participation. The Affordable Care Act provides for an excise tax on managed care plans (2.5% on managed care premiums). Under the LA Behavioral Health Partnership (LBHP), monthly premiums paid to Magellan (behavioral health plan insuror) are taxed at a 2.5% rate. This adjustment increases the budget (payments to Magellon) to cover the cost of the excise tax on the insuror. The Per Member Per Month payments to Magellon will be adjusted to capture this payment increase in FY 15. The estimate is based on 2.5% tax on PMPM's for an estimated client population of 271,792 in FY 15.	$1,172,856	$3,091,343	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Additional funding ($5,098,951 SGF and $8,340,561 Federal) for prenatal care and services for pregnant women between 134 and 200% of the Federal Poverty Level. The source of Federal funds is Title 19 federal financial participation $8,735,683 Restoration to Private Provider Program $4,703,829 Restoration to Buy-in Program (managed care) $13,439,512 FY 15 Restoration funding Medicaid coverage related to pregnancy (prenatal care, labor, delivery, and certain care 60 days post partum) for pregnant women to 133% of the Federal Poverty Level (FPL) are mandatory services under federal law. Prior to FY 14, the Department of Health & Hospitals (DHH) extended this coverage (pregnancy related services) to an optional population, or pregnant women up to 200% of the FPL. DHH eliminated funding for these services for pregnant women from 133% to 200% beginning 1/1/2014 (funding reduction built into FY 14 budget), based on availability of coverage in Health Insurance Exchanges (based on pregnancy being a qualifying event), which will provide subsidized insurance to individuals from 100% to 400% of the FPL. The FY 15 budget reflects a restoration of funding for prior year budget cuts.	$5,098,951	$13,439,512	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides federal funding for federally qualified rate changes to Medicare premiums and for a projected increase in the number of dual eligibles (low-income seniors and disabled individuals who qualify for both Medicare and Medicaid) who enroll in the Medicare Savings Program. Medicaid pays the Medicare premiums for low income beneficiaries that qualify (Medicaid Buy-Ins to the Medicare Program). The payment for this buy in group (termed Q1) is reimbursed 100% by the federal government. Part B premium increase from $104.90 to $110.70 in January 2015 Part B Medicare enrollees increasing from 17,213 (July 2013) to 17,994 (June 2015) $22,959,785 EOB for premiums $23,604,776 FY 15 Projected premium costs $644,991 Adjustment	$0	$644,991	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Additional funding ($37,570,269 SGF and $45,801,240 Federal) in Disproportionate Share Hospital (DSH) payments for uncompensated care costs for the Public/Private hospital partners. The source of Federal funds is federal financial participation. Act 14 Allocated / Act 15 Allocation / Difference Title XIX claims $177,999,183 $150,003,674 ($27,995,509) UPL $279,559,909 $263,857,238 ($15,702,671) UCC $653,163,908 $736,535,417 **$83,371,509** Total $1,110,723,000 **$1,150,396,329** $39,673,329	$37,570,269	$83,371,509	0
09 - 310	Health & Hospitals	Northeast Delta Human Services District	The Northeast Delta Human Services District will realize a net increase of $6,053,471 ($11,656,544 SGF, -$8,315,662 IAT, $2,664,300 SGR and $48,289 Federal) in FY 15 as it transitions to operating independently from the Office of Behavioral Health (OBH). The District will non-recur IAT funds used in its first year of operation and supplant them with a direct appropriation for projected FY 15 operating expenses. The adjustment transfers budget authority from the Office of the Secretary ($297,000 SGF), Office of Citizens with Development Disabilities ($2,638,508 SGF) and Office of Behavioral Health ($8,721,036 SGF, $2,664,300 SGR, $48,289 Federal and 1 non-TO position) to the District. The position eliminated at OBH is an Auditor 3. The position to be created at the District will be determined based upon agency need on 7/1/2014. This adjustment non-recurs IAT funding ($8,315,662) from the 3 referenced entities to provide for the first year funding of the District. The net increase in funding is associated primarily with contracted services that were retained by OBH during FY 14, but for which the District will take over as the contractor of record in FY 15. The District's total recommended funding level for FY 15 is $16.6 M.	$11,656,544	$6,053,471	0
09 - 320	Health & Hospitals	Aging & Adult Services	Increases IAT funding from the Medical Vendor Administration ($100,000) and funds from the statutorily dedicated Nursing Home Resident Trust Fund ($100,000). The source of the statutorily dedicated funds is civil penalties levied against nursing homes as a result of licensing violations. Funding is used for quality improvement projects in LA's nursing homes. The projects selected advance residents quality of care. In FY 14 approximately 11 projects have been funded for a total cost of $158,210. FY 14 Projects Interactive, Therapeutic Computer Program ($107,886 for 7 projects) Perfect Pitch Music Program ($19,000 for 1 project) Read Foods First Snack Program ($13,928 for 1 project) Resident Satisfaction Program ($12,396 for 1 project) Theater Room/Snack Bar Program ($5,000 for 1 project)	$0	$200,000	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 326	Health & Hospitals	Public Health	Increases SGF for Federally Qualified Health Centers (FQHCs). These funds will provide services to the uninsured in FQHCs. The funding will be allocated to FQHCs based on the number of uninsured patient visits for each clinic qualified to receive funding (excluding federally qualified health clinics in the Greater New Orleans Community Health Connection (GNOCHC). Traditionally, FQHCs are reimbursed on a per visit basis under a Prospective Payment System (PPS) with Title 19 Medicaid funds through Medical Vendor Payments Program.	$6,075,000	$6,075,000	0
09 - 326	Health & Hospitals	Public Health	Increases SGR from the LSU Medical School in Shreveport. *The LFO has requested further details regarding the use of these funds in OPH for FY 15.*	$0	$11,000,000	0
09 - 330	Health & Hospitals	Behavioral Health	Provides funding ($63,730 SGF and $191,190 Federal) for an increase in clients referred for screening for mental illness through the Pre-Admission Screening & Resident Review (PASRR) Level II process as the Office of Aging & Adult Services (OAAS) identifies clients for potential discharge that no longer meet the level of care requirements. The Federal funds are provided via a Federal Community Development Block Grant. As these clients are discharged they will be referred to OBH for mental illness screenings and services provided through the Statewide Management Organization (SMO). OBH must also develop transition/discharge plans for these clients in order to return them to the community while maintaining continued necessary services through the LA Behavioral Health Partnership.	$63,730	$254,920	0
09 - 330	Health & Hospitals	Behavioral Health	Provides budget authority to the Eastern LA Mental Health System (ELMHS) to increase the current Grace Outreach Contract by 6 female Forensic Supervised Transitional Residential and Aftercare (FSTRA) beds. Under federal consent decree, ELMHS must admit a client for competency restoration within 30 days of a court order. Female Forensic clients are treated at the Intermediate Treatment Units (ITU) for competency restoration and the facility is currently overcrowded. ELMHS must be able to transition clients to community based beds in order to free ITU beds for incoming clients in order to meet the mandates of the federal consent decree.	$229,950	$229,950	0
09 - 330	Health & Hospitals	Behavioral Health	Provides additional federal block grant funding for mental health and substance abuse services.	$0	$991,850	0
09 - 340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Provides funding to the LA Assistive Technology Access Network (LATAN), a non-governmental organization. This represents total funding in FY 15. LATAN provides assistive devices, technology, and aids which enable individuals with disabilities and older persons achieve independence in employment, school, and community living as well as perform the daily activities of life such as getting out of bed, going to work or school, reading or communicating. For example, people who are blind may use software that reads text on the screen in a computer-generated voice, people with low vision may use software that enlarges screen content, people who are deaf may use a TTY (text telephone), or people with speech impairments may use a device that speaks out loud as they enter text via a keyboard.	$250,000	$250,000	0
09 - 375	Health & Hospitals	Imperial Calcasieu Human Services District	The Imperial Calcasieu Human Services District will realize a net increase of $3,711,535 ($8,252,153 SGF, -$6,700,307 IAT, $2,140,563 SGR and $19,126 Federal) in FY 15 as it transitions to operating independently from the Office of Behavioral Health (OBH). The District will non-recur IAT funds used in its first year of operation and supplant them with a direct appropriation for projected FY 15 operating expenses. The adjustment transfers budget authority from the Office of the Secretary ($297,000 SGF), Office of Citizens with Development Disabilities ($2,505,729 SGF), and Office of Behavioral Health ($5,449,424 SGF, $2,140,563 SGR, $19,126 Federal and 1 non-TO position) to the District. The position eliminated at OBH is an Auditor 3. The position to be created at the District will be determined based upon agency need on 7/1/2014. This adjustment non-recurs IAT funding ($6,700,307) transferred from the 3 referenced entities to provide for first year funding of the District. The net increase in funding is associated primarily with legacy contracted services that were retained by OBH during FY 14, but for which the District will take over as the contractor of record in FY 15. The District's recommended funding level for FY 15 is $12.4 M.	$8,252,153	$3,711,535	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 376	Health & Hospitals	Central LA Human Services District	The Central LA Human Services District will realize a net increase of $6,920,532 in FY 15 as it transitions to operating independently from the Office of Behavioral Health (OBH). The District will non-recur IAT funds used in its first year of operation and supplant them with a direct appropriation for projected FY 15 operating expenses. The adjustment transfers budget authority from the Office of the Secretary ($297,000 SGF), Office of Citizens with Development Disabilities ($2,364,873 SGF), Office of Behavioral Health ($7,639,932 SGF, $2,002,783 SGR, $48,358 Federal and 1 non-TO position) to the District. The position eliminated at OBH is an Auditor 3. The position to be created at the District will be determined based upon agency need on 7/1/2014. This adjustment non-recurs IAT funding ($5,432,414) transferred from the 3 referenced entities in FY 14 by IAT to provide for the first year funding of the District. The net increase in funding is associated primarily with legacy contracted services that were retained by OBH during FY 14, but for which the District will take over as the contractor of record in FY 15. The District's recommended funding level for FY 15 is $16.6 M.	$10,301,805	$6,920,532	0
09 - 377	Health & Hospitals	Northwest LA Human Services District	The Northwest LA Human Services District will realize a net increase of $5,811,589 ($10,109,465 SGF, -$7,287,664 IAT, $2,941,499 SGR and $48,289 Federal) in FY 15 as it transitions to operating independently from the Office of Behavioral Health (OBH). The District will non-recur IAT funds used in its first year of operation and supplant them with a direct appropriation for projected FY 15 operating expenses. The adjustment transfers budget authority from the Office of the Secretary ($297,000 SGF), Office of Citizens with Development Disabilities ($2,839,527 SGF), Office of Behavioral Health ($6,972,938 SGF, $2,941,499 SGR and $48,289 Federal and 1 non-TO position) to the District. The position eliminated at OBH is an Auditor 3. The position to be created at the District will be determined based upon agency need on 7/1/2014. This adjustment non-recurs IAT funding ($7,287,664) transferred from the 3 referenced entities in FY 14 by IAT to provide for the first year funding of the District. The net increase in funding is associated primarily with legacy contracted services that were retained by OBH during FY 14, but for which the District will take over as the contractor of record in FY 15. The District's recommended funding level for FY 15 is $16.9 M.	$10,109,465	$5,811,589	0
			Major Increases or Enhancements for Health & Hospitals	**$176,818,750**	**$483,550,660**	**1**
10 - 360	Children & Family Services	Children & Family Services	Increases funding ($68,544 SGF and $133,056 Federal) to replace teleconference equipment utilized by the Department of Children & Family Services teleworkers, specifically the centralized Child Care workers in the Child Welfare activity. On 7/31/2013, the department issued an Invitation to Bid (ITB) for voice-over services provided via the internet that allows remote staff to perform their assigned job duties with data, text, real-time voice communication and collaboration services. The lowest bidder was SKYPE. The SKYPE's bid was not in compliance with the ITB specifications. Therefore, the department reviewed the next lowest bid, Global Data Systems, which resulted in replacement of teleconference equipment.	$68,544	$201,600	0
10 - 360	Children & Family Services	Children & Family Services	Increases funding from the statutorily dedicated Fraud Detection Fund based on Revenue Estimating Conference (REC) projections as of 1/15/2014. Funds are used for the enhancement of fraud detection and recovery activities within public assistance programs administered by the Department of Children & Family Services (DCFS). The total funding recommended for FY 15 is $827,192.	$0	$252,423	0
			Major Increases or Enhancements for Children & Family Services	**$68,544**	**$454,023**	**0**

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 - 435	Natural Resources	Coastal Management	Increases funding from the statutorily dedicated Coastal Resources Trust Fund for the Lake Hermitage Marsh Creation Project.	$0	$1,000,000	0
			Major Increases or Enhancements for Natural Resources	**$0**	**$1,000,000**	**0**
12 - 440	Revenue	Office of Revenue	The SGR increase in the Tax Collection Program allows for an additional consumer use tax distribution to parishes to accommodate an anticipated increase in collections. The total amount appropriated for the parish consumer use distribution is $789,055 in SGR for FY 15, which is 50% of the anticipated total collections. The parish distribution is made according to population. Though the consumer use tax is classified as SGF in the Treasury, LDR distributes the tax from its own SGR. LDR received no SGF appropriation in the FY 15 Executive Budget.	$0	$60,134	0
12 - 440	Revenue	Office of Revenue	The SGR increase in the Tax Collection Program allows for increased travel expenses for auditors upon closure of regional offices. Since the auditors now work from home, additional travel expenses are required to best accomplish their missions. This increase represents a reduction in, though not an elimination of, anticipated savings as a result of regional office closures that occurred in the FY 14 budget.	$0	$26,642	0
12 - 440	Revenue	Office of Revenue	The SGR increase in the Tax Collection Program is related to the contactual maintenance of GenTax, the integrated tax processing software. The GenTax system is integral to the efficient management of the tax collection program and requires typical annual adjustments to maintain system quality. Currently, the total budget for the GenTax system is about $3.2 M.	$0	$150,000	0
12 - 440	Revenue	Office of Revenue	The SGR increase in the Tax Collection Program is related to out-sourced call center services to more efficiently handle taxpayer questions presumably leading to a higher voluntary payment rate. However, the FY 15 budget request presented by the department assumes savings of $310,572 as a result of the reduction of 6 LDR positions (revenue tax analysts) leaving a net budget increase of $1,989,428 for professional services. Act 15 allows for the savings but does not reduce the corresponding T.O. making it unclear how the actual savings within the agency will materialize. Subsequent budgets are expected to require the gross amount or $2.3 M annually for this service.	$0	$1,989,428	0
12 - 440	Revenue	Office of Revenue	The SGR increase in the Tax Collection Program is related to a contractual arrangement in the Office of Debt Recovery (requested but not granted program status), specifically for professional services related to the acquisition of software and implementation of the financial data match component of the centralized collection effort. The financial data match is an agreement between the state and participating financial institutions to identify bank accounts from which delinquent taxes may be garnished.	$0	$4,000,000	0
12 - 440	Revenue	Office of Revenue	Increases SGR ($916,624) and funding from the statutorily dedicated Tobacco Regulation Enforcement Fund ($124,921) in the Alcohol & Tobacco Control Program for acquisitions related to an improved customer service system including online permit needs, integrated licensing and other workflow improvements ($758,365); vehicles, protective equipment and software upgrades related to enforcement ($213,515); and increased travel for training for legal and enforcement personnel for alcohol and tobacco control issues ($69,665). The additional SGR is expected to materialize due to excess collections in FY 14, presuming the funds remain with the department in FY 15, as allowed in Act 15.	$0	$1,041,545	0
12 - 440	Revenue	Office of Revenue	Increases SGR funding for 25 additional auditors. This is an Alverez & Marsal recommendation, though this activity was also recommended by the Streamlining Commission. An in-house BA-7 was approved on 4/11/2014 which authorized LDR funding for 25 auditors with an anticipated FY 15 cost of $2.2 M. These are the same 25 auditors related to the BA-7, though the funding amount does not match the BA-7 estimate for an annualized FY 15 impact of $2.2 M. According to LDR, the BA-7 positions are currently being filled since they were approved in FY 14. It is not clear how the additional SGR is expected to be generated in order to immediately fund the positions.	$0	$1,821,347	25
12 - 440	Revenue	Office of Revenue	Increases SGR for professional legal services. According to LDR, the funds will be used to hire outside counsel on an hourly basis to handle lawsuits related to disputed claims.	$0	$500,000	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major Increases or Enhancements for Revenue	**$0**	**$9,589,096**	**25**
14 - 474	Workforce Commission	Workforce Support & Training	Increases federal funding in the Office of Information Systems for the continued implementation of the HiRE (Helping Individuals Reach Employment) system. HiRE is the LA Workforce Commission's (LWC) enhanced self-service system. The HiRE system provides employment services that were formerly available in the LA Virtual One Stop as well as unemployment benefit services in an effort to help people quickly find employment and reduce unemployment claim duration. Implementation of the HIRE system began in FY 12 with 3 phases. The first of the 3 phases was implemented in March 2013 with the launch of the HiRE system website. The 2nd step, completed in January 2014, will add unemployment appeals and benefits processing features to the HiRE system website. The third phase, scheduled for early 2015, will enable employers to schedule job fairs, pay unemployment taxes, file appeals, and submit required forms and compliance reports.	$0	$2,059,644	0
14 - 474	Workforce Commission	Workforce Support & Training	Provides additional Statutory Dedicated funding from the Workers' Compensation Second Injury Fund for the Office of the 2nd Injury Board Program to reimburse insurance carriers for workers' compensation benefits when an eligible worker sustains a subsequent job related injury. This additional funding brings the total for this program to $49,374,465 in FY 15. The amount of this additional funding is based on a weighted calculation of assessments over the 2 prior fiscal years and reviews of pending files.	$0	$3,500,000	0
			Major Increases or Enhancements for Workforce Commission	**$0**	**$5,559,644**	**0**
16 - 512	Wildlife & Fisheries	Office of Secretary	Increases funding from the statutorily dedicated Conservation Fund for the Administrative Program due to the passage of Act 40 of 2013. The legislation increased certain fees related to the charter boat fishing industry. The increase in revenues will be used for expenditures related to the promotion of the LA Charter Boat Industry via the LA Charter Boat Association.	$0	$220,530	0
16 - 513	Wildlife & Fisheries	Office of Wildlife	Adjustment to increase SGR budget authority in the Wildlife Program to receive a grant from the National Fish and Wildlife Foundation for expenditures related to the creation of a new waterbird nesting island on the Mississippi River Delta. This will allow the program to restore and enhance marsh wetland growth, as well as create nesting habitat for the LA Brown Pelican.	$0	$600,000	0
16 - 513	Wildlife & Fisheries	Office of Wildlife	Increases funding from the statutorily dedicated Conservation Fund ($1.175 M) and Federal ($5.25 M) for the Wildlife Program due to an increase in the Pittman Robertson Wildlife Restoration Grants. The increase from the Fund will be used to match funds from the U.S. Fish & Wildlife Service federal excise tax allocation. This funding is used for the operation and maintenance of the state's Wildlife Management Areas (WMAs). With this adjustment, the total Pittman Robertson Grants budgeted in FY 15 is approximately $18 M.	$0	$7,000,000	0
16 - 513	Wildlife & Fisheries	Office of Wildlife	Provides funding out of the Hunters for the Hungry Account for expenditures related to the Hunters for the Hungry Program. Hunters for the Hungry is a non-profit organization that allows hunters and fishermen to donate their bounty of wild game and fish in order to combat hunger. This funding will be utilized for processing and distribution of the game and fish donations.	$0	$100,000	0
16 - 514	Wildlife & Fisheries	Office of Fisheries	Increases funding from the statutorily dedicated Artificial Reef Development Fund for expenditures related to the LA Creel Program ($500,000) and LA Wild Seafood Certification Program ($1.5 M). The LA Creel Program expenditures are related to the collection of vital information used in the state mandated fisheries stock assessment. Total funding in FY 15 for the LA Creel Program is $1.5 M. Additionally, funding will be used to support expenditures related to the the LA Wildlife Seafood Certification Program. This program allows for the certification of LA wild seafood products including wild-caught shrimp taken or harvested in LA to ensure certain market standards are met. Total funding in FY 15 for the LA Wildlife Seafood Certification Program is $2.9 M.	$0	$2,000,000	0
			Major Increases or Enhancements for Wildlife & Fisheries	**$0**	**$9,920,530**	**0**

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
17 - 562	Civil Service	Ethics Administration	Increases fees & self-generated revenue to increase interagency transfers to the Div. of Admin. Law.	$0	$11,906	0
17 - 565	Civil Service	Board of Tax Appeals	Transfers the Board of Tax Appeals (BTA) from the Executive Department to the Department of Civil Service and increases IAT ($220,000) and SGR ($55,500) appropriations, pursuant to Act 640 of 2014, and presumably Act 198 of 2014 also. The bill creates a new program within the BTA to handle local sales tax disputes and state payments under protest that would otherwise be settled in District Court. According to the bill, the local governments have agreed to give the BTA the first $132,000 of local use tax, which is collected by the state and distributed annually to local governments by population. In addition, the Department of Revenue has agreed to IAT $88,000 per year from its SGR to the BTA in lieu of filing fees. The $55,500 in SGR is anticipated additional filing fees generated by the BTA from the new caseload.	$0	$275,500	2
			Major Increases or Enhancements for Civil Service	**$0**	**$287,406**	**2**
19A - 600	Higher Education	LSU System	Provides for increases in tuition and mandatory fees per authority granted by the LaGrad Act (Act 741 of 2010). The following amounts by institution represent the maximum 10% increase authorized by the LaGrad Act and do not reflect reductions in tuition and fees from hardship waivers, fee exemptions, or other forms of student aid that diminish actual collections of tuition and mandatory fees: LSU A&M ($23,705,000), LSU-A ($812,403), LSU-E ($351,676), LSU-S ($1,643,795), LSU HSC-NO ($3,432,045), LSU HSC-SHR ($1,286,810) and Hebert Law Center ($1,110,938).	$0	$32,342,667	0
19A - 600	Higher Education	LSU System	Increases SGR from tuition and mandatory fees at LSU-S for anticipated growth in enrollment.	$0	$1,000,000	0
19A - 600	Higher Education	LSU System	Increases IAT funding from DHH for LSU HSC Shreveport (SHR). The original source of the IAT funds transferred to LSU HSC SHR is SGF appropriated to DHH.	$0	$8,000,000	0
19A - 600	Higher Education	LSU System	Increases SGF funding from DHH for LSU HSC Shreveport (SHR). *The LFO was unable to ascertain the purpose of this appropriation after discussions with staff from LSU HSC SHR prior to publication of this report.* OPB reports that the original source of the IAT funds transferred to LSU HSC SHR is SGF appropriated to DHH.	$3,000,000	$3,000,000	0
19A - 615	Higher Education	SU System	Provides for increases in tuition and mandatory fees per authority granted by the LaGrad Act (Act 741 of 2010). The following amounts by institution represent the maximum 10% increase authorized by the LaGrad Act and do not reflect reductions in tuition and fees from hardship waivers, fee exemptions, or other forms of student aid that diminish actual collections of tuition and mandatory fees: SU A&M ($2,412,346), SUNO ($675,412) and SU Law Center ($579,070).	$0	$3,666,828	0
19A - 615	Higher Education	SU System	Provides additional SGF for Southern A&M in Baton Rouge (SUBR). SUBR will utilize the additional funds to reduce the number of faculty and staff that the university would otherwise be required to terminate due to projected revenue reductions for FY 15. This funding will also assist the institution in its efforts to provide quality instruction and support for students, and with maintaining faculty and staff needed for accreditation.	$2,400,000	$2,400,000	0
19A - 615	Higher Education	SU System	Provides additional SGF for Southern Law Center in Baton Rouge (SULC). SULC will utilize the additional funds to support library improvements, clinical education program expansion, and building security and technology upgrades. This funding will also assist the institution in its efforts to provide quality instruction and support for law students, and assist with accreditation concerns.	$1,500,000	$1,500,000	0
19A - 615	Higher Education	SU System	Provides additional SGF for Southern - Shreveport (SUSLA). SUSLA will utilize the additional funds to mitigate faculty and staff furloughs and layoffs, and address some deferred maintenance and facilities needs. This funding will assist the institution in its efforts to maintain quality instruction and support for students, and assist with accreditation concerns.	$300,000	$300,000	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A - 615	Higher Education	SU System	Provides additional SGF for Southern - New Orleans (SUNO). SUNO will utilize the additional funds to support the faculty and staff required to ensure success of SUNO's New Forensic Science Program, to maintain quality instruction and support for students, and to assist with the increasing cost of general operations of the university.	$300,000	$300,000	0
19A - 620	Higher Education	UL System	Provides for increases in tuition and mandatory fees per authority granted by the LaGrad Act (Act 741 of 2010). The following amounts by institution represent the maximum 10% increase authorized by the LaGrad Act and do not reflect reductions in tuition and fees from hardship waivers, fee exemptions, or other forms of student aid that diminish actual collections of tuition and mandatory fees: UNO ($4,179,473), Nicholls ($2,083,355), Grambling ($2,694,709), LA Tech ($6,460,000), McNeese ($3,696,749), ULM ($3,333,167), NWS ($3,973,773), SLU ($6,393,607) and ULL ($6,897,834).	$0	$39,712,667	0
19A - 649	Higher Education	LCTCS System	Provides for increases in tuition and mandatory fees per authority granted by the LaGrad Act (Act 741 of 2010). The following amounts by institution represent the maximum 10% increase authorized by the LaGrad Act and do not reflect reductions in tuition and fees from hardship waivers, fee exemptions, or other forms of student aid that diminish actual collections of tuition and mandatory fees: Sowela ($557,500), Fletcher ($445,000), Northshore ($490,000), Central LA ($386,000, BRCC ($1,247,500), Delgado ($3,742,500), Nunez ($367,500), BPCC ($1,512,500), SLCC ($1,360,000), RPCC ($485,000), LDCC ($730,000) and LTC ($677,500).	$0	$12,001,000	0
19A - 661	Higher Education	Student Financial Assistance	TOPS TUITION - Increases funding for TOPS awards as projected by the Office of Student Financial Assistance primarily due to tuition increases authorized by the LaGrad Act. Total TOPS funding for FY 15 is $250 M.	$32,462,621	$32,462,621	0
19A - 671	Higher Education	Board of Regents	Provides funding to address equity for some schools that have experienced rapid growth in recent years. The Board of Regents reports that all $6.1 M will be directed to the following LCTCS institutions at the following estimated amounts: Bossier Parish Community College ($3,403,030), Delgado Community College ($535,824), Fletcher Technical Community College ($335,776), Nunez Community College ($308,009), River Parishes Community College ($358,320), Sowela Technical Community College ($1,090,030), and Northshore Technical Community College ($69,011).	$6,100,000	$6,100,000	0
19A - 671	Higher Education	Board of Regents	Provides funding for the Science, Technology, Engineering & Math (STEM) programs at universities in the Southern System and facility and technology upgrades at Grambling State University. The Board of Regents (BOR) reports that the Southern System and Grambling will each receive $1 M. Act 15 of 2014 (General Appropriations Bill) requires the funds to be distributed in accordance with a plan developed and approved by the BOR and implemented by the Division of Administration. The Southern System will allocate $700,000 to Southern - Baton Rouge and $150,000 each to SUNO and Southern - Shreveport.	$2,000,000	$2,000,000	0
19A - 671	Higher Education	Board of Regents	Provides additional SGF for LSU Health Sciences Center in Shreveport to fund general operating expenses.	$3,000,000	$3,000,000	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A - 671	Higher Education	Board of Regents	Provides funding ($16.85 M in SGF and $12.15 M in IAT) for the Workforce & Innovation for a Stronger Economy (WISE) Initiative. The IAT is from the Community Development Block Grant (CDBG) Program. Additionally, there is a deposit of $11 M from the Overcollections Fund into the WISE Fund contained in the Funds bill (Act 646 of 2014). These monies are appropriated in the capital outlay bill (Act 25 of 2014) for Library, Instructional and Scientific Equipment. The general appropriations bill (Act 15 of 2014 directs Regents to distribute the following amounts by institution from the $40 M: Pennington ($1.5 M), College of Engineering at LA Tech ($1 M), and School of Pharmacy at ULM ($1 M). Act 803 of 2014 creates the WISE Fund and allocates 80% of funding to institutions based on degree/certificate production leading to 4 and 5 STAR jobs as defined by the LA Workforce Commission; and the remaining 20% of funds based on federally funded research expenditures as defined by the National Science Foundation. The WISE Council also has authority to adjust the percentage of the distributions by no more than 10%. However, the distribution based on federally funded research expenditures shall not be reduced below 20%. To receive funds, institutions will have to receive a 20% private match in cash or in-kind, such as technology and equipment. However, in any fiscal year that the total appropriated funds from SGF and Statutory Dedications are less than the the prior year, the WISE Council may delay or waive the matching requirements.	$16,850,000	$29,000,000	0
			Major Increases or Enhancements for Higher Education	**$67,912,621**	**$176,785,783**	**0**
19B - 662	Special Schools & Comm.	LA Educational Television Authority	Provides additional state support.	$250,000	$250,000	0
19B - 673	Special Schools & Comm.	New Orleans Center for Creative Arts-Riverfront	Increases funding, including $445,680 IAT from the MFP, for additional classroom space, and operating expenses, including 7 new positions due to the implementation of the Academic Studio. Historically students attend NOCCA for 1/2 day for a concentration in the Arts. Beginning in FY 11 the school introduced the Academic Studio program which provides full time instruction for select students using a progressive curriculum model approved by BESE. Each year the school allots 70 slots for incoming freshmen; there are currently 175 students enrolled in the program. These additional funds provide for the final year of the first cohort of students in the program.	$300,000	$745,680	7
			Major Increases or Enhancements for Special Schools & Comm.	**$550,000**	**$995,680**	**7**
19D - 678	Elem. & Secondary Educ.	State Activities	Provides additional funding associated with legal expenses in Brumfield v. Dodd. The U.S. Dept of Justice (DOJ) claims the state's private schools are defying the long standing desegregation order and sued the state in August seeking an injunction to stop the Student Scholarship in Education Excellence Program (SSEEP). The lawsuit was later halted, but the DOJ continues to seek a broader role in monitoring the program. Court documents filed as recently as 2/7/2014 indicate the state and the DOJ may be close to an agreement on how to monitor the voucher assignments. At the January Board meeting, BESE noted that additional funding would be required for legal expenses related to this litigation.	$650,000	$650,000	0
19D - 678	Elem. & Secondary Educ.	State Activities	Provides funding from BESE 8g grant funds for the Globally Unique Identifier (GUID) system pursuant to Act 837 of 2014.	$0	$651,000	0
19D - 695	Elem. & Secondary Educ.	Minimum Foundation Program (MFP)	Increases funding for the Student Scholarships for Education Excellence Program (SSEEP) due to an estimated additional 1,355 students. With certain exceptions for Special Education students, tuition reimbursement amounts for non-public schools are capped at the MFP per pupil allocation for the student's home parish. There are 6,775 students currently enrolled in the program with an average tuition of $5,311. The SSEEP is currently funded at $43,147,500; however only $35,547,000 will be expended. For FY 15, total student enrollment is projected at 8,130 with an average tuition amount of $5,577; recommended funding totals $46,184,552. **Note:** There is a corresponding adjustment reducing MFP funding by $6,856,300 as a result of students moving out of public schools.	$3,037,352	$3,037,352	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19D - 695	Elem. & Secondary Educ.	Minimum Foundation Program (MFP)	Increases funding based on the 10/1/2013 and estimated 2/1/2014 student counts indicating a net increase of 9,472 students. The FY 14 MFP was funded at $3,510,142,422 with a student enrollment of 676,690. The FY 15 budget is $3,593,789,905 and a projected enrollment of 686,162. The base per pupil amount is $3,961. **Note:** Act 15 reflects a net total increase of $83,647,483 after all adjustments; $6,856,300 reduction associated with the Scholarship Program, a $15.5 M increase associated with the MFP Task Force recommendation and this $75 M enrollment increase.	$75,003,783	$75,003,783	0
19D - 697	Elem. & Secondary Educ.	Non-public Education Assistance	Increases funding for the Required Services Program for reimbursement to nondiscriminatory state approved non-public schools. The program is intended to reimburse eligible schools for the actual cost of performing mandated services, administrative and clerical costs. Participation in the program requires that detailed records be maintained documenting the actual time dedicated to the performance of selected services. The FY 15 budget is $14.3 M.	$1,000,000	$1,000,000	0
			Major Increases or Enhancements for Elem. & Secondary Educ.	**$79,691,135**	**$80,342,135**	**0**
19E - 610	LSU Health Care Services Division	LSU HSC-HCSD	Increases SGR for operating expenses (the Executive Administration & General Support Program was off-budget in FY 14), legacy costs after the implementation of the public-private partnerships, and support services that will be provided to the private partners. LSU HCSD estimates its legacy costs to total approximately $40 M, covering expenditures for retiree group insurance costs (estimated at $23 M), risk management premiums, unemployment costs, security services, debt service payments and ventilation of empty facilities. HCSD has committed to utilize $30 M in reserve funds to cover a portion of these expenses in FY 15. DHH received a direct budget recommendation of $10 M to pay for LSU HCSD's retiree group insurance premiums in FY 15. However, it is unclear how those funds may be transferred as the budget authority given to LSU HCSD is not IAT, but SGR. LSU HCSD is currently negotiating with private partners to provide support services on a contract basis, such as Information Technology supports and services, billing, accountable care services, etc. Those services comprise some undetermined portion of the $37.4 M balance of funds not delineated as legacy costs, but the final service and funding levels have not been determined. The LFO has requested detailed information regarding the composition of these expenditures but the department indicates the services to partners is under negotiation and not finalized. See *"SGR Budget Authority and Public/Private Partnership Legacy Costs"* on pages 122 - 123.	$0	$77,439,250	0
			Major Increases or Enhancements for LSU Health Care Services Division	**$0**	**$77,439,250**	**0**
20 - 451	Other Requirements	Local Housing of State Adult Offenders	Adjustment provides for an increase in expenditures due to projected occupancy counts of state offenders being housed at local correctional facilities. Savings from Act 389 of 2013 have not materialized as projected. The legislation created an early release program for nonviolent offenders who are jailed on first and second time drug offenses and a diversion program for "new" offenders. FY 15 projections include an offender count of 17,313 for Local Housing of State Offenders and 3,623 in the Transitional Work Program.	$6,590,114	$6,590,114	0
20 - 451	Other Requirements	Local Housing of State Adult Offenders	Provides funding for housing parolees who are arrested pending their parole revocation hearing pursuant to Act 652 of 2014. Act 652 provides that the sheriff will also be reimbursed by the department at the same rate, less the sum of any monies received from the parish governing authority for the purpose of housing such persons, for any person committed to the department who is released on parole and who is subsequently arrested and housed in a parish jail from the time of arrest until the person either pleads guilty to the subsequent charge or until the committee on parole makes its determination regarding parole revocation. The maximum liability for such reimbursement increases costs to DPS&C by approximately $15.25 M per year ($20.89 per day x 2,000 x 365 days). Act 652 further provides that for FY 15, 50% of the amount would be paid and for FY 16 and thereafter, all would reimbursed.	$3,500,000	$3,500,000	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 - 901	Other Requirements	State Sales Tax Dedications	The net increase in statutorily dedicated funds of various local hotel/motel sales tax collections distributed back to local entities is the result of non-recurring carryforwards (-$721,088) and special legislative projects (-$895,000) and increasing the appropriation to match the new official forecast of total revenue including any interest/earnings, sales tax receipts or other revenue sources ($7,366,862). The forecast was adopted on 1/15/2014 by the Revenue Estimating Conference (REC) as a result of Act 419 of 2013. The forecast amounts are appropriated but may not be spent unless the funds are actually collected. Further, should actual collections surpass the official estimate, the REC must adopt an increased forecast before the surplus funds can be appropriated.	$0	$5,750,774	0
20 - 901	Other Requirements	State Sales Tax Dedications	Increases funding from statutorily dedicated funds in the St. Mary Parish Visitor Enterprise Fund. Appropriations from the fund include the following: Kemper Williams Park ($100,000), Myette Point Landing Drainage ($50,000), Keep St. Mary Beautiful ($15,000), Patterson Cypress Sawmill Festival ($15,000), Morgan City for the Shrimp & Petroleum Festival ($35,000), St. Mary Parish Tourism Commission for signage ($50,000), Berwick for Bayou Teche Paddle Race ($15,000), Berwick for lighthouse maintenance ($5,000), Franklin for improvements to Franklin Little League Park for tournaments ($35,000), Franklin for the Harvest Moon and Black Bear Festivals ($15,000), Franklin for Teche Theater HVAC system replacement ($25,000), Franklin for the Center Theater rehabilitation project ($25,000), Chitimacha Tribe of LA for tourism promotion ($15,000), and Baldwin for the Baldwin Carnival Festival ($10,000). The adjustment increases the total appropriation for FY 15 from the St. Mary Parish Visitor Enterprise Fund from $700,000 to $1.11 M. The funds are dedicated from the state sales tax on hotel/motel rentals originating in St. Mary Parish.	$0	$410,000	0
20 - 901	Other Requirements	State Sales Tax Dedications	Increases or decreases the appropriation for the following funds or activities: Pamoja Art Society for African American cultural activities in Shreveport ($7,000), Ouachita Parish Visitor Enterprise Fund ($600,000), Lake Charles Civic Center Fund ($4,600,000), St. Mary Parish Visitor Enterprise Fund to Berwick for the Bayou Teche Paddle Race (-$5,000) but adding Franklin for the Bayou Teche Paddle Race ($10,000) and improvements to the Little League Park for tournaments ($5,000) and Franklin for the Wooden Boat Festival ($5,000), East Baton Rouge Parish Enhancement Fund ($200,000), and the East Baton Rouge Parish Riverside Centroplex Fund ($300,000) for a net increase of $5.722 M. Further amendments allocate sales tax dedications from the Jefferson Parish Convention Center Fund to Westwego for the Westwego Fest ($50,000), as well as undisclosed amounts from the Iberia Parish Tourist Commission Fund, East Carroll Visitor Enterprise Fund, Richland Parish Visitor Enterprise Fund, Madison Parish Visitor Enterprise Fund and East Baton Rouge Parish Community Improvement Fund to the St. George Fire Department for hazardous materials training and equipment.	$0	$5,722,000	0
20 - 903	Other Requirements	Parish Transportation	Increases funding from the statutorily dedications Transportation Trust Fund - Regular for the Off-system Roads & Bridges Match Program to FY 13 levels. The Off-system Roads & Bridges Match Program provides funds to match federal aid to perform replacement, rehabilitation and systematic preventive maintenance for off-system railroad crossings and bridges. The program was unfunded in FY 14.	$0	$3,000,000	0
20 - 925	Other Requirements	Unclaimed Property Leverage Fund Debt Service	Provides funding from the statutorily dedicated Unclaimed Property Leverage Fund and establishes a new agency through which the revenue stream is pledged $112 M in bonds sold on 12/17/2013 to fund construction of portions of I-49 North ($91 M) and I-49 South ($21 M). The source of revenue is $15 M in unclaimed property proceeds that were initially dedicated for direct-pay use on I-49 construction (half for I-49 North and half for I-49 South) and now pledged as debt service of appropriation debt as well as anticipated additional debt to be incurred later in 2014. The 2014 issue is expected to be directed to I-49 South efforts. The available appropriation from this fund is forecast at $15 M for FY 15 by the Revenue Estimating Conference (REC) which does not include any anticipated earnings. Presumably, the appropriation of any amount over $15 M would require recognition by the REC, per Act 419 of 2013. If collections of $15 M do not materialize, the state must back the required debt service through other means, as agreed in the Cooperative Endeavor Agreement with the trustee. According to the Official Statement, debt service in FY 15 is expected to be about $9.2 M ($7.5 M for I-49 North and $1.7 M for I-49 South) without consideration of additional bond sales in 2014.	$0	$15,000,000	0

Major Increases or Enhancements in the FY 15 Budget Compared to the FY 14 Budget (Table 17)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 - 931	Other Requirements	LED Debt Service / State Commitments	This Statutory Dedications funding for economic development projects that the Department of Economic Development anticipates signing contracts for in FY 15. The source of the Statutory Dedications funding is from the Rapid Response Fund ($2,961,711), LA Economic Development Fund ($1,950,234) and Mega Project Development Fund ($1,217,222).	$0	$6,129,167	0
20 - 932	Other Requirements	2% Fire Insurance Fund	Increases funding from the statutorily dedicated 2% Fire Insurance Fund to reflect Revenue Estimating Conference (REC) estimates. The 2% Fire Insurance Fund provides funding to local governmental entities to aid in fire protection. The total amount recommended for FY 15 is $21.03 M.	$0	$2,607,158	0
20 - 945	Other Requirements	State Aid to Local Govt. Entities	Increase in the estimate initially put forward by the Revenue Estimating Conference. The increases are for the following statutorily dedicated funds: Beautification/Improvement New Orleans City Park Fund ($227,169), Bossier Parish Truancy Fund ($30,589), Calcasieu Parish Fund ($82,611), Greater New Orleans Sports Foundation Fund ($461), New Orleans Urban Tourism & Hospitality Training Fund ($153,354), St. Landry Parish Excellence Fund ($44,802), Algiers Economic Development Foundation Fund ($304), Beautification Project for New Orleans Neighborhoods Fund ($425) and Friends of NORD Fund ($529).	$0	$540,244	0
20 - 950	Other Requirements	Special Acts/Judgments	Additional funding for various judgments including $3,722,315 being deposited into the Adult Probation & Parole Officers Retirement Fund for FY 15 to be used to satisfy the judgment in the suit titled "LA Probation and Parole Officers Association versus the LA State Legislature".	$12,222,315	$12,222,315	0
20 - 977	Other Requirements	DOA Debt Service & Maintenance	Additional SGF to support the overall expenditures of the agency. A major revenue source of this agency is rental collections from state agencies housed in state buildings. These revenues are utilized to pay debt service on those buildings and to provide maintenance for those buildings. Due to the consolidation of various state agencies, the additional SGF is needed in order to replace lost rental revenues.	$791,022	$791,022	0
20 - 977	Other Requirements	DOA Debt Service & Maintenance	The SGF increase is due to the refinancing of the Transportation Infrastructure Finance & Innovation Act (TIFIA) loan debt that occurred in November 2013. According to DOTD, the LA1 debt was refinanced and the bonds and TIFIA loan were paid off with 2 new TIFIA loans and public market bonds. The new debt is backed by the state. Thus, the debt service will actually be appropriated in HB 1. The $6.2 M increase is the anticipated FY 15 debt service payment. Beginning in FY 15, LA1 toll revenues will be considered a SGF revenue source that is included in the latest adopted state revenue forecast.	$6,244,717	$6,244,717	0
20 - XXX	Other Requirements	Funds	Provides for the transfer of $498,000 of SGF resources into the Innocence Compensation Fund. This funding is being appropriated in the LA Commission on Law Enforcement (LCLE) in order to pay 20 individuals owed compensation. The purpose of this fund is to compensate individuals who are found to be factually innocent of a crime.	$498,000	$498,000	0
			Major Increases or Enhancements for Other Requirements	**$29,846,168**	**$69,005,511**	**0**
			Major Increases or Enhancements of FY 2015	**$459,049,410**	**$1,218,912,239**	**72**

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
00 - 00	Statewide	Statewide	Reduces funding ($25,092,360 SGF and $2,927,531) and 55 positions due to the statewide IT consolidation. The statewide IT consolidation will result in a reduction of 62 positions (55 T.O. positions, 1 Non-T.O. position & 6 Other Charges positions) and the transfer of 724 T.O. positions and 9 Other Charges positions from various state agencies into the newly created Office of Technology Services (OTS, 21-815), an ancillary agency contained in the Ancillary Appropriations Bill. According to the Division of Administration (DOA), these 62 positions are currently vacant. The majority of the savings is a result of consolidation of software licenses, hardware maintenance agreements, and staff augmentation contract services, which will result in various savings to professional services and operating services expenditures. A smaller portion of the SGF savings is due to the reduction of 62 total positions at various state agencies statewide. OTS will be the central procurement and provisioning agency for all technology goods and services. The new OTS agency's FY 15 budget is $280 M IAT revenue from these various state agencies. According to the DOA, the original source of funds being utilized by the various state agencies is as follows: SGF ($65.2 M), IAT ($24.1 M), SGR ($49.7 M), Statutory Dedications ($48.6 M) and Federal ($71.4 M). Overall, instead of the impacted state agencies funding their IT expenditures with salaries/related benefits for IT employees and/or professional services for IT contracts, these state agencies will be "invoiced" for IT services provided by the OTS.	-$25,092,360	-$28,019,891	-55
00 - 00	Statewide	Statewide	Decreases funding ($16,682,629 SGF, $9,309,902 IAT, $9,144,710 SGR, $6,584,098 Statutory Dedications and $12,831,125 Federal) and positions due to charged attrition. Every year during budget development, the DOA does a historical vacancy project that determines the average number of positions vacant each fiscal year within any agency and how long those positions have been vacant. This information is utilized to calculate the amount of attrition to charge the agency. The following departments will realize a reduction in positions: Agricultural & Forestry (11), Children & Family Services (58), Environmental Quality (5) and Special Schools & Commissions (2).	-$16,682,629	-$54,552,464	-76
00 - 00	Preamble	Statewide	Preamble reduction directs the commissioner of administration to adjust appropriations contained in the Act. This reduction will be utilized to fund the MFP ($50.3 M), TOPS Program ($14.9 M), Local Housing of Adult Inmates ($7 M), elections expenses ($1 M) and state match for the LA Youth Challenge Program ($700,000).	-$75,659,793	-$75,659,793	0
			Major Reductions for Preamble	**-$117,434,782**	**-$158,232,148**	**-131**
01 - 107	Executive	Division of Administration	Reduces funding and 4 non-FTE positions (2 student workers and 2 WAE positions) from the Division of Administration. The DOA sections impacted are Office of Finance & Support Services and Human Resources. There are currently 18 filled WAE positions and 48 filled student positions.	-$129,323	-$129,323	0
01 - 107	Executive	Division of Administration	Reduces excess budget authority ($326,273 SGF and $265,000) for operating services ($35,787), professional services ($380,000), other charges ($10,000) and IAT expenditures ($165,486) due to cost saving measures, sale of the Baton Rouge State Office Building (operating services expenditures/building maintenance) and savings resulting from legal e-billing. According to the DOA, legal e-billing allows contract attorney to upload invoices electronically, which prevents the state from having to pay invoices on paper and allows the bills to be paid electronically.	-$326,273	-$591,273	0
01 - 107	Executive	Division of Administration	Reduces excess federal budget authority in the Community Development Block (CDBG) Program, Disaster Recovery Unit (DRU). For the past 5 fiscal years, the actual federal expenditures have declined approximately $4 B. Thus, the FY 15 budget reduces the DRU down to $573.8 M in FY 15. Prior year actual expenditures over the past 5 years for Federal funds are as follows: FY 13 - $571.8 M; FY 12 - $916.6 M; FY 11 - $1.4 B; FY 10 - $1.6 B; FY 09 - $1.9 B; and FY 08 - $4.5 B.	$0	-$519,760,144	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 107	Executive	Division of Administration	Reduces IAT (Federal funds) from the Governor's Office of Homeland Security & Emergency Preparedness in the Community Development Block Grant (CDBG) Program associated with the Hazard Mitigation Program Grant. CDBG/DRU's Hazard Mitigation Program assists homeowners in coastal LA protect their homes from damage by future natural disasters by elevating homes and reconstructing safer structures. According to the Division of Administration (DOA), there has been a gradual decline of available funding as the program nears completion.	$0	-$207,962,295	0
01 - 107	Executive	Division of Administration	Reduces 19 vacant positions and associated funding ($557,841 SGF, $186,335 IAT and $591,322 SGR) due to efficiencies identified by various DOA sections. The specific DOA sections impacted by reduction of 19 positions include: Office of Planning & Budget (3), General Counsel (3), State Purchasing (6), Human Resources (1), Facility Planning & Control (2), Office of State Buildings (2), State Lands (1) and Community Development Block Grant Program (1).	-$557,841	-$1,398,750	-19
01 - 107	Executive	Division of Administration	Reduces excess budget authority from the State Emergency Response Fund (SERF). Thus, the total amount appropriated from the fund in FY 15 will be $412,000, which is the current fund balance.	$0	-$588,000	0
01 - 107	Executive	Division of Administration	Reduces excess IAT budget authority associated with the Hazard Mitigation Grant Program.	$0	-$116,726,784	0
01 - 107	Executive	Division of Administration	Reduces excess CDBG budget authority (SGR) relative to revolving loans in the Auxiliary Program.	$0	-$3,196,672	0
01 - 109	Executive	Coastal Protection & Restoration	Decreases funding from the statutorily dedicated Oil Spill Contingency Fund. The agency has utilized all but $500,000 for the Barrier Island Project as a result of the Deepwater Horizon event. Construction on Shell Island East Project in Plaquemines Parish began in FY 13 and will be finished in FY 14. The project length is projected to be 2.8 miles and have a dune elevation of 8 feet, a marsh elevation of 2.5 feet and a total fill area of 613 acres. The funding is directly from BP and the remaining $500,000 will be used for monitoring and vegetative plantings.	$0	-$59,500,000	0
01 - 109	Executive	Coastal Protection & Restoration	Decreases IAT funding from the Department of Public Safety (DPS) for oil spill related expenses associated with the Deepwater Horizon event. The IAT authority was used by CPRA to receive reimbursement for personnel expenses involving the investigation of new reports of oil washing on shore as a result of the oil spill.	$0	-$4,090,990	0
01 - 109	Executive	Coastal Protection & Restoration	Decreases funding from the statutorily dedicated Coastal Restoration & Protection Fund ($142,390,860) and federal funding ($4,239,660) associated with coastal restoration projects. All coastal restoration projects will be funded through the Capital Outlay Bill (Act 25). These projects will still be funded through the Coastal Restoration & Protection Fund.	$0	-$146,630,520	0
01 - 111	Executive	Homeland Security & Emergency Prep	Reduces funding from the statutorily dedicated LA Interoperability Communication Fund. In FY 14 and in prior fiscal years, GOHSEP provides and will continue to provide the policy and oversight of the LA Wireless Information Network (LWIN) System, while State Police will continue to provide the day-to-day maintenance of the LWIN System. The LWIN Project began in 2005 after hurricanes Katrina and Rita and is utilized primarily by first responders statewide. According to the agency, the LWIN is the largest statewide radio system in the country with approximately 70,000 users of which 70% of those users are local government entities. The original source of revenue flow into the fund was SGF, which was always included in Schedule #20-XXX. For FY 15, State Police will fund the day-to-day maintenance expenditures of the 700 MHz system with statutorily dedicated funding from the Riverboat Gaming Enforcement Fund as opposed to SGF deposited into the LA Interoperability Communications Fund appropriated to GOHSEP and sent (IAT) to State Police. Per statute, GOHSEP still chairs the Statewide Interoperability Executive Committee (SIEC) and will still remain a partner in governance, planning and training relative to interoperability.	$0	-$7,970,116	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 111	Executive	Homeland Security & Emergency Prep	Reduces funding for back-office support provided by the Department of Public Safety. The FY 12 budget consolidated the back office functions of the Office of Juvenile Justice and the GOHSEP with the back office functions of the Department of Public Safety & Corrections, Public Safety Services. This reduction does not represent a decrease in services provided to GOHSEP by DPS. However, due to support provided by DPS towards GOHSEP's federal programs, the SGF is no longer needed since existing federal funding will be available in FY 15.	-$105,565	-$105,565	0
01 - 111	Executive	Homeland Security & Emergency Prep	Annualization of Executive Order BJ 14-1 Hiring Freeze. Elimination of 3 vacant other charges IT positions and associated funding ($12,600 SGF and $177,657 Federal).	-$12,600	-$190,257	0
01 - 111	Executive	Homeland Security & Emergency Prep	Reduces funding for travel and printing costs. The specific reductions are as follows: $1,030 - printing services provided by DOA, $5,000 - travel expenditures, $1,548 - printing services provided by vendor and $60,665 - cell phone and Xerox copier expenditures.	-$68,243	-$68,243	0
01 - 112	Executive	Military Department	Reduces federal budget authority associated with an approved Joint Legislative Committee on the Budget (JLCB) BA-7. The Federal funds were originally appropriated at the 9/13/2013 JLCB meeting in order for the department to hire a specialized contractor to dispose of approximately 18 million pounds of explosive materials stored within 97 magazines at Camp Minden. These materials were originally the property of Explo Systems, which was leasing the old ammunition manufacturing facility at Camp Minden to separate military propellant bags and resell components. The dangerous component is M6 smokeless powder, which was improperly stored at Camp Minden by Explo. This ultimately caused an explosion of a portion of these materials in Fall 2012. In September 2013, the department initially thought that federal funds from the U.S. National Guard Bureau may be available to fund the disposal of the M6 powder. However, those specific funds were not made available. Currently, the powder is still being stored and has not been removed. The department is still trying to find funds to assist in the disposal of the powder. To the extent funds are made available, the funds will be utilized to hire a contractor to dispose of the remaining explosive materials.	$0	-$30,000,000	0
01 - 112	Executive	Military Department	State Active Duty funding is being reduced from $479,349 in FY 14 to $350,000 in FY 15 ($129,349 reduction). State Active Duty funds are utilized during the year on an as needed basis depending upon the emergency response requirements of the department. These funds are typically utilized to fund minor emergencies that likely are not federally declared disasters, which would trigger federal resources. Historically, the department has approximately $500,000 SGF budgeted for State Active Duty. FY 15 will have approximately 30% less in State Active duty funds. The remaining $139,518 reduction is associated with armory repairs ($120,000) and travel expenditures ($19,518).	-$268,867	-$268,867	0
01 - 112	Executive	Military Department	Reduces 16 positions and associated federal funding due to the decrease in Force Protection personnel by the National Guard Bureau. According to the department, beginning in FFY 15 (October 2014), the National Guard Bureau is reducing funding for Force Protection personnel for 7 facilities (Provost Marshal Office, Jackson Barracks, Camp Beauregard, Camp Minden, Gillis Long, Camp Cook, Camp Villere, Hammond and Esler). In its FY 15 budget request, the Military Department requested SGF to replace the loss of the $700,000 Federal funds. The 16 positions are currently filled. In FY 15 there will be 97 total Force Protection personnel remaining within the department.	$0	-$700,000	-16
01 - 112	Executive	Military Department	Decreases all remaining funding for death benefits in FY 15. The FY 13 budget originally appropriated $1.25 M in death benefits and the FY 14 budget reduced this amount by $1 M. After the $250,000 reduction, there will be $0 budgeted in FY 15 for death benefits. To the extent additional death benefits are required during FY 15, the department will likely have to request additional funds in FY 15.	-$250,000	-$250,000	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 124	Executive	LA Stadium & Exposition District	Reduction of excess budget authority in the New Orleans Sports Franchise Assistance Fund.	$0	-$1,206,095	0
01 - 129	Executive	LA Commission on Law Enforcement	Decreases funds from the statutorily dedicated Innocence Compensation Fund to pay wrongful convictions lawsuits against the state. The fund balance after this reduction will be $0.	$0	-$530,000	0
01 - 129	Executive	LA Commission on Law Enforcement	Net reduction in federal funding due to reduced spending associated with the Violence Against Women Act ($400,000), decrease in the Federal budget amounts for the Edward Byrne Memorial Justice Assistance Grant ($700,000) and the Juvenile Justice & Delinquency Grant ($100,000). The Victims of Crime Act grant increased by $400,000. The grant amounts are determined by formulas set forth by the U.S. Department of Justice. The total amount of the these grants is $12.6 M and will be expended over the next 3 years.	$0	-$800,000	0
01 - 129	Executive	LA Commission on Law Enforcement	Reduces funding from the statutorily dedicated Tobacco Tax Health Care Fund as a result of the adopted REC forecast. The reduction may result in a decrease in the number of D.A.R.E grants that are awarded by LCLE for new and/or innovative projects in drug abuse prevention and treatment to local governments and non-profit organizations that demonstrate both a need for such a project and for startup funds for a 12-month period. LCLE has yet to determine the impact this reduction will have on the D.A.R.E program.	$0	-$285,302	0
01 - 255	Executive	Financial Institutions	Non-recurs SGR for computer software consultants associated with the transfer of the agency's financial regulatory database FoxPro to the new STAR regulatory system. The STAR regulatory system is a "commercial off-the-shelf" (COTS) IT system specifically designed for state financial regulators. The FoxPro System is no longer supported and could no longer be updated. The systems were transferred at the end of FY 14.	$0	-$511,500	0
			Major Reductions for Executive	**-$1,718,712**	**-$1,103,460,696**	**-35**
03 - 136	Veterans' Affairs	Southeast LA War Veterans' Home	Decreases funding ($264,285 SGR and $100,826 Federal) for operating expenses including operating services ($198,670), supplies ($139,432), and personnel services overtime pay ($27,009) based on historical expenditures.	$0	-$365,111	0
			Major Reductions for Veterans' Affairs	**$0**	**-$365,111**	**0**
04a - 139	State	Secretary of State	Elimination of 2 positions and associated funding ($68,855 SGF and $68,855 SGR) for personal services. The positions targeted were Elections Program Specialist and Archives Specialist.	-$68,855	-$137,710	-2
			Major Reductions for State	**-$68,855**	**-$137,710**	**-2**

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b - 141	Justice	Attorney General	Decreases excess SGF budget authority in the Civil Law Program and Criminal Law & Medicaid Fraud Program.	-$867,474	-$867,474	0
			Major Reductions for Justice	**-$867,474**	**-$867,474**	**0**
04d - 147	Treasury	State Treasury	Reduction in excess budget authority from the statutorily dedicated Millennium Trust Fund to properly reflect prior year actual expenditures from the 3 various statutorily dedicated funds associated with the Millennium Trust. The specific FY 15 reduction is as follows: Education Excellence Fund ($187,182), Health Excellence Fund ($187,181) and TOPS Fund ($187,181). The remaining FY 15 budgeted amount for the Millennium Trust Fund is $171,000. The FY 13 prior year actual expenditures from the Trust Fund was $148,197.	$0	-$561,544	0
04d - 147	Treasury	State Treasury	Reduces funding from the Geaux Pass Transition Fund. The State Treasury was appropriated $2.3 M from the Geaux Pass Transition Fund in FY 14. According to State Treasury, approximately 21,000 claims from toll refunds are completed and anticipates paying an additional 167,000 in claims by 6/30/2014. Total funding for FY 14 is $2.3 M and is anticipated to be expended by the end of FY 14. The average claim to date is approximately $41 per claim with claims ranging from 20 cents to $100.	$0	-$2,300,000	0
			Major Reductions for Treasury	**$0**	**-$2,861,544**	**0**
04f - 160	Agriculture & Forestry	Agriculture & Forestry	Elimination of 16 positions and associated funding ($741,509 SGF, $20,349 IAT, $57,436 SGR, $242,431 Statutory Dedications and $103,668 Federal) for personal services. The positions targeted have not yet been identified by the department as of this date. The IAT is received from the Office of the State Fire Marshal. The statutorily dedicated funds are from the Agricultural Commodity Dealers & Warehouse Fund and the Horticulture & Quarantine Fund.	-$741,509	-$1,165,393	-16
			Major Reductions for Agriculture & Forestry	**-$741,509**	**-$1,165,393**	**-16**
05 - 251	Economic Development	Office of Secretary	Annualization of Executive Order BJ 14-1 Hiring Freeze. Elimination of an unidentified position and associated funding ($122,700 SGF and $10,817 SGR) within the Office of the Secretary.	-$122,700	-$133,517	-1
05 - 252	Economic Development	Business Development	Non-recurs all funding from the statutorily dedicated Small Business Surety Bonding Fund for the Small Business Bonding Program. LED discontinued this program in FY 13 because the program had low utilization and did not have a material impact on employment/economic development in the state. LED has not expended any of the $100,000 appropriated in FY 14 to date and does not anticipate any program expenditures by the end of the fiscal year. The current balance of the Small Business Surety Bonding Fund is approximately $464,000.	$0	-$100,000	0
05 - 252	Economic Development	Business Development	Eliminates all funding budgeted in FY 14 for the LA Filmmakers Grant Fund Program due to the loss of the program's on-going statutorily dedicated funding source. The legislature established the LA Filmmakers Grant Fund Program to support LA's independent filmmakers by providing funding for new productions filmed in the state. The program was originally funded with revenues from transfer fees generated from transferrable film tax credits. Act 418 of 2013 created a central tax credit registry with the LA Department of Revenue (LDR) and LDR began receiving film tax credit transfer fees instead of LED. As such, the LA Filmmakers Grant Fund Program does not have an ongoing funding source. The current balance of the LA Filmmakers Grant Fund is approximately $565,000.	$0	-$100,000	0
05 - 252	Economic Development	Business Development	Annualization of Executive Order BJ 14-1 Hiring Freeze. Elimination of 2 unidentified positions and associated funding ($173,058 SGF and $32,653 SGR) within the Office of Business Development.	-$173,058	-$205,711	-2
			Major Reductions for Economic Development	**-$295,758**	**-$539,228**	**-3**

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 - 261	Culture, Recreation & Tourism	Office of Secretary	The Seafood & Marketing Board was given $30 M from BP in the wake of the 2010 oil spill to promote LA seafood products. These are one-time SGR funds in the form of grants that flow from BP to a non-profit and then to the Seafood Board to continue operations. In FY 14, funds were spent providing promotional services for the seafood industry. Of the initial $30 M received from BP, approximately $11 M remains in the fund as of 6/30/2014. Total funding for FY 15 is projected to be $1,489,849, leaving $9.5 M in the fund to be expended in subsequent fiscal years. The agency is unable to indicate to the LFO the specific timeframe the funds will be completely exhausted.	$0	-$6,028,629	0
06 - 261	Culture, Recreation & Tourism	Office of Secretary	Non-recurs IAT funding from wildlife task forces, Department of Wildlife & Fisheries (W&F) and the Department of Culture, Recreation & Tourism (CRT). Once the Seafood Promotion Board transferred to the CRT, funding from the W&F was stopped. The following programs are reduced: Alligator Resource Fund ($47,500); Oyster Development Fund ($258,665); Shrimp Marketing & Promotion Account ($45,000); Crab Promotion & Marketing Account ($34,085); Wildlife & Fisheries completed federal grant ($400,000); and one-time funding from the Office of Tourism ($40,000).	$0	-$825,250	0
06 - 264	Culture, Recreation & Tourism	State Parks	Elimination of 8 vacant positions and associated funding. The positions include an accounting specialist (Administrative Office), 3 law enforcement rangers (1 each at Bayou Segnette, Chicot, and Jimmie Davis), 2 parks building & grounds attendants (1 each at Hodges Gardens and Lake Fausse Pointe), and 2 interpretive rangers (1 each at South Toledo Bend and Poverty Point SHS, now a World Heritage Site).	-$423,765	-$423,765	-8
06 - 264	Culture, Recreation & Tourism	State Parks	Non-recurring one-time funding for Special Legislation Projects (SLP). This reduction represents the removal of one-time funds for erosion repair related to the Poverty Point State Historical Site. The funding was used to stabilize approximately 675 linear feet of the bayou bank at the site.	-$750,000	-$750,000	0
06 - 264	Culture, Recreation & Tourism	State Parks	Annualization of Executive Order BJ 14-1 Hiring Freeze. Elimination of 2 vacant positions and associated funding ($53,206 SGF and $57,215 Statutory Dedications). The 2 positions include 1 parks building & grounds attendant and 1 maintenance repairer at Lake Bistineau. The source of the Statutory Dedications is the State Parks Improvement & Repair Fund.	-$53,206	-$110,421	-2
			Major Reductions for Culture, Recreation & Tourism	**-$1,226,971**	**-$8,138,065**	**-10**
07 - 276	Transportation & Development	Engineering & Operations	Non-recurs one-time funding for Special Legislative Projects (SLP) in the District Operations Program. This SLP provided funding from the statutorily dedicated Overcollections Fund to be divided evenly among the 9 highway districts for road maintenance.	$0	-$36,000,000	0
			Major Reductions for Transportation & Development	**$0**	**-$36,000,000**	**0**

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A -	Corrections	Department Wide	Reductions in vacant positions and associated SGF funding reduced by the following amounts: Corrections Administration ($496,105) (6) Louisiana State Penitentiary ($705,299) (11) Avoyelles Correctional Center ($263,932) (4) Dixon Correctional Center ($193,326) (3) Elayn Hunt Correctional Center ($520,462) (8) David Wade Correctional Center ($372,928) (6) Adult Probation and Parole ($1,903,236) (28) Total ($4,455,288) (66)	-$4,455,288	-$4,455,288	-66
			Major Reductions for Corrections	**-$4,455,288**	**-$4,455,288**	**-66**
08B - 419	Public Safety	State Police	Reduction of non-recurring funding in Statutory Dedications associated with the Deepwater Horizon event. Both the statutorily dedicated Natural Resource Restoration Trust Fund and the Oil Spill Contingency Fund were reduced $110.8 M for expenses associated with the Deepwater Horizon event. Of the $110.8 M, $1.3 M was paid for personnel expenses, $15.4. M was used for Other Charges expenses which included travel, operating expenses and professional services, and $94.1 M was used for IAT expenses that were sent to different agencies handing oil spill related activities. The $94.1 M was transferred to the following agencies: Executive ($215,070); Coastal ($67.9 M); Attorney General ($16.1 M); Natural Resources ($296,000); Environmental Quality ($1.2 M); and Wildlife & Fisheries ($8.3 M).	$0	-$110,836,814	0
08B - 420	Public Safety	Motor Vehicles	Reduces 20 positions and associated SGR funding as a result of outsourcing vehicle registration and driver's license renewal services to Public Tag Agents (PTAs). The positions will be reduced in parishes that have an increase in PTAs. It is expected that 10 to 15 PTAs handling driver's license renewal services will be in operation within a year. PTAs are located across the state and are currently able to perform vehicle registrations, reinstatement of insurance cancellations, and receive and process title applications, in addition to other duties.	$0	-$800,000	-20
			Major Reductions for Public Safety	**$0**	**-$111,636,814**	**-20**
08C - 403	Youth Services	Juvenile Justice	Elimination of 20 vacant positions and associated funding for personal services. The positions reduced include administrative assistants, probation officers, and juvenile justice specialis fts	-$1,013,540	-$1,013,540	-20
			Major Reductions for Youth Services	**-$1,013,540**	**-$1,013,540**	**-20**
09 - 300	Health & Hospitals	Jefferson Parish Human Services Authority	Reduces excess SGR budget authority to reflect reimbursement levels for projected services provided in FY 15. The fees are paid to the Authority by Magellan as part of the Statewide Management Organization for Medicaid eligible services. The adjustment is necessary to realign the Authority's MOF to reflect proper funding and service levels after full implementation of the LA Behavioral Health Partnership.	$0	-$2,610,687	0
09 - 301	Health & Hospitals	Florida Parishes Human Services Authority	Reduce excess SGR budget authority to reflect reimbursement levels for projected services provided in FY 15. The fees are paid to the Authority by Magellan as part of the Statewide Management Organization for Medicaid eligible services. The adjustment is necessary to realign the Authority's MOF to reflect proper funding and service levels after full implementation of the LA Behavioral Health Partnership.	$0	-$2,534,661	0
09 - 302	Health & Hospitals	Capital Area Human Services District	Reduces excess IAT budget authority to reflect reimbursement levels for projected Title 19 eligible services in FY 15. All funds for client services will now be classified as SGR regardless of payer source. The fees are paid to the District by Magellan as part of the Statewide Management Organization for medicaid eligible services. The adjustment is necessary to realign the District's MOF to reflect proper funding and service levels after full implementation of the LA Behavioral Health Partnership.	$0	-$678,580	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 302	Health & Hospitals	Capital Area Human Services District	Reduces IAT from the Office of Public Health (OPH), Maternal & Child Health Program for the Nurse Family Partnership (NFP) Program. The NFP Program provides prenatal and early childhood intervention services designed to improve the health and social functioning of low-income, first-time mothers and their babies. The District will retain a budget of $1.53 M allocated to this activity after this reduction. This adjustment is clean-up in nature, as OPH realized a reduction of Federal funds dedicated to this activity in FY 13 and the District's funding was not reduced by the corresponding amount in the FY 14 Appropriation Bill.	$0	-$353,038	0
09 - 304	Health & Hospitals	Metropolitan Human Services District	Reduces excess budget authority enabled by efficiencies generated through privatization of pharmaceutical services. The District anticipates cost savings associated with outsourcing its pharmaceutical services through the elimination of administrative and operating expenditures in addition to lower prescription costs. The privatization was an initiative of Metropolitan Human Services District and other Districts with a similar base delivery model are analyzing the potential to submit RFPs to privatize pharmaceutical services in a like manner.	-$475,000	-$475,000	0
09 - 304	Health & Hospitals	Metropolitan Human Services District	Reduces IAT funding from the Department of Children & Family Services to match anticipated expenditures in FY 15. The District previously had 2 providers offering residential addiction treatment for TANF eligible women. One of the providers elected to cease participation in this TANF grant based program, so the associated funding is eliminated.	$0	-$299,370	0
09 - 304	Health & Hospitals	Metropolitan Human Services District	Reducing Title 19 Medicaid IAT budget authority to match projected service delivery levels in FY 15. All funds for client services will now be classified as SGR regardless of payer source. The fees are paid to the District by Magellan as part of the Statewide Management Organization for medicaid eligible services. The adjustment is necessary to realign the District's MOF to reflect proper funding and service levels after full implementation of the LA Behavioral Health Partnership.	$0	-$185,000	0
09 - 305	Health & Hospitals	Medical Vendor Administration	Reduces 9 positions and associated funding ($252,478 SGF and $354,235 Federal) in the DHH Office of the Secretary. The reduction represents 7 positions that have been vacant for at least 1 year, and the annualization of Executive Order BJ 14-1 Hiring Freeze, including 2 positions. Positions reduced include physician V, 3 Medicaid program monitors, Medicaid program manager, 2 pharmacists, administrative coordinator and project coordinator.	-$252,478	-$606,713	-9
09 - 306	Health & Hospitals	Medical Vendor Payments	Decreases funding ($150,000 SGF and $245,361 Federal) due to the implementation of a facility need review process for Pediatric Day Care Facilities (certificate of public need) and implementation of certain cost controls for such providers. The source of Federal funds is Title 19 federal financial participation. Act 15 assumes a Medicaid claims savings resulting from limiting licenses offered to new Pediatric Day Care Facilities to operate and bill Medicaid in certain regions of the state. Licenses will be based on need in a geographic area to limit excess service capacity. The budget also assumes some savings associated with costs controls. *Details on specific cost control and associated savings have been requested but not provided to the LFO.*	-$150,000	-$395,361	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Decreases funding ($113,820 SGF and $186,180 Federal) due to the elimination of Medicaid reimbursement for elective deliveries before 39 weeks that are not medically necessary. Savings are projected to result from a decrease in Title 19 Medicaid reimbursement to hospital providers for certain deliveries. The source of Federal funds is Title 19 federal financial participation.	-$113,820	-$300,000	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health & Hospitals	Medical Vendor Payments	Decreases funding ($750,000 SGF and $1,226,805 Federal) to 2 Shared Savings Health Plans as a result of eliminating the requirement of these plans to pre process claims. The source of Federal funds is Title 19 federal financial participation. The budget assumes a $1.9 M decrease in the per enrollee monthly administrative fee to the 2 managed care shared savings plans. Savings will be realized in Medical Vendor Payments by amending the shared savings contracts, as the plans will no longer be required to pre-process claims related to the clients enrolled in the plans. Information from the department indicates savings are generated by removing the pre-processing function built into the plan contract deliverables. Primary care providers, hospitals, specialists and other network providers will no longer submit claims to the plans and the fiscal intermediary (FI), but only to the state FI for processing, payment or denial.	-$750,000	-$1,976,805	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Projected savings ($5,114,508 SGF and $8,366,009 Federal) in Medicaid Managed Care due to a payment methodology change for the managed care health plans. The source of Federal funds is Title 19 federal financial participation. The Medicaid budget assumes a one-time decrease in aggregate payments to the plans for FY 15. In FY 15, the Department of Health & Hospitals (DHH) will re-bid the Bayou Health Managed Care contracts through a Request for Proposal (RFP) process. As a result of DHH proposing to change its managed care payment methodology from prospective (pay per member per month premiums at beginning of the month) to retrospective (pay per member per month premiums at the end of the month), and intending to build in a month of reimbursement lag, the department projects a one year savings for FY 15.	-$5,114,508	-$13,480,517	0
09 - 306	Health & Hospitals	Medical Vendor Payments	Provides funding ($154,000 SGF and $251,904) for the Department of Health & Hospitals (DHH) to implement case management for high cost pharmaceuticals. The source of Federal funds is Title 19 federal financial participation. This adjustment is an efficiency implemented as a result of recommendations from Alvarez & Marsal. Information from the DHH indicates the savings is based on implementation of a prior authorization process managing certain pharmaceuticals dealing with Hemophilia. **Note:** The Medical Vendor Administration budget does not include an associated increase adjustment to implement a prior authorization system for these specific cases.	-$154,000	-$405,904	0
09 - 307	Health & Hospitals	Office of Secretary	Reduces 13 vacant positions and associated funding (salary and related benefits) in the DHH Office of the Secretary (OS). The reduction represents positions that have been vacant for at least 1 year. Position titles include Administrative Assistant, Accountant 3, Program Manager 1, Medicaid Program Manager, 5 Information Technology Support staff, Administrative Coordinator, Program Monitor and 2 Medicaid Certification Specialist. **Note:** In addition to position reductions, an additional 43 positions are being transferred to other state agencies. Transfers are reflected below. **OS Position Transfer** — **Agency Receiving Positions** (5) Medical Vendor Administration (3) Office of Public Health (28) Information Technology consolidation with the Office of Technology Services (7) Transfer Health Economics Section to Medical Vendor Administration **(43) Total Positions Transferred**	-$954,211	-$1,030,674	-13
09 - 309	Health & Hospitals	South Central LA Human Services Authority	Reduces excess IAT budget authority to reflect reimbursement levels for projected Title 19 eligible services in FY 15. All funds for client services will now be classified as SGR regardless of payer source. The fees are paid to the Authority by Magellan as part of the Statewide Management Organization for medicaid eligible services. The adjustment is necessary to realign the Authority's MOF to reflect proper funding and service levels after full implementation of the LA Behavioral Health Partnership.	$0	-$311,614	0
09 - 309	Health & Hospitals	South Central LA Human Services Authority	Decreases SGR budget authority to reflect reimbursement levels for projected services provided in FY 15. The fees are paid to the Authority by Magellan as part of the Statewide Management Organization for medicaid eligible services. The adjustment is necessary to realign the Authority's MOF to reflect proper funding and service levels after full implementation of the LA Behavioral Health Partnership.	$0	-$294,722	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 320	Health & Hospitals	Aging & Adult Services	Non-recurs IAT funding from the DOA Office of Community Development Block Grant (CDBG) in the Administration Protection & Support Program for the Permanent Supportive Housing (PSH) Program. The PSH Program links affordable rental housing to people with severe and complex disabilities, enabling them to live successfully in the community. The Department of Health & Hospitals (DHH) consolidated the PSH programs and contracted with Magellan Health Services for certain PSH functions. DHH has been transitioning recipients in the PSH Program from CDBG to funding under Medicaid 1915(c) waivers and 1915(i) programs which is a more sustainable funding source. CDBG funds are used to pay for program administration, certain move-in expenses, and for ongoing supportive services to individuals who are not eligible to have them covered under Medicaid. Of the $4,753,395, approximately $4.35 M was transferred to Jefferson Parish Human Services Authority ($864,724), Florida Parishes Human Services Authority ($990,000), Capital Area Human Services District ($975,000), South Central LA Human Services District ($292,499) and Region 5 Office of Behavioral Health ($292,499).	$0	-$4,753,395	0
09 - 320	Health & Hospitals	Aging & Adult Services	Decreases Title 19 Medicaid IAT funds from the Medicaid Program for the Money Follows the Person Demonstration (MFP) Project in the Administration Protection & Support Program. My Place Louisiana is the state's program for the federal Centers for Medicare & Medicaid Services Money MFP Rebalancing Demonstration (less institutionalization and more community-based services). The MFP is for administrative expenses. Individuals receive services through home and community-based waivers (HCBS) through Title 19 Medicaid in Medical Vendor Payments. The reduction is for one-time administrative expenditures such as equipment and supplies. Since 2008, OAAS has transitioned 629 individuals from nursing homes into community living under MFP. Money Follows the Person (MFP): FY 13 - $1,610,249 and 291 individuals (actual) FY 14 - $1,881,881 and 240 individuals (budgeted) FY 15 - $1,642,665 and 260 individuals (requested) **Note:** According to OAAS, 267 individuals are in the process of moving from institutions to community-based services.	$0	-$239,216	0
09 - 325	Health & Hospitals	Acadiana Area Human Services District	Reduces IAT budget authority to reflect reimbursement levels for projected Title 19 eligible services in FY 15. All funds for client services will now be classified as SGR regardless of payer source. The fees are paid to the District by Magellan as part of the Statewide Management Organization for medicaid eligible services. The adjustment is necessary to realign the District's MOF to reflect proper funding and service levels after full implementation of the LA Behavioral Health Partnership.	$0	-$503,725	0
09 - 325	Health & Hospitals	Acadiana Area Human Services District	Decreases SGR budget authority to reflect reimbursement levels for projected services provided in FY 15. The fees are paid to the District by Magellan as part of the Statewide Management Organization for medicaid eligible services. The adjustment is necessary to realign the District's MOF to reflect proper funding and service levels after full implementation of the LA Behavioral Health Partnership.	$0	-$305,704	0
09 - 330	Health & Hospitals	Behavioral Health	Non-recurs IAT funding from the Department of Children & Family Services due to the elimination of the TANF Early Childhood Support & Supports (ECSS) Program (expired 9/30/2013); and IAT excess budget authority. The ECSS provides a coordinated system of screening, evaluation and referral services and treatment for children ages 0 to 5 and their families to promote healthy development and school readiness. This type of service delivery mostly shifted to human services districts/authorities and local providers in FY 14. Due to the complexity and scope of cases in the New Orleans area, a limited ECSS Program was maintained through a contract with Tulane during FY 14 for $110,025. The remaining balance ($189,975) is due to a reduction in projected revenue collections for services in FY 15.	$0	-$300,000	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 330	Health & Hospitals	Behavioral Health	Non-recurs federal budget authority associated with the Regular Services Program (RSP) Grant for LA Spirit (Hurricane Isaac) which expired on 11/24/2013. These funds were in turn transferred by IAT to Human Services Authorities and Districts within the footprint of the hurricane impacted area. The funds were used to provide Crisis Counseling Program (CCP) Teams for mental health counseling and services. The distribution of grant funds were as follows: Metropolitan Human Services District ($450,000), South Central LA Human Services Authority ($862,646), Florida Parishes Human Services Authority ($457,333), Jefferson Parishes Human Services Authority ($342,646) and Office of Behavioral Health ($207,904).	$0	-$2,320,529	0
09 - 330	Health & Hospitals	Behavioral Health	Non-recurs the State Epidemiological Outcomes Workgroup (SEOW) grant which expired 6/30/2014. The SEOW grant was used for: behavioral health data collection and reporting used by state prevention stakeholders to formulate state epidemiological profiles in order to assess needs, to create plans to prevent substance use and promote mental health, and to measure the impact of various activities within the state targeting these outcomes.	$0	-$190,000	0
09 - 340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Decreases funding ($1,020,217 Title 19 Medicaid IAT and $681,524 SGR) in the Community-Based Program due to the privatization of 3 state-operated support and services centers. The Title 19 Medicaid IAT is excess budget authority in FY 15. In the past, the Office of Citizens with Developmental Disabilities used excess revenues from the state-operated support and service centers to fund activities in the Community-Based Program. These funds were referred to as "pool revenues" (over collections generated in Title 19 Medicaid IAT payments, SGR, and Federal funds).	$0	-$1,701,741	0
09 - 375	Health & Hospitals	Imperial Calcasieu Human Services District	Reduces SGF budget authority associated with efficiencies with Telepsychiatry services. The hours of Telepsychiatry services will be reduced in FY 15.	-$125,000	-$125,000	0
09 - 377	Health & Hospitals	Northwest LA Human Services District	Reduces expenditures associated with operating services ($85,000), supplies ($65,000) and family cash subsidies ($2,060) for mental health services for eligible children up to age 18. The reduction of operating services and supplies is associated with efficiencies found in the newly formed district. The cash subsidy program is now administered through LA Clinical Services, a non-profit entity that also receives payments through the Low-Income & Needy Care Collaboration Agreement (LINCCA) UPL Program.	-$152,060	-$152,060	0
			Major Reductions for Health & Hospitals	**-$8,241,077**	**-$36,530,016**	**-22**
10 - 360	Children & Family Services	Children & Family Services	Decreases funding ($100,000 SGF and $100,000 Federal) for the call center contract with Xerox Corporation due to reduced level of utilization (incoming calls from clients) based upon implementation of the last phase of Modernization Project, Common Access Front End (CAFE). The CAFE worker portal will allow department staff to electronically process SNAP cases in parish field offices. In addition, the CAFE customer portal allows clients to create an online account, check the status of their application, complete online applications, reapplications, and submit re-determinations and renewals for continued support. Therefore, the number of SNAP recipients utilizing the call center is anticipated to decrease in FY 15.	-$100,000	-$200,000	0
10 - 360	Children & Family Services	Children & Family Services	Decreases funding in the Administration & Executive Support Program for travel as a result of the continued implementation of the Modernization Project and the establishment of regional training hubs. In FY 15, training staff located in Baton Rouge will utilize teleconference software provided by Global Data Systems to conduct training and will reduce travel expenditures. In FY 15, travel expenditures are recommended at $250,000, which is a decrease of $350,000 from FY 14 travel expenditures of $600,000.	-$350,000	-$350,000	0
10 - 360	Children & Family Services	Children & Family Services	Eliminates funding ($14,932 SGF and $334,386 Federal) in the Community & Family Program for the Access & Visitation grant in the Child Support Enforcement activity. Funds from the Access & Visitation grant assisted noncustodial parents in gaining access and visitation to their minor children through the courts. An Access & Visitation attorney mediated, attempted to reach a voluntary agreement, or if necessary, asked the court for reasonable visitation. The Access & Visitation grant required a state match.	-$14,932	-$349,318	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major Reductions for Children & Family Services	**-$464,932**	**-$899,318**	**0**
11 - 431	Natural Resources	Office of Secretary	Decreases funding from the statutorily dedicated Oilfield Site Restoration Fund as a result of abandoned well sites being restored. To date, 33 wells have been completed and 70 wells are in the process of being completed. The department has spent $3.4 M and expected to spend an additional $3.9 M in FY 14. At the end of FY 13, the fund had a balance of $7.2 M, which was used in FY 14 for well site restoration.	$0	-$4,760,547	0
11 - 431	Natural Resources	Office of Secretary	Reduction in federal budget authority due to American Recovery & Reinvestment Act (ARRA) funding ended in FY 13. All remaining funding from ARRA was expended in FY 13. There was $20 M in funding in FY 13 and $10 M in excess authority in FY 14 in the event the funding was not fully expended by the end of FY 13.	$0	-$10,000,000	0
11 - 431	Natural Resources	Office of Secretary	Reduction in funding from the statutorily dedicated Overcollections Fund for payment of royalties in the suit entitled "State of Louisiana ex rel Plaquemines Parish School Board v. LA Dept. of Natural Resources", hearing Number 57-419, Division "A", on the docket of the 25th Judicial District Court, parish of Plaquemines, state of LA.	$0	-$4,104,286	0
11 - 432	Natural Resources	Conservation	Decreases funding from the statutorily dedicated Underwater Obstruction Fund to bring the fund to its recurring revenue of $250,000. For FY 14, the fund had a budget authority amount of $429,459. The regulatory fees for wells increased for FY 14 through Statewide Order No. 29-R-13/14.	$0	-$179,459	0
11 - 432	Natural Resources	Conservation	Decrease in IAT budget authority from GOHSEP for the removal of marine debris caused by hurricanes Katrina and Rita.	$0	-$409,492	0
11 - 432	Natural Resources	Conservation	Decrease in IAT budget authority from DHH for the Statewide Groundwater Management Program. The funding was used to cap 120 damaged water wells in several parishes in south LA that were damaged during hurricanes Katrina and Rita.	$0	-$221,796	0
11 - 435	Natural Resources	Coastal Management	Reduction of Federal funds as a result of anticipated grants not being awarded to the Office of Coastal Management. Of the $525,000 decrease, $325,000 is associated with the Army Corps of Engineers Joint Public Notice grant for coastal use permits. Due to a budget shortfall, the Corps of Engineer was not able to allocate funds for the program. The remaining $200,000 decrease is associated with the National Oceanic and Atmospheric Administration (NOAA), Federal Coastal Zone Management Grant for the Special Merit Projects.	$0	-$525,000	0
			Major Reductions for Natural Resources	**$0**	**-$20,200,580**	**0**

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
12 - 440	Revenue	Office of Revenue	The SGR decrease in the Alcohol & Tobacco Control Program is due to the elimination of 2 ATC agent positions that have been vacant for 12 months or longer. The reduction includes salary and related benefits for the positions.	$0	-$137,858	-2
12 - 440	Revenue	Office of Revenue	The net SGR decrease in the Alcohol & Tobacco Control (ATC) Program is related to rental payments as the result of lower rent due to a consolidated office space arrangement with the Department of Public Safety. The consolidation is allowing ATC to vacate a large portion of its state-owned Archives Avenue offices in Baton Rouge for a savings of $292,991. However, rent in the Benson Towers offices will increase due to the automatic CPI adjustment and the addition of a customer service window ($50,119), leaving a net rental expense reduction of $242,872 in SGR.	$0	-$242,872	0
			Major Reductions for Revenue	**$0**	**-$380,730**	**-2**
13 - 850	Environmental Quality	Office of Secretary	Annualization of Executive Order BJ 14-1 Hiring Freeze. Elimination of an unidentified position and associated funding from the statutorily dedicated Environmental Trust Fund.	$0	-$97,780	-1
13 - 851	Environmental Quality	Environmental Compliance	Non-recur funding from the statutorily dedicated Brownfields Revolving Loan Fund. Loans were provided to private entities for the expansion, redevelopment, or reuse of properties complicated by the presence or potential presence of a hazardous substances, pollutants or contaminants. DEQ expended the program's remaining funds in FY 14.	$0	-$500,000	0
			Major Reductions for Environmental Quality	**$0**	**-$597,780**	**-1**
16 - 513	Wildlife & Fisheries	Office of Wildlife	Non recurs one-time funding from the statutorily dedicated Conservation Fund that was provided to the department for the purpose of purchasing land to increase the state's hunting and fishing opportunities.	$0	-$2,000,000	0
16 - 514	Wildlife & Fisheries	Office of Fisheries	Reduction of 26 T.O. associated with the consolidation of certain management & finance functions that occurred in FY 14. The positions were transferred to DNR, but the T.O. was not reduced from DWF.	$0	$0	-26
			Major Reductions for Wildlife & Fisheries	**$0**	**-$2,000,000**	**-26**
17 - 560	Civil Service	State Civil Service	This IAT reduction is the result of 3 vacant positions that were offered to OPB in meetings involving budget reductions.	$0	-$207,405	-3
17 - 560	Civil Service	State Civil Service	Reduces IAT funding in the Human Resource Management Program ($304,462) and the Administrative Program ($72,117). The agency does not know what expenditure categories will be reduced. The IAT funding is received from all state budget units with classified employees.	$0	-$376,579	0
17 - 564	Civil Service	Division of Administrative Law	This adjustment non-recurs a contract with the LA Workforce Commission (LWC) for unemployment hearing services. These unemployment hearing services were designed for Division of Administrative Law (DAL) to hear unemployment benefit appeal cases on behalf of LWC. The DAL is not expecting to enter into a contract with LWC since cases are no longer referred to DAL.	$0	-$850,000	0
17 - 564	Civil Service	Division of Administrative Law	Moves the Division of Administrative Law to Ancillary Appropriations.	$0	-$7,459,404	-54
			Major Reductions for Civil Service	**$0**	**-$8,893,388**	**-57**

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A - 600	Higher Education	LSU System	Non-recur one-time funding from the statutorily dedicated Overcollections Fund allocated to the following institutions for deferred maintenance and general operations in FY 14: LSU Board ($1,000,000), LSU A&M ($4,358,658), LSU-A ($292,426), LSU-E ($338,025), LSU-S ($662,281), LSU HSC-NO ($1,173,215), LSU HSC-SHR ($1,133,276), LSU AG Center ($926,975) and Hebert Law Center ($115,144).	$0	-$10,000,000	0
19A - 615	Higher Education	SU System	Non-recurs one-time funding from the statutorily dedicated Overcollections Fund allocated to the following institutions for deferred maintenance and general operations in FY 14: SU Board ($64,136), System Wide ($3,831,455), SU A&M ($4,304,409) and SU Law Center ($1,800,000).	$0	-$10,000,000	0
19A - 615	Higher Education	SU System	SU A&M - Non-recurs one-time funding for the following Special Legislative Projects (SLP): operating services ($210,000), supplies ($164,000), equipment ($76,000) and scholarships/fee waivers ($1,050,000).	-$1,500,000	-$1,500,000	0
19A - 615	Higher Education	SU System	SUNO - Non-recurs one-time funding for the following Special Legislative Projects (SLP): lighting ($234,811), security gate/shack ($20,475), emergency management/safety equipment ($146,457), forensic science purchases ($333,575), scholarships ($150,000), sound system ($100,000), signage ($146,000), band start up costs ($150,000), horticulture equipment ($38,182), modular building carpeting ($50,000) and vehicles ($130,500).	-$1,500,000	-$1,500,000	0
19A - 615	Higher Education	SU System	SU Shreveport - Non-recurs one-time funding for the following Special Legislative Projects (SLP): intramural complex ($100,000), baseball field ($100,000), administrative parking lot ($250,000), student pavilion ($50,000), gateway/fountain for front of Administrative Building ($70,000), billboard ($100,000), information technology upgrades ($100,000), workforce development professional services contract ($30,000), economic development professional services contract ($20,000), university marketing plan ($12,000), community development corporation operational costs ($20,000), HVAC repairs/upgrades at MLK and Metro Center ($30,000), matching funds for Independence grant ($20,000), repayment of outstanding audit finding ($220,000), business incubator matching funds ($25,000) and reserve for contingencies ($353,000).	-$1,500,000	-$1,500,000	0
19A - 615	Higher Education	SU System	SU Ag Center - Non-recur one-time funding for the following Special Legislative Projects (SLP): road improvements to Experiment Station and Livestock Show Arena ($415,000), Experiment Station land/farm and updates/improvements ($430,000), Finance Building lot pavement ($30,000), Urban Agriculture Research Centers ($330,000), repairs to waterfall at entrance to A. O. Williams Building ($15,000), security system for Research Farm and Edmond A. Arena ($280,000), electronic reporting system for Research and Extension programs ($40,000), Urban Agriculture Research Center Demonstration Farm ($330,000), Delta Obesity Prevention Research Unit ($130,000) and $1 M in funds to meet federal funding matching requirements. SU Ag Center receives approximately $3.6 M per year in Federal funds that require an equal match from the state. SU Ag Center has an on-going need for this $1 M in funding or faces the potential loss of federal funding in FY 15 and thereafter.	-$3,000,000	-$3,000,000	0
19A - 620	Higher Education	UL System	Non-recurs one-time funding from the statutorily dedicated Overcollections Fund allocated to the following institutions for deferred maintenance and general operations in FY 14: UNO ($1,326,588), Nicholls ($624,128), Grambling ($1,109,020), LA Tech ($1,059,856), McNeese ($700,906), ULM ($1,229,211), NWS ($743,879), SLU ($1,085,229) and ULL ($2,121,183).	$0	-$10,000,000	0
19A - 620	Higher Education	UL System	Reduces SGR from tuition and mandatory fees to reflect anticipated changes in enrollment at the following institutions: Nicholls (+ $1 M), La Tech (+ $2.5 M), ULL (+ $1 M), Grambling (-$3 M), Northwestern (- $1.2 M), and UNO (- $7 M).	$0	-$6,700,000	0
19A - 649	Higher Education	LCTCS System	Non-recurs one-time funding from the statutorily dedicated Overcollections Fund allocated to the following institutions for deferred maintenance and general operations in FY 14: Sowela ($646,902), Fletcher ($361,504), Northshore TCC ($250,000), Central La TCC ($855,593), BRCC ($1,102,482), Delgado ($2,828,180), Nunez ($250,000), BPCC ($250,000), SLCC ($1,438,010), RPCC ($250,000), LDCC ($955,893) and LTC ($811,436).	$0	-$10,000,000	0

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A - 671	Higher Education	Board of Regents	Reduction of 500 T.O. positions for higher education. This reduction in T.O. was based on a historical review of reports provided by the Department of Civil Service showing filled positions in higher education by month. The reports from Civil Service include only positions filled in the operating budget with unrestricted funds. The 500 positions eliminated were based on subtraction of the historical number of positions authorized in the T. O. for higher education from the number of historically filled positions in higher education per the Civil Service reports, while leaving enough positions to meet staffing needs. The reduction in positions does not include a corresponding reduction in appropriations because the positions are most likely unfunded.	$0	$0	-500
			Major Reductions for Higher Education	**-$7,500,000**	**-$54,200,000**	**-500**
19B -	Special Schools & Comm.	Department Wide	Reduces funding ($230,697 SGF, $5,809 IAT and $2,738 SGR) due to the elimination of 4 positions, including the LA Schools for the Deaf & Visually Impaired ($58,083 and 1 position), LA Special Education Center ($44,258 and 1 position) and LA Educational TV Authority ($136,903 and 2 positions).	-$230,697	-$239,244	-4
19B - 657	Special Schools & Comm.	LA School for Math, Science, & the Arts	Net decrease in funding as the result of a decrease in IAT from the MFP ($2,235,847) and SGF ($32,000); and an increases in SGR by $67,100 in the LA Virtual School Program to reflect its transition as a Course Choice Provider. The Virtual School previously served as the state program to provide services via the web, e-mail and other on-line and off-line resources to public high school students throughout the state where instruction was otherwise unavailable due to a lack of funding or qualified instructors. Due to the the implementation of the Course Choice Program, the LSMSA will now participate as one of a number of Course Choice Providers approved by BESE.	-$32,000	-$2,200,747	0
			Major Reductions for Special Schools & Comm.	**-$262,697**	**-$2,439,991**	**-4**
19D -	Elem. & Secondary Educ.	Department Wide	Reduces excess budget authority ($611,449 IAT and $24,600,490 Federal) based on historical total expenditures and anticipated budget needs. Includes $2,611,449 in State Activities and $22,600,490 in Subgrantee Assistance.	$0	-$25,211,939	0
19D - 678	Elem. & Secondary Educ.	State Activities	Annualization of Executive Order BJ 14-1 Hiring Freeze. Elimination of 8 positions and associated funding ($457,604 SGF, $182,674 IAT and $79,059 Federal), includes $640,278 and 7 positions for Administrative Support and $79,059 and 1 position for District Support.	-$457,604	-$719,337	-8
19D - 678	Elem. & Secondary Educ.	State Activities	Eliminates 16 positions and associated funding ($578,306 SGF, $103,668 SGR and $399,318 Federal).	-$578,306	-$1,081,292	-16
19D - 678	Elem. & Secondary Educ.	State Activities	Reduces funding in the District Support Program. The DOE projects the decrease will require a Reduction in Force and may result in the elimination of up to 22 positions (based on the average salary of $68,000).	-$1,500,000	-$1,500,000	0
19D - 682	Elem. & Secondary Educ.	Recovery School District	Reduces funding ($2,214,251 SGF, $111,414,517 IAT, $7,194,347 SGR and $4,125,767) to the RSD Instruction Program due to the transition from RSD direct-operated schools to charter-operated schools. Approximately 3,300 students in Orleans, EBR, Pointe Coupee, St. Helena and Caddo parishes will be moving to other schools. For FY 15 the RSD Instruction Program is budgeted at $21.4 M for the administration of Type 5 charter schools in the RSD, and oversight of the Orleans Parish Reconstruction Master Plan for the renovation or building of school facilities.	-$2,214,251	-$124,948,882	0
19D - 699	Elem. & Secondary Educ.	Special School Districts	Annualization of Executive Order BJ 14-1 Hiring Freeze. Elimination of 1 position and associated funding.	-$90,516	-$90,516	-1
19D - 699	Elem. & Secondary Educ.	Special School Districts	Eliminates 16 positions and associated funding ($810,758 SGF, $140,876 SGR and $343,823 IAT). The IAT is transfers from the Department of Education for PIPS, IDEA-B, Title II and Tittle VI; and from the Department of Health & Hospitals for Title 19 and the Office of Drug & Alcohol Abuse.)	-$810,758	-$1,295,457	-16

Major Reductions in the FY 15 Budget Compared to the FY 14 Budget (Table 18)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major Reductions for Elem. & Secondary Educ.	**-$5,651,435**	**-$154,847,423**	**-41**
19E - 610	LSU Health Care Services Division	LSU HSC-HCSD	Non-recurs funding from the statutorily dedicated Overcollections Fund used to provide for termination pay associated with the transition to the public/private hospitals partnership during FY 14.	$0	-$20,000,000	0
19E - 610	LSU Health Care Services Division	LSU HSC-HCSD	Eliminates budget authority allocated ($1,690,111 SGF, $10,890,083 IAT, $1,814,832 SGR and $7,937,503 Federal) to the W.O. Moss Regional Medical Center in FY 14 for general operating expenditures. W.O. Moss received a partial-year funding allocation for FY 14 (Act 14 of 2013) but actually closed and services were privatized on 6/24/2013, in FY 13.	-$1,690,111	-$22,332,529	0
19E - 610	LSU Health Care Services Division	LSU HSC-HCSD	Eliminates budget authority ($2,061,734 SGF, $13,923,325 IAT, $5,574,658 SGR and $5,481,167 Federal) to the Washington - St. Tammany Regional Medical Center in FY 14 for general operating expenditures. Washington - St. Tammany received a partial-year funding allocation for FY 14 (Act 14 of 2013) and services were privatized on 1/6/2014.	-$2,061,734	-$27,040,884	0
			Major Reductions for LSU Health Care Services Division	**-$3,751,845**	**-$69,373,413**	**0**
20 - 452	Other Requirements	Local Housing of State Juvenile Offenders	Reduces funding due to projected expenditures in FY 15. Funding for local housing of state juvenile offenders in FY 14 totals $3,808,891. Total funding for FY 15 is $2,808,891.	-$1,000,000	-$1,000,000	0
20 - 945	Other Requirements	State Aid to Local Govt. Entities	Reduces various funds based on the Revenue Estimating Conference Projections - Bossier Parish Truancy ($21,775), New Orleans Park ($71,856), Calcasieu Parish Fund ($30,943), and St. Landry Parish Excellence Fund ($28,651).	$0	-$153,225	0
20 - 950	Other Requirements	Special Acts/Judgments	Eliminates total funding ($5,015,000 SGF and $6,495,602 Statutory Dedications) for non-recurring carryforwards ($5,018,000) and non-recurring one-time funding from the Overcollections Fund for judgments ($6,492,602). There is no recommended funding for FY 15.	-$5,015,000	-$11,510,602	0
20 - 966	Other Requirements	Supplemental Pay to Law Enforcement	Reduces funding for Deputy Sheriffs' Supplemental Payments based on historical expenditures. The budgeted amount for the previous 3 fiscal years has been $55,315,620 and the average amount paid out for the previous 3 fiscal years has been $53,307,702, a difference of $2,007,618.	-$2,000,000	-$2,000,000	0
20 - XXX	Other Requirements	Funds	Reduces the total amount of SGF being transferred to various statutorily dedicated funds. The FY 15 amount recommended for SGF transfer is $46,912,604. This amount will be transferred to the following funds: LA Public Defender Fund ($32,714,599), Self Insurance Fund ($12,889,752) and Indigent Parent Representation Program ($1,308,253). The majority of the SGF decrease can be attributed to the elimination of the SGF deposit into the LA Interoperability Communications Fund. This funding is essentially being replaced with Riverboat Gaming Enforcement Funds within State Police's FY 15 budget.	-$7,925,073	-$7,925,073	0
			Major Reductions for Other Requirements	**-$15,940,073**	**-$22,588,900**	**0**
			Major Reductions of FY 2015	**-$169,634,948**	**-$1,801,824,550**	**-956**

Section IV

BUDGETARY OVERVIEWS

2014 Regular Legislative Session – Major Money Bills

Act 15 (General Appropriations Bill), Act 646 (Funds Bill), Act 55 (Supplemental Appropriations Bill) and Act 25 (Capital Outlay Bill) all played a role in crafting the FY 15 operating budget. Act 646 transfers approximately $339.5 M of various resources for utilization in the FY 15 budget or the FY 14 budget via the Supplemental Appropriations Bill (see note).

Note: *The FY 14 Supplemental Appropriations Bill (Act 55) provides various appropriations that indirectly impact the FY 15 budget. In addition to providing direct FY 15 appropriations to the Office of Elderly Affairs and Subgrantee Assistance (Education), the legislation appropriates various resources (prior year state surpluses, Overcollections Fund, SGF) for Debt Defeasance, Budget Stabilization Fund and the Unfunded Accrued Liability (UAL). These appropriations are illustrated in the Flow Chart on page 68.*

SGF Summary

FY 15 SGF Available (in millions):	
State General Fund (6/2/2014 – REC)	$8,682.600
Bond Premium *	$34.213
Bond Refunded Savings **	$1.500
Revenue Fraud Initiative Transfer to Overcollections Fund (Act 646) ***	($32.000)
Total FY 15 SGF Resources Available	**$8,686.313**
FY 15 SGF Appropriated Expenditures (in millions):	
*Debt Service (Non-Appropriated Requirements) *****	*$150.018*
*Interim Emergency Board (Non-Appropriated Requirements) ******	*$1.758*
Revenue Sharing (Non-Appropriated Requirements)	$90.000
General Appropriations (Act 15)	$8,247.230
Ancillary Appropriations (Act 45)	$0.000
Judicial Appropriations (Act 65)	$155.339
Legislative Appropriations (Act 75)	$73.353
Capital Outlay Appropriations (Act 25)	$0.000
Total FY 15 SGF Appropriations & Requirements	**$8,717.698**
General Fund Revenue Less Appropriations & Requirements	**($31.385)**

**Bond Premium: The state sold general obligation bonds (GO) bonds in February 2014 that generated $34.2 M in bond premium that is utilized in the FY 15 budget to pay debt service (non-appropriated requirements). This allows $34.2 M in SGF to be utilized in the operating budget. Thus, this $34.2 M bond premium resource will have to be replaced in FY 16.*

***Bond Refunded Savings: The state has identified certain bond series that are eligible for refunding that are likely to generate these savings during FY 15 by reducing the SGF necessary to pay the bonds.*

****Revenue Fraud Initiative: Act 646 provides for the transfer of revenues recouped by the Department of Revenue (LDR) relative to Fraud Initiatives. According to the LDR, fraud collections result from the denial of refunds that have been claimed but are determined to be unwarranted (personal & corporate income tax, sales tax, and severance tax), whether by a 3rd party vendor or units within the agency. In FY 14, the budget contemplated $20 M due to fraud initiatives but $40 M was actually identified. The actual figure included in the FY 15 budget could exceed $32 M. This has resulted in these revenues being appropriated in FY 14 and FY 15 budgets as SGF and as statutorily dedicated funding simultaneously. This double counting of revenues results in a negative contribution to each year's budget balance.*

*****Debt Service: The FY 15 budget includes the one-time availability of $210 M in SGF due to a one-year defeasance of bonds. This is essentially a dollar-for-dollar prepayment of FY 15 debt service, which allows any funds used to pay for the defeasance in FY 14 to become spendable as SGF in FY 15. This $210 M budgetary* *mechanism will have to be replaced in FY 16. The $150.018 M Debt Service is the anticipated FY 15 debt service payment after the $210 M debt defeasance. Prior to the debt defeasance, the amount of debt service payment would have been $359.957 M.* ***The funding utilized for the defeasance includes the following:***

$25,000,000	Overcollections Fund (LA Housing Corporation)
$152,843,566	FY 13 Prior Year Ending State Surplus
$20,154,310	RLS 2012 Rescinded Capital Outlay Projects
$4,563,971	DOJ Mortgage Settlement Funds
$5,985,118	Anticipated SGF savings from hiring/expenditure freeze
$1,453,035	Other SGF reductions (Sheriff's Supplemental Pay & Corrections
$210,000,000	**Total**

Note*: For more information on the Debt Defeasance on page 71 and Flow Chart illustrating the various sources of funds being utilized for the defeasance on page 68.*

******Interim Emergency Board*: For the past 3 fiscal years (FY 12, FY 13 and FY 14), a material funding source supporting the budget has been the SGF portion that would otherwise be allocated to the Interim Emergency Board (IEB) in Schedule 22-920 Non-Appropriated Requirements (Interim Emergency Fund). Pursuant to Article VII, Section 7 (C.) of the LA Constitution, the amount of SGF set aside for IEB allocations shall not exceed one-tenth of 1% of total state revenue receipts for the previous fiscal year. The State Treasury completes this calculation every fall.

Prior to FY 12, the Executive Budget Recommendation included the total projected constitutional IEB allocation. However, since the FY 12 budget, the Division of Administration (DOA) now only includes an amount equivalent to prior year expenditures from the Interim Emergency Fund (average board approved expenditures). Due to the provision that the IEB cannot meet during legislative session, in prior years any unexpended IEB allocated funds were utilized by the legislature in that year's supplemental appropriation bill to cover current year needs. By not setting aside the full amount at the beginning of the fiscal year, the operating budget is being supported at the outset before knowing emergency needs for the upcoming fiscal year.

The FY 14 IEB constitutional allocation, as reported by State Treasury in November 2013, was $21,908,722, while the amount set aside in the FY 14 budget was only $1,758,021. Thus, there is approximately $20.2 M of constitutionally allocated SGF IEB resources supporting FY 14 expenditures. For FY 15, the DOA has allocated the same $1,758,021 SGF for the Interim Emergency Fund. If the FY 15 constitutional allocation remains constant at $21.9 M, the FY 15 Budget is utilizing $20,150,701 SGF for other SGF needs in FY 15 as opposed to being constitutionally set aside in the Interim Emergency Fund.

FY	**Constitutional Allocation**	**IEB Budget (July 1)**	**Approved Exp.**
2008	$24,840,228	$24,742,843	$7,134,427
2009	$26,969,993	$24,840,228	$5,464,226
2010	$24,335,654	$24,882,639	$839,482
2011	$23,201,112	$24,882,639	$0
2012	$22,618,245	$4,651,624	$1,544,275
2013	$21,770,940	$4,651,624	$786,718
2014	$21,908,722	$1,758,021	$852,108
2015*	$21,900,000	$1,758,021	TBD

Note: *To the extent IEB requests in excess of the current allocation of $1.8 M are approved, the legislature and/or governor may have to reduce SGF expenditures to fund such emergencies or borrow on the full faith and credit of the state to meet an emergency if funds are not available or if the emergency's cost exceeds available funds (Article VII, Section 7(B)).*

**The FY 15 constitutional allocation is estimated to remain constant.*

Non-Traditional (Ad Hoc) SGF Resources Utilized in the FY 15 Budget

Below is a listing of the major resources utilized in the FY 15 budget that were transferred by Act 646 into the Overcollections Fund for FY 15 expenditure. *There is a flow chart that illustrates all of the various resources being utilized for FY 15 on page 68.* The list below is anticipated recurring revenues.

- $41,082,829 Various Funds Sweeps – Act 646 transfers $41.1 M of fund resources from 20 different funds with amounts ranging from $111 to $18.6 M.
- $7,900,000 SGR – Excess SGR from the Division of Administration (DOA), the majority of these excess SGR is from the Office of State Lands.
- $3,700,000 SGR – Excess SGR from the LA Property Assistance Agency (LPAA). The LPAA is an ancillary agency that manages the state's moveable property and ensures that all state agencies comply with the State Property Control & Fleet Management Regulations. LPAA's main source of revenues is surplus auction sales of used state equipment and vehicles.
- $13,067,171 SGF Reversions – Provides for the transfer of SGF reversions to be deposited into the Overcollections Fund. These resources would otherwise have been included within the SGF as likely surplus.
- $106,000,000 Pharmaceutical Settlements – Legal settlements anticipated to be received and awarded.
- $9,000,000 Legal Settlement – Legal settlement related to the underground storage tanks.
- $7,000,000 SGR DOA – The original source of these funds is from the Office Facilities Corporation's sinking fund, which are resources set aside for state building maintenance.
- $25,000,000 SGR DOA – The original source of these funds is from proceeds generated by the Office Facilities Corporation refinancing bonds.
- $25,528,429 GO Zone Bond Reimbursements – Provides for the transfer of loan repayments received from political subdivisions into the Overcollections Fund. Act 646 provides that in FY 15 and beyond, these Go Zone Bond reimbursements will be deposited into the SGF and not the Overcollections Fund.
- $250,000 SGR – Excess SGR from the Office of Aircraft Services, which is an ancillary state agency.
- $34,000,000 Office of Risk Management (ORM) – Insurance proceeds and collections from the Office of Risk Management.
- $9,000,000 – LA Lottery reserves being transferred into the LA Mega-Project Development Fund.
- $20,000,000 – All excess funds remaining in the LA Health Plan transferred to the LA Mega-Project Development Fund. The specific amounts of resources that will actually be transferred are unknown at this time. Act 15 includes at least $20 M of these resources appropriated.

Along with the recurring revenue sources listed above, the FY 15 budget also indirectly depends upon 3 Ad Hoc Overcollections Fund Sources that total $67 M. Those specific sources include:

- $32,000,000 – Department of Revenue's Fraud Initiative
- $25,000,000 – Funds from the LA Housing Corporation (utilized for Debt Defeasance)
- $10,000,000 – Funds from the newly created Debt Recovery Office

FY 15 Overcollections Fund Appropriations

Recurring Overcollections Fund Appropriation	
Medical Vendor Payments (Act 15)	$266,346,081
Elderly Affairs (Act 55)	$1,700,000
Subgrantee Assistance (Act 55)	$1,700,005
Total FY 15 Appropriations	**$269,746,086**

Non-recurring Overcollections Fund Appropriation		
LASERS (UAL)	$1,839,000	
TRSL (UAL)	$4,161,000	
Rainy Day Fund	$25,000,000	
Debt Defeasance	$25,000,000	(LA Housing Corporation)
WISE Initiative	$11,000,000	
Total	**$67,000,000**	

SGF Prior Year Surplus

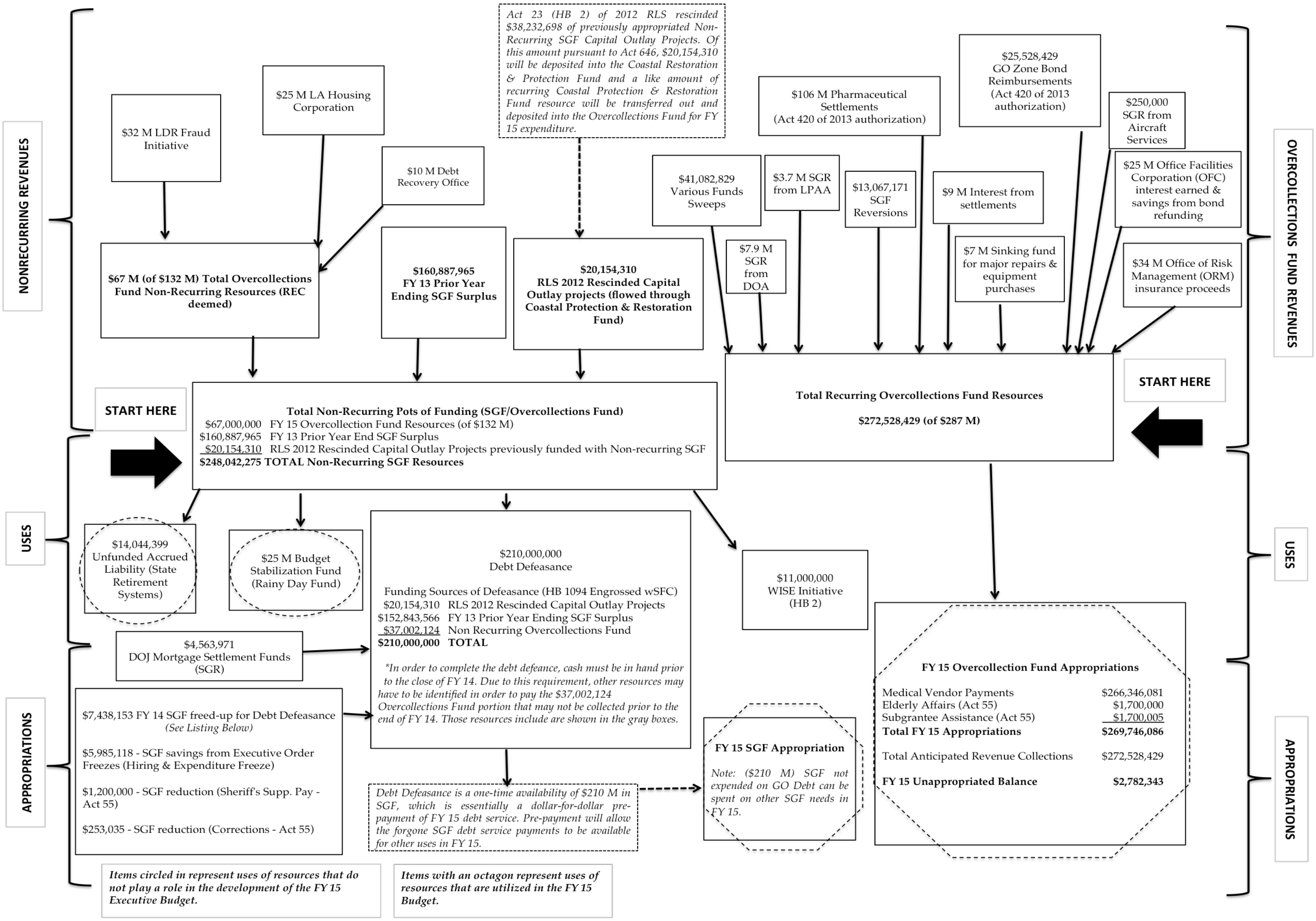
One of the major resources utilized to finance the FY 15 budget includes the FY 13 SGF prior year end surplus ($160,887,965) and RLS 2012 SGF rescinded capital outlay projects ($20,154,310). These resources are being utilized for debt defeasance ($172,997,876) and UAL ($8,044,399). *See Flow Chart on page 68.*

Budget Stabilization Fund

Act 646 of 2014 once again modified the statutory provisions of the Budget Stabilization Fund. Under the new law, the greater of $25 M from any source, or 25% of officially designated non-recurring revenue shall annually be deposited into the fund. The dedication of 25% of non-recurring revenue already existed. Thus, this change results in a minimum of $25 M per year to be deposited regardless of whether any non-recurring revenue has been designated. For FY 15, $25 M is allocated to the fund from anticipated Overcollections Fund resources officially designated as non-recurring. For FY 16 and FY 17, the official forecast anticipates $25 M per year be deposited from SGF resources. Prior to Act 646, current law provided for FY 16 repeal of a provision that prohibits deposits into the Stabilization Fund until the official forecast exceeds actual general fund collections of FY 08. Act 646 provides for this repeal one year later, in FY 17. The official revenue forecast currently anticipates $270.6 M of general fund resources being deposited to the Stabilization Fund in that year.

The Budget Stabilization Fund's statutory provisions are currently subject to litigation regarding the constitutionality of R.S. 39:94(C)(b). This provision effectively provides that no deposits of mineral revenue shall be made into the Budget Stabilization Fund until the official forecast exceeds the SGF revenue collections for FY 08. This language has allowed mineral revenues to flow into the SGF to finance the state operating budget rather than flow into the Budget Stabilization Fund up to its maximum balance (currently established as $800.7 M). The case currently remains in District Court pending a trial date.

Flow Chart of Overcollections Fund and SGF Resources Utilized in FY 15



Act 23 (HB 2) of 2012 RLS rescinded $38,232,698 of previously appropriated Non-Recurring SGF Capital Outlay Projects. Of this amount pursuant to Act 646, $20,154,310 will be deposited into the Coastal Restoration & Protection Fund and a like amount of recurring Coastal Protection & Restoration Fund resource will be transferred out and deposited into the Overcollections Fund for FY 15 expenditure.

Total Non-Recurring Pots of Funding (SGF/Overcollections Fund)

$67,000,000	FY 15 Overcollection Fund Resources (of $132 M)
$160,887,965	FY 13 Prior Year End SGF Surplus
$20,154,310	RLS 2012 Rescinded Capital Outlay Projects previously funded with Non-recurring SGF
$248,042,275	**TOTAL Non-Recurring SGF Resources**

$210,000,000
Debt Defeasance

Funding Sources of Defeasance (HB 1094 Engrossed wSFC)

$20,154,310	RLS 2012 Rescinded Capital Outlay Projects
$152,843,566	FY 13 Prior Year Ending SGF Surplus
$37,002,124	Non Recurring Overcollections Fund
$210,000,000	**TOTAL**

**In order to complete the debt defeance, cash must be in hand prior to the close of FY 14. Due to this requirement, other resources may have to be identified in order to pay the $37,002,124 Overcollections Fund portion that may not be collected prior to the end of FY 14. Those resources include are shown in the gray boxes.*

$7,438,153 FY 14 SGF freed-up for Debt Defeasance
(See Listing Below)

$5,985,118 - SGF savings from Executive Order Freezes (Hiring & Expenditure Freeze)

$1,200,000 - SGF reduction (Sheriff's Supp. Pay - Act 55)

$253,035 - SGF reduction (Corrections - Act 55)

Debt Defeasance is a one-time availability of $210 M in SGF, which is essentially a dollar-for-dollar pre-payment of FY 15 debt service. Pre-payment will allow the forgone SGF debt service payments to be available for other uses in FY 15.

FY 15 SGF Appropriation

Note: ($210 M) SGF not expended on GO Debt can be spent on other SGF needs in FY 15.

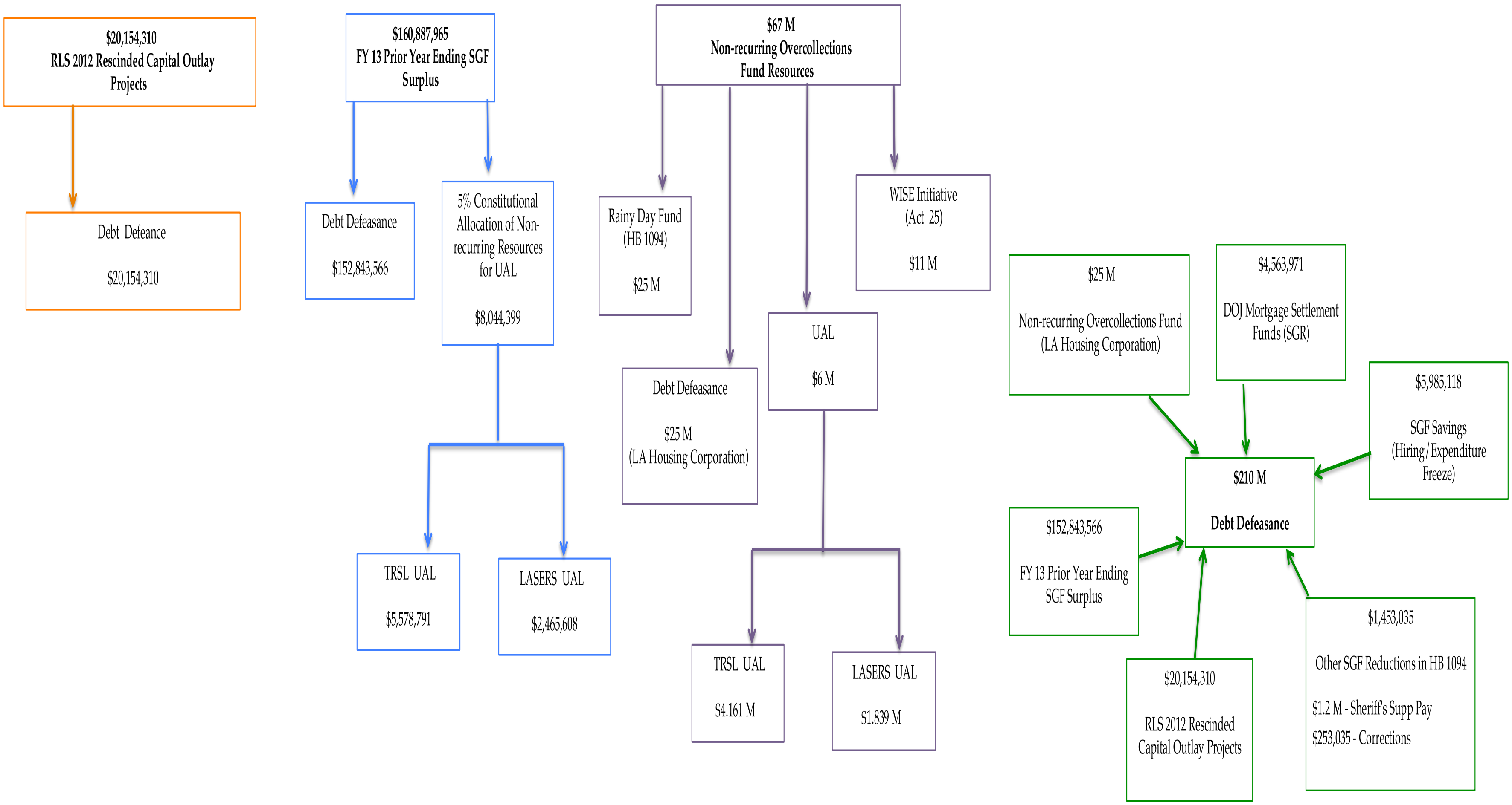
FY 15 Overcollection Fund Appropriations

Medical Vendor Payments	$266,346,081
Elderly Affairs (Act 55)	$1,700,000
Subgrantee Assistance (Act 55)	$1,700,005
Total FY 15 Appropriations	**$269,746,086**
Total Anticipated Revenue Collections	$272,528,429
FY 15 Unappropriated Balance	**$2,782,343**

Items circled in represent uses of resources that do not play a role in the development of the FY 15 Executive Budget.

Items with an octagon represent uses of resources that are utilized in the FY 15 Budget.

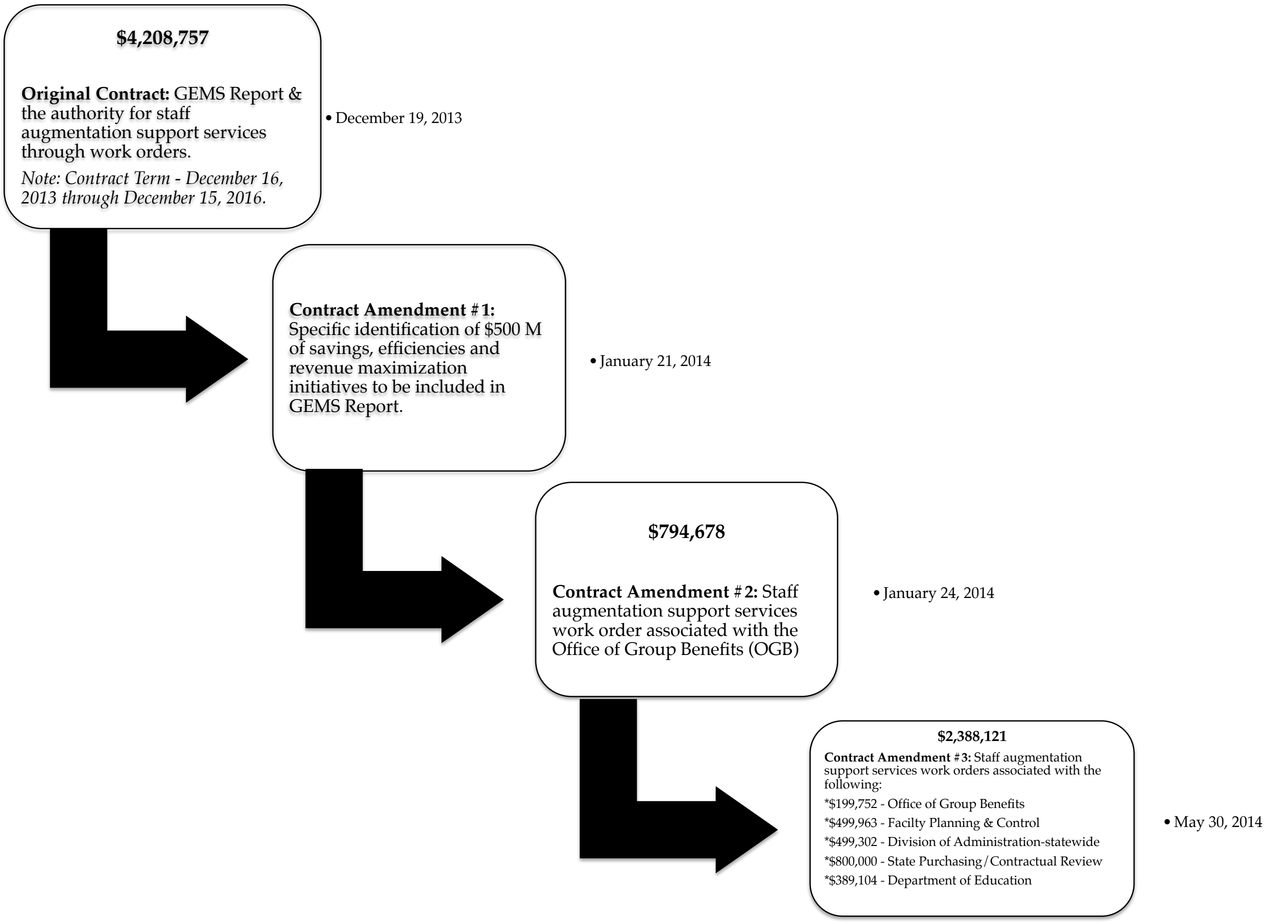
Flow Chart of Non-Recurring SGF & Overcollections Fund Resources Appropriated in Act 55



Alvarez & Marsal Contract

The State entered into a $4,208,757 consulting services contract in December 2013 with the consulting firm Alvarez & Marsal (A&M) relative to efficiencies in state government. Since 12/19/2013 (start date), the total maximum value of the contract has increased $3.2 M, or 76%, and is now worth $7,391,556.

All of the increases are due to staff augmentation work orders. Although the original due dates for the various deliverables ranged from January 2014 to April 2014, the contract term actually ends on 12/15/2016. This is due to provisions in the contract that allow A&M to provide staff augmentation services to state agencies for implementing any recommendations presented in the Governmental Efficiencies Management Support (GEMS) Report. The specific work orders that resulted in the $3.2 M increase along with a timeline of events are shown in the Chart below. As the contract end date being 12/15/2016, there may be additional work orders approved that could further increase the maximum value in excess of $7.4 M. ***Note: Work Order #5 of the A&M staff augmentation for the DOE related to the MFP student enrollment counts seems to be duplicative of the work requested of the Legislative Auditor pursuant to HCR 112 that passed during the 2014 RLS.***



$4,208,757

Original Contract: GEMS Report & the authority for staff augmentation support services through work orders.

Note: Contract Term - December 16, 2013 through December 15, 2016.

- December 19, 2013

Contract Amendment #1: Specific identification of $500 M of savings, efficiencies and revenue maximization initiatives to be included in GEMS Report.

- January 21, 2014

$794,678

Contract Amendment #2: Staff augmentation support services work order associated with the Office of Group Benefits (OGB)

- January 24, 2014

$2,388,121

Contract Amendment #3: Staff augmentation support services work orders associated with the following:

*$199,752 - Office of Group Benefits
*$499,963 - Facilty Planning & Control
*$499,302 - Division of Administration-statewide
*$800,000 - State Purchasing/Contractual Review
*$389,104 - Department of Education

- May 30, 2014

The 425-page A&M Report (GEMS) presents 72 recommendations that the company believes will save the state $2.7 B in expenditures over 5 years. Preamble language (Section 18 (F)) in Act 15 provides the commissioner of administration to adjust SGF appropriations to achieve a SGF savings of $75,659,793. The preamble further provides that in order to achieve the savings the SGF reductions shall include reductions from efficiencies recommendations contained in the GEMS Report.

Debt Service

Debt Defeasance as a SGF Revenue Source

Included in FY 15 budget is the one-time availability of $210 M in SGF due to a one-year retirement or defeasance of bonds in advance or in addition to the existing amortization requirements of the state. This is essentially a dollar-for-dollar prepayment of FY 15 debt service. The prepayments allow the SGF designated for debt service to be available for other uses in FY 15. Using this mechanism, any funds used to pay for the defeasance in FY 14 become spendable as SGF in FY 15. Defeasance is an allowable use of non-recurring funds according to the Constitution (Art 7, Sec 10(D)(2)(a)) as long as the debt, including premium and interest, is not payable by the state during that year. Because the defeasance only addresses FY 15 debt service payments, this is considered a one-time availability of SGF revenue, as the debt commitment in FY 16 and beyond will proceed according to their specified amortization schedules.

Several funding sources are utilized to pay for the defeasance, including:

1) FY 13 surplus ($152.8)
2) Past surpluses identified through Capital Outlay ($20.2 M)
3) Mortgage Settlement Funds from the Department of Justice ($4.6 M in SGR).
4) Executive Order BJ-14-01 (hiring freeze effective 1/15/2014) generated $6 M in savings.
5) An additional $25 M from Overcollections Fund resources transferred from the LA Housing Corporation.
6) $1.4 M in SGF excess authority reductions as included in Act 55 of 2014 (Supplemental Bill).

Anticipated Revenue Impacts in the Budget: FY 15 budget includes a total of $260 M in revenue related to debt, including $210 M from a FY 14 debt defeasance, $25 M made available through an Office Facilities Corporation bond refunding and earnings, and $25 M from the LA Housing Corporation. This revenue is appropriated in various places within the budget and not necessarily traceable to the dollar since it is deposited into the Overcollections Fund. However, the FY 15 Medicaid budget receives a majority of the FY 15 Overcollections Fund appropriation.

A bond premium of $34.2 M is available to the state from the 2014 A&B GO Bond Issue** and, is used in FY 15 to make available SGF to pay additional FY 15 debt service ($11.5 M), fund an amnesty miscalculation in the DHH budget ($15.3 M) and to fund various items in Act 15 (HB 1). However, the FY 14 non-appropriated debt service estimate is $3.4 M short of actual debt service. There are currently no plans to use the bond premium to cover that debt service shortage, instead presumably allowing it to roll into the end of year surplus/shortage for FY 14.

Anticipated New Expenditures: The Department of Transportation & Development (DOTD) has assumed that a reimbursement of up to 6% of DOTD expenses on eligible projects funded with GO bonds and other debt will be available to the department. The reimbursement is authorized within the Capital Outlay bill but has not been utilized until now. The amount budgeted is about $6 M. In prior budgets, this amount was paid through the Transportation Trust Fund but will now be paid out of bond proceeds. It is not clear whether the fee will be included only in the cost of projects funded with future bond issues or extracted from expenses of currently funded projects going forward. This adjustment is a means of financing change so the total project funding will not be affected. Since the DOTD cost estimates are currently included in project funding, the most likely result is that fewer dollars will be available for recapture or reassignment once the projects are complete.

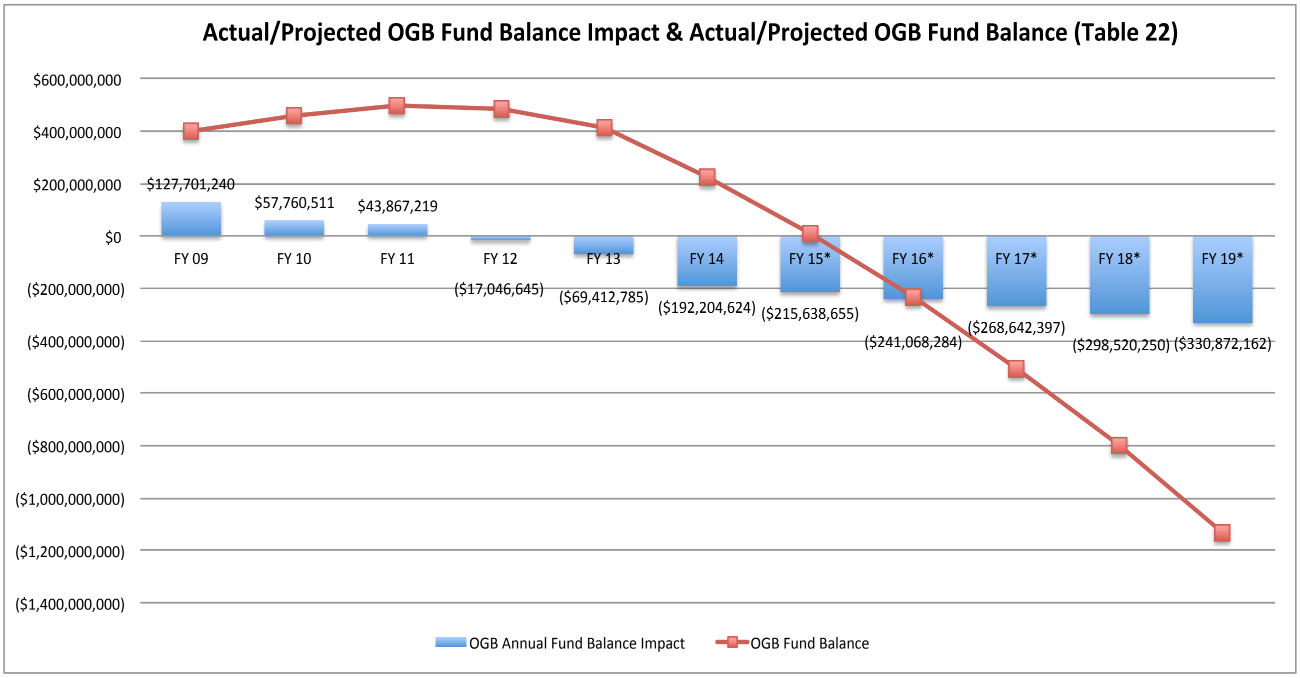
*During FY 14, a debt plan was presented to the State Bond Commission as a good faith effort to alleviate the backlog of unfunded lines of credit. Under that plan, an additional $300 M in GO bonds are to be sold during FY 15 with an anticipated interest payment of $7.5 M (a full interest and principal payment in FY 16 is estimated at about $24 M) if the bonds are sold in the first half of the fiscal year. According to DOA, the budget now anticipates the sale by including an interest payment in the debt service cost estimate. However, it may be possible to structure and time the FY 15 sale so that no funds are due in FY 15, which would cause an additional debt service burden in subsequent years. The exact timing or magnitude of the sale has not been finalized.

**On 2/11/2014, the state sold $496.44 M in GO bonds. The bonds were split into tax exempt ($347.165 M) and taxable ($149.275 M). This resulted in a premium of $32.4 M which was utilized in the FY 15 budget by reducing non-appropriated debt service, thus making SGF available for other uses.

Office of Group Benefits

Based upon the latest OGB financial statements (as of May 2014), OGB's current fund balance is approximately $237.2 M, which is $176.2 M less (or 57%) than the fund balance as of 6/30/2013 ($413.4 M). In FY 14, OGB expended an average of approximately $16 M more per month than actual per month revenue collections, which equates to utilizing a projected $192.2 M of OGB fund balance in FY 14 (See Table 22). To the extent this continues, OGB's fund balance may be $220 M at the end of FY 14 and could be $5.6 M at the end of FY 15. ***Note:*** *Without the 5% premium increase effective 7/1/2014, which is anticipated to generate $57.9 M of additional revenues, the anticipated ending year FY 15 fund balance could be a negative $50 M plus. These projections assume no material changes in OGB's expenditures, which on average increase approximately 6% annually (From FY 08 – FY 14).*

The Table 22 shows the annual amount of fund balance OGB "generated" or "lived on" from FY 09 to FY 14 and projects the next 5 years based upon the **current OGB expenditure trend (6% increase annually) and assuming revenues increase 5% annually**. *OGB Fund Balance History Chart on page 77 of this document shows OGB's ending year fund balance from FY 80 to FY 14.*

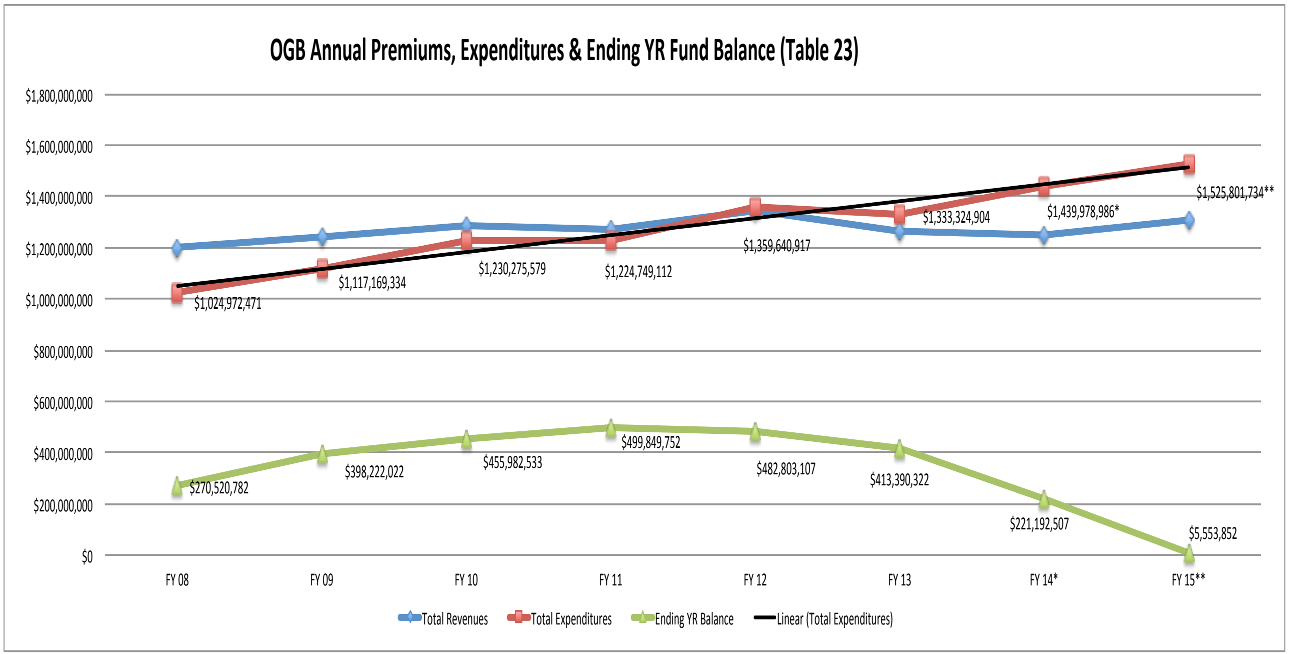


FY 15 – FY 19 OGB Fund Balance Impact & Fund Balance Projection is based upon historical OGB expenditures, which increase an average of 6% annually and assumes OGB revenues will increase 5% due to annual health insurance premium increases.* ***To the extent the OGB Administrative changes and Health Insurance Plan changes suggested by Alvarez & Marsal (A&M) result in overall programmatic expenditure savings, the subsequent fiscal year projections of the annual amount of fund balance utilized to run OGB illustrated above would likely be eliminated and/or significantly reduced depending upon the actual expenditure savings of such changes.*

How did we get here?

Table 23 on the next page shows total OGB revenues, total OGB expenditures and the ending year OGB fund balance for the past 6 fiscal years with projected amounts for the remainder of FY 14 and all of FY 15.

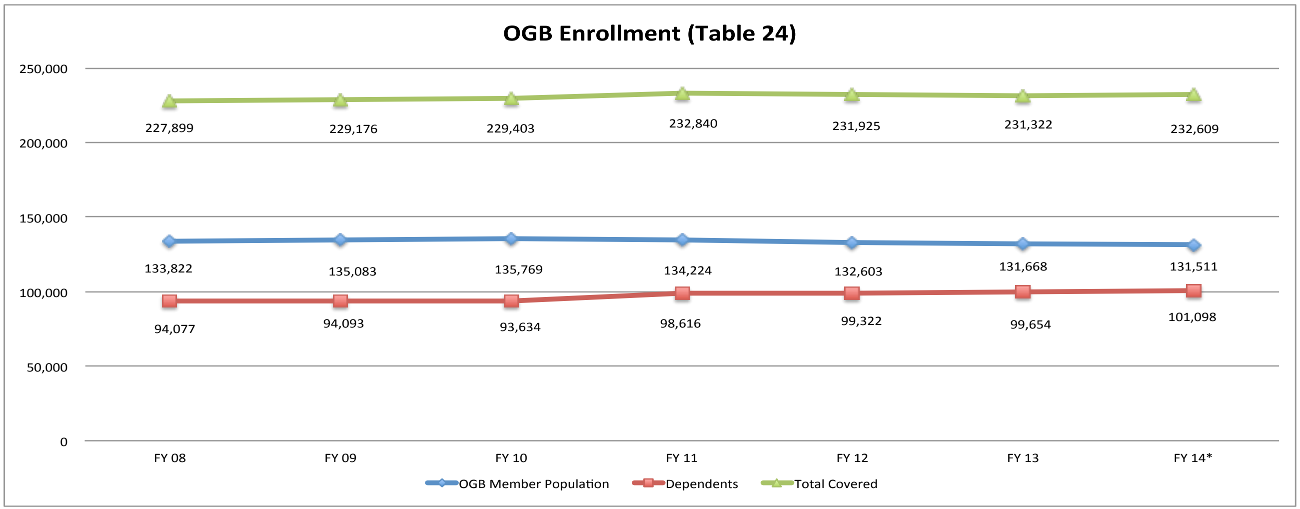
Based upon Table 23, beginning in FY 12 OGB started to expend more than revenue collections. Thus, OGB began to live off its fund balance and has continued to do so through FY 14. There are 3 variables that play a role in understanding how OGB's fund balance decreased from $524.6 M in April 2011 (FY 11) to the current FY 14 projected ending year fund balance amount of $220 M. The variables include: *1) OGB enrollment, 2) Total OGB expenditures, and 3) Total OGB revenue collections. Based upon LFO analysis, overall revenue collections is the most significant factor contributing to the reduction in OGB's fund balance the past 3 fiscal years, which largely consist of health insurance premium collections.*


OGB Annual Premiums, Expenditures & Ending YR Fund Balance (Table 23)

**FY 14 information is based upon the prior 11 months of actual revenues and expenditures.*
***FY 15 information is based upon expenditure and revenue trends from FY 08 – FY 14.*

OGB Enrollment

Based upon the information provided to the LFO by the OGB/DOA, the total number of OGB members paying premiums has remained relatively unchanged having only decreased 2% (or 2,311) from 133,822 total OGB premium paying members in FY 08 to 131,511 in FY 14. In addition, total OGB population covered, which includes all dependents and OGB members combined, has minimally increased from 227,899 in FY 08 to 232,609 in FY 14. Thus, OGB's enrollment changes have likely had little impact to the OGB fund balance, as the enrollment figures have remained static. See Table 24 below.


OGB Enrollment (Table 24)

Total OGB Expenditures

Based upon the latest financial information provided to the LFO by the OGB/DOA, OGB's overall expenditures have grown an average of 6% per year. In fact, the trend line, which is included in Table 2 above, illustrates that FY 14 anticipated expenditures are extremely close to the anticipated trend over a 6-year period (FY 08 – FY 14). Thus, OGB's overall expenditures have consistently increased an average of 6% per year from FY 08 to FY 14 with expenditures increasing 10% and 11% in FY 10 and FY 12 and decreasing 1% and 2% in FY 11 and FY 13.

Total OGB Revenue Collections

Health insurance premiums (state share/employee share) represent the majority of OGB revenue collections. Based upon the latest financial information provided to the LFO by the OGB/DOA, OGB's health insurance premiums have increased only an average of 2.1% over the past 7 fiscal years. Table 4 illustrates the OGB health insurance premium rate changes from FY 08 to the current year (FY 15). Since FY 12, which is the first fiscal year that OGB expenses began to be higher than revenue collections since FY 06, OGB's expenditures have increased an average of 6% per year (from FY 12 to FY 14), while revenue collections have decreased 7% over the same timeframe.

% OGB Premium Rate Change (Table 25)	
FY 08	6.0%
FY 09	3.7%
FY 10	0.0%
FY 11	5.6%
FY 12*	8.1%
FY 13	-7.0%
FY 14	-1.8%
FY 15	5.0%

**Due to OGB changing from a state fiscal year to a calendar fiscal year, the health insurance premiums increased twice over a 12-month period during FY 12 (August 2011 by 5.6%, January 2012 by 5.0%). The 8.1% premium increase reflected in the table has been annualized to reflect the FY 12 % change in OGB health insurance premiums over a 12-month timeframe.*

As has been stated before, including a premium decrease in the prior 2 fiscal years' budget allowed state agencies to lower their annual operating costs, thus allowing the state to indirectly utilize OGB's fund balance to support the FY 13 and FY 14 operating budgets. ***Note:*** *R.S. 42:854(C) provides that OGB's fund balance may not be utilized for the state's operating budget. "Notwithstanding any other provision of law to the contrary, any money received by or under the control of the Office of Group Benefits shall not be used, loaned, or borrowed by the state for cash flow purposes or any other purpose inconsistent with the purposes of or the proper administration of the Office of Group Benefits."*

DOA/OGB – Going Forward

In order to mitigate and/or eliminate the current negative over spending ("burn rate") of $16 M per month, along with a 5% premium increase for OGB members in FY 15, OGB is in the process of implementing a number of the A&M recommendations included in its report to LA. Of the 72 recommendations that A&M believes will save the state $2.7 B in expenditures (over 5 years), 2 recommendations associated with OGB equate to an estimated $1.1 B (over 5 years) in expenditure savings. A&M breaks down the OGB recommendations into 2 categories: *administrative efficiency* and *health plan changes*. The specific recommendations and anticipated savings from the **A&M report** are as follows:

Administrative Efficiency

- $350,000 – Migration to eCommunications, which could save printing and postage costs, and leverage third-party vendor agreements to increase communication to members through third-party administrator mail distribution as opposed to OGB handling the traditional mailers.

- $????? – Utilize eEnrollment technology and require all state agencies to process dependent verification as opposed to OGB. This will require OGB to employ a new audit team or shift existing personnel into these roles or could result in a potential cost to state agencies depending upon the way this technology is implemented.

- $????? – Cease imaging services.

- $????? – Outsource to a third-party administrator for the administration of COBRA and Flexible Benefits.

- $680,000 – Move the OGB offices to the Claiborne building. OGB will likely have to pay Claiborne building rent. Thus the $680,000 projected rental savings by A&M will be less.

- $70,000 – Eliminate duplicative and unnecessary contracts.

- $1,144,000 – Utilize BCBS to pursue subrogation collections as opposed to being handled by DOA/OGB. According to the DOA, BCBS will now handle this function without an increase in the per member per month fee included in the existing TPA contract.

- $????? – OGB invest in an Interactive Voice Response for its customer service department.

Health Plan Changes

- $19,000,000 – Improvement health plan management.
- *$114,000,000* – Health Insurance Plan changes including reducing health benefits to OGB members and dependents.

To the extent all A&M recommendations are implemented and result in the projected savings suggested in the A&M report, Table 5 is a monthly and annualized illustration of the potential impact to the OGB fund balance, which shows that OGB's current monthly negative "burn rate" of $16.1 M could be eliminated. ***However, the 2 major components of eliminating the negative burn rate are the increase in health premiums and reducing health plan benefits***. The major changes to the health plans will not be made known until annual enrollment for the 2015 plan year that begins in the Fall 2014. The basis for the illustration (Table 26) is the expenditure saving projections included in the A&M Report. **If these savings do not materialize, the OGB fund impact will be less and potentially could still be negative as it is today.**

Table 26	**Monthly**	**Annualized**
OGB's Current Fund Balance "Burn Rate"	***($16,017,052)***	***($192,204,625)***
Administrative Changes (A&M #1)	$233,333	$2,800,000
Health Plan Mgmt (A&M #2)	$1,583,333	$19,000,000
Health Plan Changes (A&M #2)	$9,500,000	$114,000,000
5% Premium Increase	$4,825,000	$57,900,000
TOTAL Adjusted OGB Fund Balance Increase after Recommendations	**$124,615**	**$1,495,375**

*To the extent the A&M recommended health plan changes and administrative changes actually result in overall OGB cost savings, the **state fisc** would only experience an actual budgetary decrease if the insurance premiums (state share & employee share) are decreased, which will likely not occur. Thus, any expenditure savings that materialize as a result of these changes would only impact the OGB fund balance and not actually result in any state government budgetary savings.*

Potential OGB Expenditures As A Result Of Implementing Some A&M Recommendations

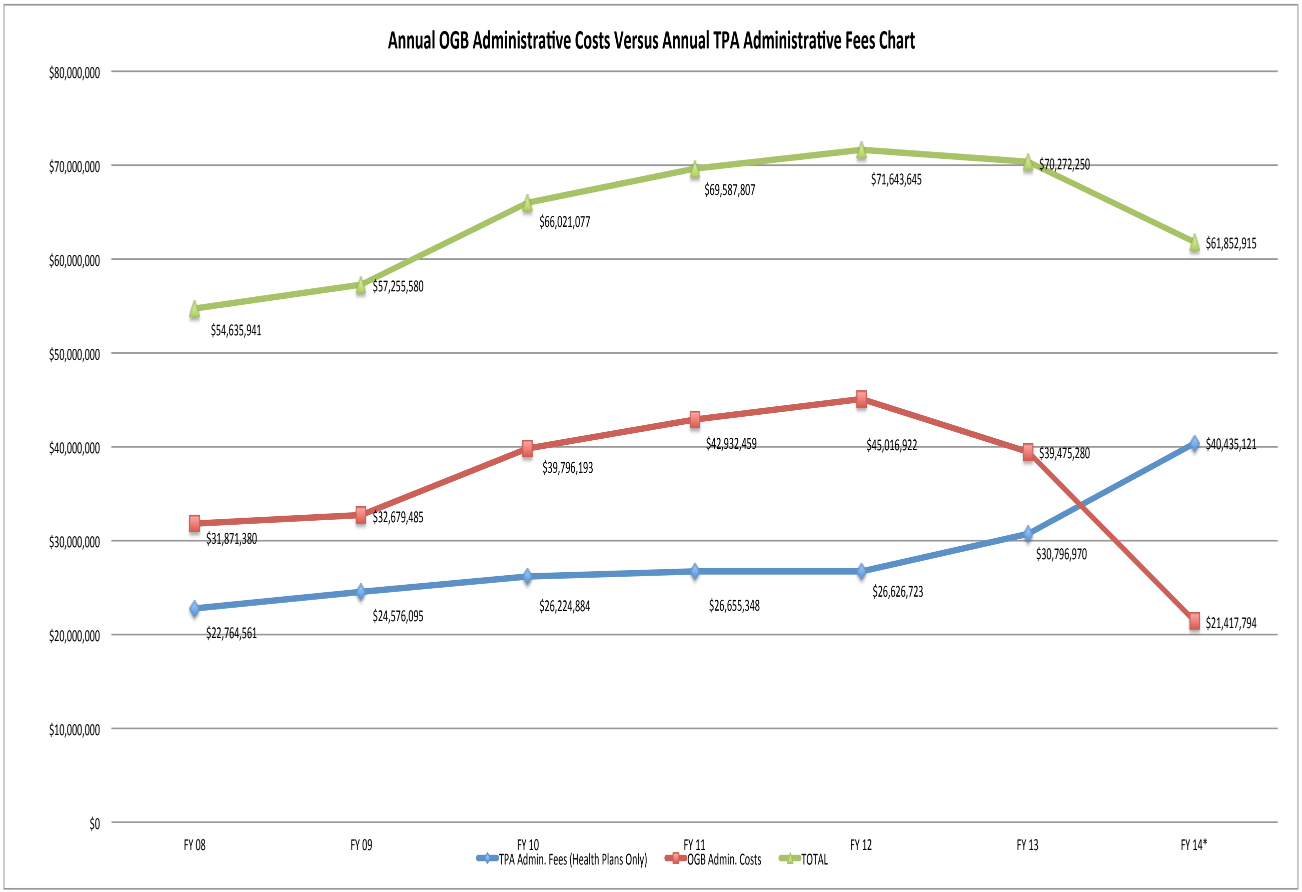
Some of the A&M recommendations listed on page 3 could result in additional one-time and/or recurring administrative expenditures depending upon the method utilized by OGB to implement the recommendations. The potential costs include:

- IT costs associated with implementing an eCommunications and eEnrollment process, which may result in one-time IT infrastructure costs and annual IT maintenance expenditures;
- One-time expenditure in the approximate amount of $5,000 for the Interactive Voice Response System (Telephone System);
- To the extent existing personnel and TO positions cannot be shifted to the OGB Audit Team, there may be additional personnel costs associated with this group of employees. OGB is currently undergoing reorganization that may result in existing employees taking on these duties.

OGB Administrative Costs (OGB Administrative Costs/Third Party Administrator Costs)

Since FY 13, OGB's administrative cost started to shift from actual OGB TO position expenditures to more TPA expenditures. See the Annual OGB Administrative Costs Versus Annual TPA Administrative Fees Chart on the next page for a history of such expenditures since FY 08. This is mainly due to Blue Cross Blue Shield (BCBS) taking over the administrative responsibilities of the PPO Plan, which used to be a health plan completely administered by OGB in-house personnel. In November 2012, the House Appropriations Committee and the Senate Finance Committee approved the TPA agreement between OGB and BCBS, which became effective in January 2013 for a 3-year contract to administer the PPO Plan, the Consumer Driven Plan, and to continue to administer the HMO Plan. Under the terms of the contract, the state will pay a monthly rate of $23.50 per member per month (PMPM) fee to BCBS for administrative services that mainly include health insurance network administration and paying medical claims. The contract provides for the PMPM to increase by $1 every year through the end of the contract, which is December 2015. The current PMPM rate is $24.50, which is increasing to $25.50 in January 2015, the last year of the contract term.

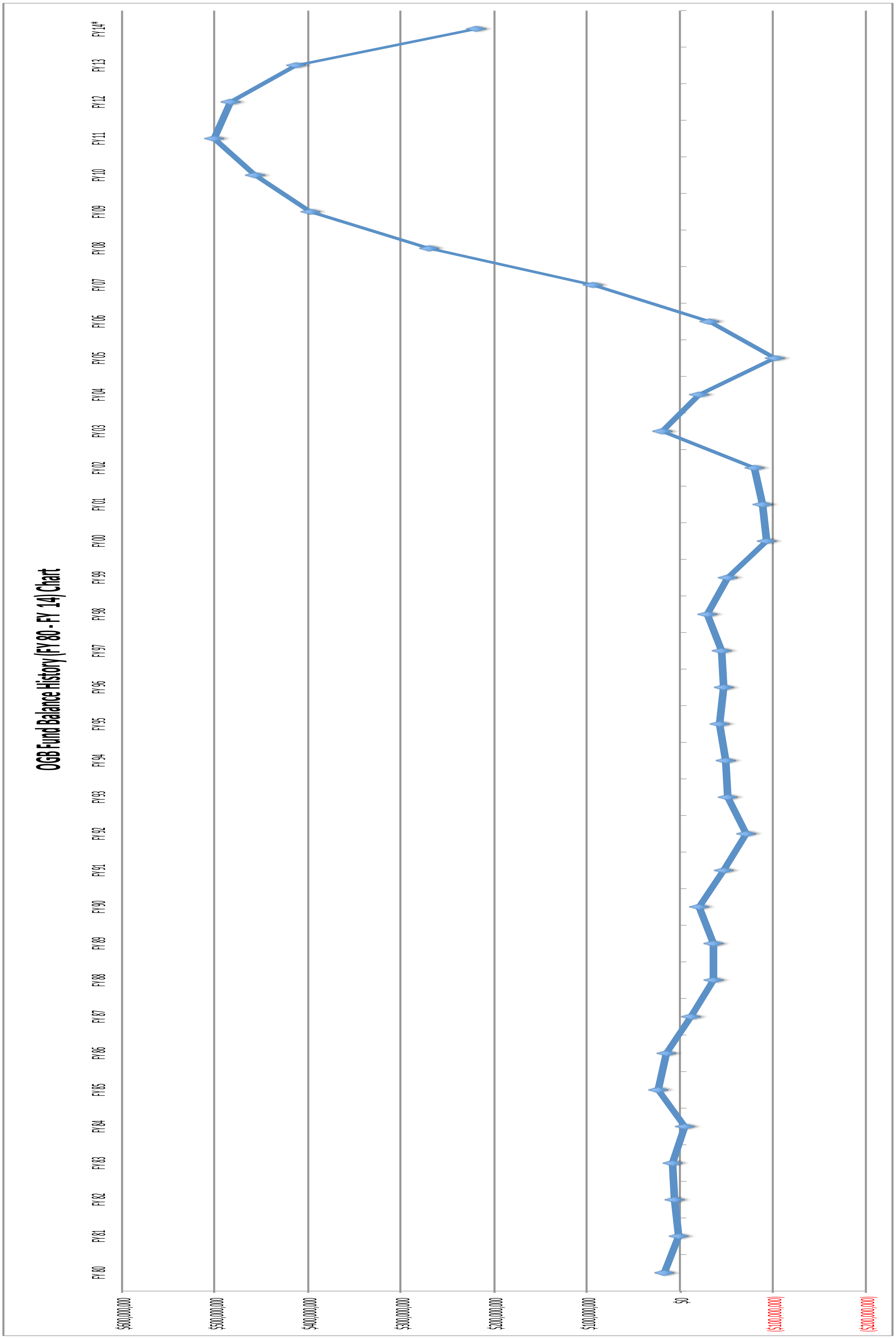
Note: *To the extent OGB implements the A&M recommendation to utilize the services of a TPA for COBRA and Flexible Benefits, the OGB administrative costs will decrease even further and the TPA costs will increase in subsequent fiscal years.*



**The FY 14 numbers include a projection for the month of June based upon the prior 11 months of overall administrative costs.*

OGB Fund Balance History

The OGB Fund Balance History Chart on the next page shows a history of the OGB's ending year Fund Balance from FY 80 to FY 14 (through 5/30/2014).


OGB Fund Balance History (FY 80 - FY 14) Chart
$600,000,000
$500,000,000
$400,000,000
$300,000,000
$200,000,000
$100,000,000
$0
($100,000,000)
($200,000,000)
FY 80
FY 81
FY 82
FY 83
FY 84
FY 85
FY 86
FY 87
FY 88
FY 89
FY 90
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FY 09
FY 10
FY 11
FY 12
FY 13
FY 14*

LA Stadium & Exposition District (LSED)

The LSED's FY 15 budget will result in a total increase of approximately $7 M, which will be utilized for operating expenditures including contractual obligations of the Mercedes-Benz Super Dome and Smoothie King Center (formerly the New Orleans Arena).

Upgrades to the New Orleans Arena: A major part of the new Pelicans lease extension includes $50 M in capital improvements to the Smoothie King Center. These improvements were phased in over 2 NBA off-seasons, with the first phase completed before the 2013-2014 season. Phase I costs were approximately $33.2 M and Phase II is anticipated (mostly exterior work) to cost approximately $16.8 M. Some of the arena improvements include: new club locations, internal bandstand/bar area, suite renovations, interior club renovations, exterior club space, expansion of the existing Capital One Club and Hub Club, a new V-VIP area and entrance, building a main entrance to the arena and improvements to locker rooms. Phase II is anticipated to be finished by the start of the 2014-2015 season. The funding for these capital improvements is currently appropriated in Act 23 of 2012 (Capital Outlay Bill).

General Information: Operations of the Mercedes-Benz Superdome and the Smoothie King Center are funded by 2 main sources of revenue: 1.) SGR from event rentals, concessions, parking, office rentals, advertising and non-event revenues; and 2.) 4% hotel-motel tax collections in Orleans & Jefferson Parishes dedicated to the LSED. The first expenditure of the LSED's revenues is to service the bonded indebtedness for the construction of the dome, arena and other various facilities. The anticipated debt service payments of the district are anticipated to decrease by $2.7 M in FY 15. The FY 14 amount is $26 M while the anticipated FY 15 payment will be $23.3 M.

Other revenue sources supporting the obligations of the district include the following statutorily dedicated funds: New Orleans Sports Franchise Assistance Fund, Sports Facility Assistance Fund, New Orleans Sports Franchise Fund and the LSED License Plate Fund.

Elderly Affairs Additional $5 M Funding for Parish Councils on Aging

In addition to the $2.9 M in its base budget, Act 15 of 2014 contains an additional $5 M in SGF for the Parish Councils on Aging (PCOA). Act 735 of 1979 Legislative Session created a state formula to disburse SGF to support the operation of the PCOAs. In the 2007 Legislative Session, the PCOA formula set the minimum per parish funding at $37,500 and the maximum level of $100,000. These funds are discretionary and can be used for administrative cost or services.

In FY 15, the total funding for the PCOAs is $7,927,918 (the additional $5 M and $2,927,918 in its base budget). While the $2.9 M is distributed in accordance with the PCOA funding formula that bases funding on population over 60 years of age, poverty and square miles of each parish, the additional $5 M will be distributed equally among with 64 PCOAs ($78,125 per parish). Table 27 below represents total funding of each PCOA with the $2.9 M base funding as well as the $5 M of additional funding that will be distributed equally among the 64 parishes.

TABLE 27

Parish Council on Aging (PCOA)	Base Amount*	$5 M Additional	Total
Acadia Council On Aging	$37,500	$78,125	$115,625
Allen Council On Aging	$37,500	$78,125	$115,625
Ascension Council On Aging	$37,500	$78,125	$115,625
Assumption Council On Aging	$37,500	$78,125	$115,625
Avoyelles Council On Aging	$37,500	$78,125	$115,625
Beauregard Council On Aging	$37,500	$78,125	$115,625
Bienville Council On Aging	$37,500	$78,125	$115,625
Bossier Council On Aging	$49,725	$78,125	$127,850
Caddo Council On Aging	$100,000	$78,125	$178,125
Calcasieu Council On Aging	$86,255	$78,125	$164,380
Caldwell Council On Aging	$37,500	$78,125	$115,625
Cameron Council On Aging	$37,500	$78,125	$115,625
Catahoula Council On Aging	$37,500	$78,125	$115,625
Claiborne Council On Aging	$37,500	$78,125	$115,625
Concordia Council On Aging	$37,500	$78,125	$115,625
Desoto Council On Aging	$37,500	$78,125	$115,625
East Baton Rouge Council On Aging	$100,000	$78,125	$178,125
East Carroll Council On Aging	$37,500	$78,125	$115,625
East Feliciana Council On Aging	$37,500	$78,125	$115,625
Evangeline Council On Aging	$37,500	$78,125	$115,625
Franklin Council On Aging	$37,500	$78,125	$115,625
Grant Council On Aging	$37,500	$78,125	$115,625
Iberia Council On Aging	$37,500	$78,125	$115,625
Iberville Council On Aging	$37,500	$78,125	$115,625
Jackson Council On Aging	$37,500	$78,125	$115,625
Jefferson Council On Aging	$100,000	$78,125	$178,125
Jefferson Davis Council On Aging	$37,500	$78,125	$115,625
Lafayette Council On Aging	$82,825	$78,125	$160,950
Lafourche Council On Aging	$42,393	$78,125	$120,518
LaSalle Council On Aging	$37,500	$78,125	$115,625
Lincoln Council On Aging	$37,500	$78,125	$115,625
Livingston Council On Aging	$47,535	$78,125	$125,660
Madison Council On Aging	$37,500	$78,125	$115,625
Morehouse Council On Aging	$37,500	$78,125	$115,625
Natchitoches Council On Aging	$37,500	$78,125	$115,625
New Orleans Council On Aging	$100,000	$78,125	$178,125
Ouachita Council On Aging	$66,415	$78,125	$144,540
Plaquemines Council On Aging	$37,500	$78,125	$115,625
Pointe Coupee Council On Aging	$37,500	$78,125	$115,625

Rapides Council On Aging	$62,935	$78,125	$141,060
Red River Council On Aging	$37,500	$78,125	$115,625
Richland Council On Aging	$37,500	$78,125	$115,625
Sabine Council On Aging	$37,500	$78,125	$115,625
St. Bernard Council On Aging	$37,500	$78,125	$115,625
St. Charles Council On Aging	$37,500	$78,125	$115,625
St. Helena Council On Aging	$37,500	$78,125	$115,625
St. James Area Agency On Aging	$37,500	$78,125	$115,625
St. John Council On Aging	$37,500	$78,125	$115,625
St. Landry Council On Aging	$40,083	$78,125	$118,208
St. Martin Council On Aging	$37,500	$78,125	$115,625
St. Mary Council On Aging	$37,500	$78,125	$115,625
St. Tammany Council On Aging	$100,000	$78,125	$178,125
Tangipahoa Council On Aging	$50,728	$78,125	$128,853
Tensas Council On Aging	$37,500	$78,125	$115,625
Terrebonne Council On Aging	$45,498	$78,125	$123,623
Union Council On Aging	$37,500	$78,125	$115,625
Vermilion Council On Aging	$37,500	$78,125	$115,625
Vernon Council On Aging	$37,500	$78,125	$115,625
Washington Council On Aging	$37,500	$78,125	$115,625
Webster Council On Aging	$37,500	$78,125	$115,625
West Baton Rouge Council On Aging	$37,500	$78,125	$115,625
West Carroll Council On Aging	$37,500	$78,125	$115,625
West Feliciana Council On Aging	$37,500	$78,125	$115,625
Winn Council On Aging	$37,500	$78,125	$115,625
Totals	**$2,911,892**	**$5,000,000**	**$7,911,892**

*Based on funding levels in the FY 14 EOB.

Note: Remaining balance ($16,026) is used for grants to various PCOAs.

Department of Economic Development

The Mega-Project Development Fund is reserved for projects that create over 500 new jobs or offer at least $500 M in federal dollars or private capital investment (not including the state's contribution). The state's share of the project typically can comprise no more than 30% of the total project cost as specified in the cooperative endeavor agreement (CEA). Projects associated with companies in bankruptcy threatening at least 500 jobs or military bases subject to realignment or closure are also eligible. Below is a fiscal history of the fund.

Revenue		
Act 208 of 2007	$150,000,000	Initial deposit from LA Econ/Port Infrastructure Funds
Act 513 of 2008	$307,100,000	Deposit of receipts from FY 08 Supplemental Bill
Act 646 of 2014	$9,000,000	Transfer from Lottery Corporation
Act 646 of 2014	$20,000,000	Transfer from excess High Risk Pool Funds
Interest/Donations	$16,240,000	
TOTAL REVENUE	**$502,340,000**	

Total Uses	
For LED project Commitments:	
Federal City	$125,000,000
NASA/Michoud (1)	$15,500,000
Foster Farms	$50,000,000
SNF Holdings	$26,550,000
ConAgra	$32,400,000
CenturyLink (2)	$3,300,000
IBM (3)	$23,000,000
Schumacher (4)	$1,500,000
Benteler (5)	$20,000,000
For Legislative Specific Purposes:	
Support Worker Supplement	$48,600,000
ULM School of Pharmacy	$4,500,000
TOTAL COMMITMENTS	**$350,350,000**

Transfers	
Act 12 of 2011 (6)	($81,448,000)
Act 597 of 2012 (6)	($3,400,000)
Act 420 of 2013 (6)	($11,300,000)
Act 15 of 2014 (7)	($4,000,000)
Act 15 of 2014 (8)	($26,217,000)
Act 646 of 2014 (9)	($20,000,000)
Est. Unobligated Balance July 2014	**$5,625,000**

1. The NASA/Michoud project is on informal hold by LED until the federal government's commitment to the space program is clarified. The Obama administration eliminated funding for the Constellation project in 2011 and NASA reports that Constellation is no longer an active NASA project. The NASA/Michoud project was originally allocated $55.5 M in funding. From the original $55.5 M allocated to the project, LED has used $20 M for Benteler and transferred $20 M to the Rapid Response Fund via Act 646 of 2014.

2. The CenturyLink Cooperative Endeavor Agreement committed the state to a total incentive of $19.4 M with $3.3 M appropriated from the Mega-Project Development Fund in FY 12.

3. The IBM project commitment utilizes $23 M from the Mega-Project Development Fund in FY 13.

4. The Schumaker project commitments total $9 M with $1.5 M paid through the Mega-Project Development Fund.

5. The Benteler Steel project commitment utilizes $20 M from the Mega-Project Development Fund in FY 14 that was previously allocated to the NASA/Michoud project.

6. Transferred from the Mega-Project Development Fund for use by various agencies.

7. Office of Tourism for the NOLA Motorsports Park for Indy Car.

8. Statewide Commitments funded from the Mega-Project Development Fund in the General Appropriations Bill.

9. Funds Bill Transfers $20 M from the Mega-Project Development Fund to the Rapid Response Fund.

Department of Culture, Recreation & Tourism State Parks

Act 1038 of 1990 created the Louisiana Tourism Promotion District (LTPD) as a special statewide taxing district and political subdivision of the state which receives three one hundredths of 1 cent of the sales and use tax for the purpose of assisting the state for out-of-state advertising and promoting tourism in LA. Historically this fund generates approximately $20 M in revenue for CRT annually. In FY 15 many events that have traditionally been funded by SGF funds are to be funded from the Office of Tourism's SGR funds, which is generated by the sales tax. The following pass-throughs are to be funded with SGR for FY 15:

Fees & Self Generated	
FORE! Kids Foundation	$314,108
Greater NO Sports Foundation (Operating Cost)	$544,050
Independence Bowl	$300,616
Jefferson Parish (Bayou De Famille Park)	$418,500
New Orleans Bowl, Inc.	$280,577
Essence Festival Productions	$948,112
Senior Olympics	$33,750
Special Olympics	$250,000
Total Fees & Self-Generated	**$3,089,713**
State General Fund	
Bayou Classic	$250,000
National Baptist Convention, USA	$100,000
Total State General Fund	**$350,000**
Statutory Dedications – La. Mega-Project Dev. Fund	
NOLA-Motorsports Park for Indy Car	$4,000,000
Total Stat Ded	**$4,000,000**

Additionally, funding for the following initiatives will be transferred to other agencies within the department via IAT and LTPD Direct:

CRT-Interagency Transfers	
Office of Secretary operating costs	$523,930
Office of Secretary Admin Program	$446,600
Office of State Museums operating costs	$562,779
ENCORE!	$325,000
Office of State Library Operating Cost	$401,34
LA Book Festival	$25,000
Office of Cultural Development Cultural Economy Initiatives	$254,500
Office of Cultural Development operating costs	$190,942
LA Sports Hall of Fame	$552,786
Kent Plantation House	$56,000
Office of Cultural Development for Arts Grants & ARTS operations	$1,500,000
Total IAT	**$4,838,886**
Total Pass-throughs and Programs	**$12,278,599**

The recommended funding levels for LTPD for FY 15 is $23,479,696. Total pass-throughs and programs absorbed by the LTPD budget are $12,278,599, leaving $11,201,097 for normal expenditures related to advertising and promoting tourism in LA.

DOTD State Transportation Funding

State Gas Tax: The 16-cent per gallon state gasoline and special fuels (gas tax) tax is a flat, non-indexed tax. The state gas tax has a current day buying power of approximately 7 cents. Historically, gas tax revenues have grown approximately 2.5% per year since 1992 but the rate has slowed substantially over the past decade. Construction and operating inflation substantially exceed the growth rate of the gas tax. (Note: The rate was increased from 8 cents to 16 cents in 1984.)

In 1984 the average price per gallon was $0.94 and individuals paid approximately 17% per gallon for road infrastructure with the 16-cent state gas tax. The average price per gallon for regular gasoline in LA as of 2/16/2014 was $3.16. Due to the tax being flat, and not indexed to inflation, the current tax equates to individuals paying approximately 5.1% per gallon for road infrastructure.

Federal Highway Trust Fund (Federal Gas Tax): The federal program is funded by the Moving Ahead for Progress in the 21st Century Act (MAP-21). MAP-21 is the first comprehensive, long-term highway authorization plan enacted since 2005. The federal Highway Trust Fund (HTF) is funded with an 18.4-cent per gallon federal gasoline tax and 24.4-cent per gallon federal diesel tax. Like the state gas tax, it has lost ground to inflation since its last increase in 1993.

TIMED Program Bond Debt Service Payments - $144.6 M: The TIMED Program was established by Act 16 of 1989 1st Extraordinary Session and designated 16 specific road/bridge projects. The original plan called for a designated funding stream in the form of a 4-cent per gallon gas tax on top of the existing 16-cent per gallon state gas tax, providing for a pay-as-you-go construction program. By utilizing a pay-as-you-go-program, the projected completion date for the program was 2031. In 2002, the DOTD set out to accelerate the program by bonding the remainder of the program in an effort to complete construction of all projects around FY 13. Due to rising construction costs and low cost estimates at the outset of the program, the program will only have sufficient funding to complete 14 of the original 16 road and bridge projects.

The projected FY 14 4-cent per gallon gas tax collections for the TIMED Program are not sufficient to cover the debt service payments of the 12 completed projects and the 2 currently under construction. Approximately $27.1 M of the 16-cent per gallon gas tax revenues will be needed to pay TIMED Program debt service payments in FY 15, the 5th consecutive year in which the state gas tax will be used to make the TIMED debt service schedule whole.

The portion of the 16-cent gas tax necessary in future years to fund TIMED debt service payments will continue escalating. Based upon estimates by DOTD, the department will use approximately 2.5 cents of the 16-cent per gallon state gas tax at its peak usage in FY 43, which equates to $86 M, or approximately 15.6% of the current 16-cent per gallon tax receipts. The growing use of TTF - Regular funds to pay TIMED debt service will impact DOTD's ability to match federal transportation funds (generally required at 10-20%) in the capital outlay budget and will result in decreased funds available for the department's operating budget. Currently, the total projected TIMED Program costs are $5.24 B (includes LA 3241 and Florida Avenue Bridge projects), while total revenues for the program will be $4.65 B. DOTD is in the process of determining the best financing mechanism for completing the final 2 constitutionally required road/bridge projects.

Vehicle Sales Tax: Act 11 of the 2008 2nd Extraordinary Session provided that vehicle sales taxes would begin to accrue to the TTF and be phased in over 7 years. A total of 10% was to be transferred to the TTF in FY 09. Due to the total SGF revenue projections decreasing for FY 09 and as provided by Act 11, these funds were not available to the TTF and will not be available in subsequent fiscal years until "… such time as the official forecast of the Revenue Estimating Conference equals or exceeds the official forecast in effect prior to the projected deficit, at which time the reduction shall cease." The SGF revenue forecast for FY 09 as of 5/9/2008 was $9.7 B. The latest adopted revenue forecast projects the following for SGF: FY 14 - $8.3 B; FY 15 - $8.68 B; FY 16 - $8.92 B; FY 17 - $9.15 B; and FY 18 - $9.11 B. Therefore, it is unlikely that these funds will be available to the TTF in the near future. The distribution to the TTF was originally projected to reach $335.6 M in FY 15 at 100% implementation.

DPS&C, Public Safety Services – Office of Motor Vehicles (OMV)
Revenue Impact of Act 641 of 2014

Act 641 of 2014 increased the fees for motorists that operate a vehicle without automotive liability insurance. As a result of increasing the fees, collections by the OMV are expected to increase significantly and the increased collections will be used by the Office of State Police (OSP), District Attorneys, DPS&C Corrections Services (DOC), and for other law enforcement purposes in future fiscal years.

The reinstatement fees that were increased are for insurance cancellations for less than 30 days, insurance cancellations between 31 to 90 days, insurance cancellations over 91 days, and notices of violation 1st offense and 2nd offense. The fee increases are noted in Table 28 below:

TABLE 28

Type of Fee	Previous Amount	New Amount	Fee Increase
Insurance cancellations for less than 30 days	$25	$100	$75
Insurance cancellations between 31 & 90 days	$100	$250	$150
Insurance cancellations for over 90 days	$200	$500	$300
Notice of violation – 1st offense	$50	$100	$50
Notice of violation – 2nd offense	$150	$250	$100

According to information received from OMV, there was an average of approximately 320,000 insurance cancellation fees assessed annually over a 3-year period for operating a vehicle without automotive liability insurance. In addition, there was an annual average of 20,548 notice of violations issued (20,000 1st offense + 548 2nd offense) over the same time period. The fees and the amounts collected are detailed in the Table 29 below:

TABLE 29

Fee	# of Fees Paid	Previous Fee Total	New Fee Total	Difference
Cancellations < 30 days	150,000	$3,750,000	$15,000,000	$11,250,000
Cancellations 31 - 90 days	75,000	$7,500,000	$18,750,000	$11,250,000
Cancellations > 90 days	95,000	$19,000,000	$47,500,000	$28,500,000
Notice 1st offense	20,000	$1,000,000	$2,000,000	$1,000,000
Notice 2nd offense	548	$82,200	$137,000	$54,800
Total	340,548	$31,332,200	$83,387,000	$52,054,800

To the extent the average number of fees paid remains constant in future years, OMV would collect approximately $83,387,000 annually in insurance cancellation and notice of violation fees. This is an increase of $52.05 M ($83.38 M – $31.33 M). Act 641 creates the Insurance Verification System Fund, which will receive the revenue from the fees. Act 641 also designates how the increased collections are to be spent in FY 15 and FY 16 (Table 30).

The fund must first use collections to operate and maintain the real-time insurance database at OMV. This is expected to cost $1.1 M in FY 15 and $1 M in FY 16 and subsequent years. To the extent $52 M is collected in FY 15 and $1.1 M is spent on the insurance database, $50.9 will remain in the fund. Act 641 then mandates $42 M be dedicated to OSP, but does not specify what the funding will be used for. In the event $42 M is spent by OSP, $8.9 M will be available for public safety and law enforcement purposes. The Act does not define what those purposes are. It is the LFO's understanding that some of the $42 M will be used for state police pay raises. In OSP's FY 15 budget request, $14.6 M was the requested salary adjustment increase for state police that includes salaries and related benefits. However, the State Police Commission has approved a new salary pay grid, but the potential cost is unknown at this time.

In FY 16, Act 641 specifies that the deposits into the fund will be used to pay for the operation of the database ($1 M), a dedication to OSP ($42 M), funding for the housing of parolees (DOC inmates released on parole who are subsequently arrested) as a result of Act 652 ($7 M), and funding for District Attorneys to fund additional assistant district attorneys ($1 M). These dedications amount to $51 M, which would leave $1 M to be used for public safety and law enforcement purposes in FY 16.

TABLE 30

Insurance Verification System Fund Distributions by Act 641

	FY 15	**FY 16**
Real-time Database	$1,100,000	$1,000,000
State Police	$42,000,000	$42,000,000
Parolee Housing	$0	$7,000,000
District Attorneys	$0	$1,000,000
Law Enforcement Purposes	$8,900,000	$1,000,000
Total:	**$52,000,000**	**$52,000,000**

Note: *The $52 M increase in revenue is an estimate based on current collections. The amount actually collected may change based on a number of variables, including the following:*

1. *The increased amount of fees may encourage more motorists to carry automotive liability insurance, which would reduce the number of fees issued and result in a smaller collections increase.*

2. *As a result of the real-time insurance database, more motorists that do not have automotive liability insurance may be ticketed, which would support the estimate of additional collections.*

The Act specifies that the order of distribution from the fund as the real-time insurance database first and the dedication to OSP second in FYs 15 and 16. In FY 16 the order of distribution adds the housing parolees after the OSP dedication, then district attorneys, then public safety purposes. To the extent $52 M is not collected annually, it is unknown if the distribution amounts would not occur depending on the amount collected or would the distribution order remain and amounts be reduced.

Department of Health & Hospitals
Medicaid

In FY 15, the Department of Health & Hospitals (DHH) is appropriated $8.13 B for the Medicaid Program (Medical Vendor Payments). This represents an overall increase of $426 M (5.5%) from the 12/1/2013 budget freeze date. However, prior year actual spending (preliminary as of 8/15/2014) for Medicaid reflects total actual expenditures of $7,577,662,782 in FY 14. Based on these actuals, the Medical Vendor Payments appropriation reflects an overall increase of $552,806,277 or approximately 7.3%, from FY 14.

The total increase from FY 14 is mainly the result of funding projected utilization in the Payments to Private Providers Program and Bayou Health, increase in DSH funding for Uncompensated Care Costs (UCC), and rate adjustments. Specific and significant increases in the Medicaid Program include the following:

- Projected utilization increases
- Nursing Home rate increase
  New funding and annualization funding of various waiver slots
- Federal Qualified Health Center (FQHC) and Rural Health Clinic (RHC) rate increases
- DSH funding

Major Changes from FY 14

As provided by Act 15, the Medicaid budget for FY 15 was adopted by the Legislature at a program size of $8.13 B.

•FY 15 budget is based on a blended state match rate of 37.94% / 62.06% federal (excludes UCC state match rate, which is 37.95%) on Medicaid programmatic expenditures. The FMAP reflects a blend of federal fiscal years.

•The FY 15 appropriation for Medical Vendor Payments (Payments to Privates, Payments to Publics, Medicare Buy-ins & Supplements, and Uncompensated Care Costs programs) increased expenditures by approximately $426 M from the FY 14 Medicaid budget as of 12/1/2013. The program funding level changes are allocated as follows:

•$2.1 B increase in Payments to Private Providers Program

•$4.9 M decrease in Payments to Public Providers Program

•$1.8 B decrease for Medicare Buy-ins & Supplements Program

•$175.5 M increase in Uncompensated Care Costs Payments Program

Note: The significant decrease in Medicare Buy-ins & Supplements Program and increase in Payments to Private Providers Program mainly represents Title XIX Medicaid claims payments transferred to Payments to Private Providers as a result of transferring Bayou Health funding between the respective programs. Bayou Health funding grew by approximately $31 M (See "*Bayou Health*" issue on pages 118 - 120). In addition to Bayou Heath appropriated growth, the budget reflects new funding in the Payments to Private Providers Program or the LA Dental Benefit Plan (full risk Medicaid dental benefit plan).

•Act 15 appropriates funding by program, not by provider line item. Preamble language in Schedule 09 of Act 15 requires DHH to "submit a plan detailing the programmatic allocations of appropriations for the Medical Vendor Program" to JLCB for review no later than 10/1/2014. Sub program projections are not direct appropriations in Medicaid.

FY 15 Medicaid DSH Allocation

The Uncompensated Care Costs (UCC) Program in Medical Vendor Payments provides disproportionate share hospital (DSH) payments to qualifying hospitals for certain uncompensated care costs associated with serving uninsured and indigent patients. DSH payments consist of both state and federal matching funds. For FY 15, the federal match for DSH is 62.05% (37.95% state requirement), which is an increase in federal assistance from FY 14 (60.98% federal match). The federal government restricts the amount of federal DSH funds annually through the implementation of a federal DSH cap per state. Any additional UCC payments the state may choose to reimburse over the federal cap would require 100% SGF (the state loses the ability to leverage state dollars). The LA federal DSH cap for 2015 is $731.96 M and the total DSH cap (total allowed payments including state match) is approximately $1.2 B.

Act 15 appropriates $1,040,577,785 in the UCC Program for various providers ($646,110,822 federal match), including LSU privatization partners. <u>The UCC Program includes approximately $736.5 M in DSH funding for the LSU public/private partnerships</u>.

FY 15 DSH funds are allocated as follows:

$21,478,319	HCSD (Lallie Kemp only)
$54,640,467	OMH public psyc free standing units
$907,605,122	Other DSH hospitals*
$28,686,338	Rural hospitals and hospital-based health clinics (no DSH funding in FY 14)
$2,000,000	Non-rural hospitals (High Medicaid DSH Pool)
<u>$26,167,539</u>	GNOCHC (Greater New Orleans Community Health Connection) waiver**
$1,040,577,785	**Total DSH Funding (Act 15)**

***Note:** DSH appropriations for "Other DSH hospitals" is allocated as follows:

$150,065,876	Low Income Needy Collaborative
$6,312,998	Mental Health Emergency Room Extensions (MHERE's)
$14,690,831	Office of Behavioral Health
<u>$736,535,417</u>	LSU Privatization Partners
$907,605,122	**Total (Other DSH Hospitals)**

***Note:** Funding for the Greater New Orleans Community Health Connection (GNOCHC) Medicaid demonstration waiver allows DSH reimbursement to various waiver providers in the greater New Orleans area. The program provides low income uninsured adults with coverage for certain primary care and behavioral health services. Act 15 provides for a net increase in funding to the Greater New Orleans Community Health Connection by $11.4 M, for $26.2 M in total waiver funding for FY 15.

Major Programmatic Specific Funding

•Act 15 provides additional funding for annualized costs and new costs of various waiver programs, including the New Opportunities Waiver (NOW) Program. For FY 15, $26,357,406 in funding is added for <u>various</u> waiver program slots. The total number of slots anticipated to be filled in FY 15 is unknown, and will depend on the type of slots filled based on DHH's assessment of individual client needs and assignment of specific waiver service required. Additionally, $2.159 M is added for annualized funding for 150 Community Choices Waiver slots phased in FY 14. This waiver serves individuals 65 and older and will provide for permanent supportive housing.

Finally, $3,666,392 is added for the Children's Choice Waiver, which offers support to the developmentally disabled in a home setting, including medically necessary services, case management, respite, home adaptations, and family training.

•Act 15 provides a $10.8 M increase in SGF for 'Clawback". The clawback represents payments made from LA Medicaid to the federal Medicare program as required by the Centers for Medicare & Medicaid Services (CMS) on a monthly basis to cover the cost of the Medicare Prescription Drug Program, Part D provided to dual eligibles. After 1/1/2006, dual eligibles receive prescription drug benefits from Medicare and not Medicaid. The amount each state is designed to pay is based on what a state would pay if a dual eligible (individual enrolled in both Medicaid and Medicare) continued to receive their prescription drug benefit under Medicaid. The adjustment is based on a projected increase in enrollees and increase in the estimated monthly payment.

•Act 15 provides an additional $39.7 M in funding for the public/private partnerships. The increase is based on the recommended level of projected expenditures over the FY 14 allocation of expenditures for the partnerships. Based on the actual FY 14 total partnership expenditures, FY 15 projected expenditures increased by $68,417,087.

PARTNERSHIP FUNDING

FY 14 Allocated	$1,110,723,000
FY 14 Actual exp's	$1,081,979,242
FY 15 Allocated	$1,150,396,329

Note: Act 15 further provides $50 M in UCC payments to the Biomedical Research Foundation (partner in Shreveport), in addition to the appropriated UCC paid under the public/private partnerships. Act 15 stipulates these payments are for healthcare services, and shall not be made until such time as the Biomedical Research Foundation and the LSU Health Sciences Center at Shreveport finalize all outstanding contractual agreements related to the Biomedical Research Foundation's operation of such hospital and its associated clinics. Information from the Department of Health and Hospitals indicates these payments will be made directly to various non-partner hospitals. The source of matching funds is $8 M in SGF and $11 M in IAT from the Office of Public Health.

•Act 15 provides a total increase of $4.9 M in claims payments funding associated with annualized funding for new Federally Qualified Health Centers (FQHC's) and Rural Health Clinics (RHC's) that enrolled in the Medicaid Program in FY 14, funding for new clinics and centers that are projected to enroll in FY 15, and rate increases for FQHC's and RHC's based on the Medicare Economic Index (MEI) rate formula. The MEI is a measure of inflation for physicians and used for determining allowable charges for physician services (such as physician practice costs, medical equipment, and general wage levels).

•Act 15 provides $70.1 M in additional funding for rebasing nursing home rates ($59,561,779) and increasing Hospice Room & Board rates ($10,576,203). Nursing Home rate rebase is the recalculation of rate paid to nursing home providers.

•Act 15 provides additional funding as a result of projected increases in utilization, including $51.4 M for pharmacy utilization in fee-for-service Medicaid, $16 M for overall Medicaid services utilization in the Private Providers Program projected for FY 15, and $11.2 M for adults currently eligible for but not enrolled in Medicaid (termed "Woodwork"). Woodwork eligibles represent parents with income at or below 11% of the Federal Poverty Level.

Medicaid Outlook for FY 16

The FY 15 Medicaid budget contains approximately $655.8 M in funding from 3 separate sources that will likely have to be partially or entirely replaced in FY 16. These sources of revenue include Amnesty tax collections projected to be collected in FY 15 (and a portion in FY 14), Overcollections Fund revenues, and revenues from the Medicaid Trust Fund for the Elderly. **These fund sources collectively will draw $1.1 B ($1,072,721,008) in federal match for a total of $1.7 B ($1,728,522,411) in claims payments.**

Amnesty Revenues: Act 15 reflects $156.5 M in Amnesty revenues appropriated in the Payments to Private Providers Program for FY 15. Any anticipated revenues generated through a tax amnesty program are deposited into the 2013 Amnesty Collections Fund through the LA Tax Delinquency Act of 2013. The $156.5 M will be used as a state match source to draw federal financial participation for claims payments to private providers. Based on the FY 15 blended Federal Medical Assistance Percentage (FMAP) of 62.06% (37.94% state match) for LA Medicaid, $156.5 M in amnesty revenues will draw approximately $256.1 M in federal matching funds for a total of $412.6 M in Medicaid claims payments. To the extent amnesty revenues are not realized up to the level of appropriation in Medicaid for FY 15, claims payments to providers will be reduced by a proportionate amount.

Overcollections Fund Revenues: Act 15 contains approximately $266.3 M in Overcollections Fund revenues appropriated in the Payments to Private Providers Program for FY 15. The specific revenues in the fund that will be used in Medicaid include, but are not limited to, fund sweeps, pharmaceutical settlements, excess self generated revenues, savings from bond refunding, ORM insurance proceeds, and fraud initiative revenues. The various revenue sources that are projected to be in the fund are anticipated to be collected in both FY 14 and FY 15. The $266.3 M will be used as a state match source to draw down federal financial participation for claims payments to private providers. Based on the FY 15 FMAP, $266.3 M in Overcollections Fund revenues will draw $435.7 M in federal matching funds for a total of $702 M in Medicaid claims payments. To the extent Overcollections Fund revenues are not realized up to the level of appropriation in Medicaid for FY 15, claims payments to providers will be reduced by a proportionate amount.

Medicaid Trust Fund for the Elderly: Act 15 contains $233 M in revenue from the Medicaid Trust Fund for the Elderly (MTFE). These revenues are used as a state match source in FY 15 to draw federal financial participation for nursing home payments. Based on the FY 15 FMAP, $232.9 M in MTFE revenues will draw approximately $380.9 M in federal matching funds for a total of $613.9 M in Medicaid claims payments to long term care providers.

Note: For FY 16, the 3 revenue sources (totaling $655.8 M) used in FY 15 as a state match source will have to be replaced with SGF or a revenue source similar to the revenue used in FY 15 simply to maintain baseline expenditures in Medicaid.

Other State Match Sources: LA Medical Assistance Trust Fund (MATF): Another significant source of match used in Medicaid (Medical Vendor Payments) is revenue from the LA Medical Assistance Trust Fund (MATF): The FY 15 level of funding in the MATF is approximately $158,317,637. This Statutory Dedications funding is based on the following budgeted deposits:

$127,116,161	Annual deposits from provider fee charges (pharmacy scripts, ICF/DD beds, nursing home beds)
$30,408,028	Tax revenues under Title 22:842 (managed care insurance tax)
$793,448	Statutory Dedications revenue carried forward from FY 14
$158,317,637	Total MATF for FY 15

Note: Funds collected annually in the MATF are from fees imposed on nursing home providers, ICF/MR providers, pharmacy scripts, and premium taxes on Medicaid Managed Care premiums written (beginning FY 13). In addition to these recurring revenue deposits, the fund has historically received significant levels of one-time revenue deposits from various sources. For FY 15, projected recurring revenues represent the majority of MATF budgeted revenues. All revenues deposited into the fund (less any balances) are used as a state match source to draw Title 19 federal financial participation funding for general Medicaid expenditures. Reflected below are historical appropriations in the MATF since FY 11.

FY 11	FY 12	FY 13	FY 14	FY 15
$403,715,644	$451,471,418	$344,754,959	$157,857,988	$158,317,637

Note: For FY 15, the provider fee on Intermediate Care Facilities/Developmentally Disabled (ICF/DD) bed days is increasing from $14.30 per bed day to $16.80 per bed day. $3.7 M in additional revenues is projected to be collected in FY 15 as a result of this provider fee increase.

Department of Health & Hospitals
Funding Mechanisms of the LA Behavioral Health Partnership (LBHP)

The LBHP is a cross-departmental system between the DHH, the Department of Children & Family Services (DCFS), the Department of Education (DOE), and the Office of Juvenile Justice (OJJ), designed to organize a coordinated, managed care network for LA's behavioral health services. The LBHP provides services to both Medicaid and non-Medicaid child and adult populations. Each of the enumerated state entities is responsible for funding specific components of the system in order to provide a comprehensive, mental health program for the state. The funding mechanisms for the LBHP involve a complex interplay of funding sources, governmental agencies and service providers.

In an effort to administer the mental health system, the state designated DHH Office of Behavioral Health (OBH) to oversee a privatized Statewide Management Organization (SMO) to operate the LBHP. The SMO is responsible for the provision of behavioral health services to approximately 100,000 adults and 50,000 children, including approximately 2,400 children with significant behavioral challenges that are in imminent risk of out-of home placement. The SMO is responsible for identifying and improving access to mental health services, providing treatment management and coordination services, and ensuring quality of care and outcomes for clients. Magellan Health Services, Inc. currently operates the SMO.

Funding Components and Populations

The LBHP provides services to both Medicaid and Non-Medicaid eligible adults and children. Each of these populations is funded through various financial mechanisms and state agencies in a manner designed to maximize the use of matchable funds. The primary funding components are derived through the DHH Medical Vendor Administration (MVA) and MVP agencies, which in concert comprise the Bureau of Health Services Financing (BHSF) for the state of LA. The BHSF is the single Medicaid agency for the state, and provides access to health care to Medicaid recipients and other LA citizens. In FY 15, there is $382 M for LBHP costs allocated to the MVP agency and $50.1 M allocated to the MVA agency. The FY 15 Executive Budget Recommendation reflects an increase of approximately $3 M associated with the increase for the federally mandated Health Insurer Excise Tax. The Excise Tax is a provision of the Affordable Care Act (ACA) and is a sales tax on health insurance plans.

Medicaid Adult Population: The Medicaid eligible adult population receives funding for services out of the MVP Private Providers Program. Funding is used to purchase health care services through the payment of premiums to the SMO on behalf of eligible enrollees. For mental health services, funding from the Private Provider Program pays a Per Member Per Month (PMPM) expenditure to the SMO. This payment is fully-capitated and covers administrative fees, cost of services and profits to the provider. The recommended MVP budget allocation is $143,091,343 in FY 15.

Medicaid Children Population: The Medicaid eligible children population receives funding for services out of the MVP Private Providers Program. Unlike Medicaid eligible adults, reimbursements to the SMO are paid on a Fee for Services (FFS) basis. When a Medicaid eligible child receives treatment services from a provider, the SMO pays the provider and seeks reimbursement from MVP on a weekly basis for services provided. This payment is non-capitated and is paid solely on the aforementioned fee-for-services basis. The MVP recommended budget allocation for Medicaid children fee-for-services is $242,930,691 in FY 15.

DHH makes a monthly payment to the SMO to cover administrative fees, profits and management of the fee-for-services for the cost of children's coordinated care. These payments are made from the MVA agency in the form of a PMPM payment. The MVA recommended budget allocation is

$50,137,187 in FY 15.

The DOE administers the provision of services to Medicaid eligible children through school health clinics and mental health programs. Local school boards certify public expenditures associated with these services, then the MVP agency sends the federal expenditure claim reimbursement portion to the MVA agency. The funds are not returned to the local entities but paid to the SMO as a portion of the administrative fees for managing the Medicaid children's population. The recommended budget allocation for DOE Certified Public Expenditures (CPE) is $1,914,596 in FY 15. These funds are a portion of the $50.1 M MVA allocation mentioned above.

Non-Medicaid Adult Population: The Non-Medicaid eligible adult population receives mental health services through Local Governmental Entities (LGE) comprised of the 10 human services authorities and districts. Historically, these services were provided through a blended network with the OBH and 5 human services districts. Over the past 2 fiscal years, 5 additional human services districts were created in order to localize service provision. OBH serves as the contract monitor for the SMO. Budget authority associated with service provision was transferred from OBH to the LGEs. The SMO performs case management functions, referring clients to the LGEs and to private providers. As per its contract, OBH pays an 8% administrative fee from SGF associated with any services managed by the SMO but provided by the 10 LGEs. The funds for the provision of services is budgeted directly with each LGE and SMO does not process those payments, but rather simply receives the administrative fee associated with those services directly from OBH. The 8% administrative fee paid by OBH is sent to the MVA agency and paid as part of the $50.14 M MVA allocation as noted above (the OBH Non-Medicaid Adult portion is $4.2 M in FY 15).

Non-Medicaid Children Population: The Non-Medicaid eligible children population generally receives referrals to the SMO for needed services. Those services are, in turn, billed back to OJJ and DCFS on a fee-for-services basis plus an 8% administrative charge and paid by SGF or federal Social Services Block Grants (SSBG). Services provided on a fee-for-services basis that are paid by OJJ include Therapeutic Foster Care and Non-Medical Group Homes. OJJ's eligible services were absorbed into the LBHP in January 2013. Services provided on a fee-for-services basis by DCFS include Therapeutic Foster Care, Residential/Hospital Care, Evaluation and Testing, and Treatment and Consultation. DCFS's eligible services began absorption into the LBHP in June 2012 and completed in early FY 13. In all cases, the 8% administrative charge paid by the agency of record is based upon the total claim expense billed to the agency through invoice transmittals by the SMO.

Permanent Supportive Housing (PSH) Program: The LA Permanent Supportive Housing model combines deeply affordable rental housing with voluntary, flexible and individualized community-based services to assist people with the most severe and complex disabilities to live successfully in the community. The program is funded through Community Development Block Grants from the U.S. Department of Housing & Urban Development. The PSH Program was moved under the SMO in September 2013, and the SMO is reimbursed directly by OBH. Services are contracted with the SMO and offered by LGEs and private providers statewide.

TABLE 31

	FY 12 Actual	FY 13 Actual	FY 14 Allocated	FY 15 Allocated	Source Funds
MVA (PMPM Children)	$9.24 M	$31.78 M	$50.14 M	$50.14 M	SGF Match/Federal Fds
MVP					
IAT: To MVA from DOE CPEs*	$2.45 M	$1.91 M	$1.91 M	$1.91 M	Federal Match of CPEs
Medicaid Adults (PMPM)	$41.28 M	$129.48 M	$140 M	$143.09 M	SGF Match/Federal Fds

Medicaid Children (FFS)	$30.01 M	$139.07 M	$242.93 M	$242.93 M	SGF Match/Federal Fds
DCFS**	$ 0.01 M	$8.04 M	$14.16 M	$14.16 M	SGF/Federal SSBG
OJJ**	$ 0.00 M	$1.08 M	$2.00 M	$2.00 M	SGF
Total	**$82.99 M**	**$311.36 M**	**$451.14 M**	**$454.23 M**	

*The funds associated with the IAT from MVP to MVA associated with DOE CPEs is noted as an expenditure in both agencies, but could be considered a double count of funds resulting in a total cost of the LBHP of $1.91 M less than reported. The LFO is waiting on confirmation by DHH of actual certified DOE expenditures in FY 12 and 13. The amount reported is that budgeted in the respective fiscal years.

**Actual expenditures and budget authority for DCFS and OJJ associated with the Behavioral Health Partnership were self-reported and aggregated by the respective agencies. There is no line item appropriation or designation in the Executive Budget or its supporting document that allocates or reports on these expenditures.

Department of Health & Hospitals
Office of Aging & Adult Services (OAAS)
Community-Based Waivers & Other Community Service Programs

The Community Choices Waiver (replaced the Elderly & Disabled Adult - EDA Waiver) allows for services to be provided in a home or community-based setting for a qualifying person who would otherwise require care in a nursing facility. In addition to personal care services, the waiver provides a variety of other services that assist people to remain in their homes and communities. Due to the increased demand for these services, there is a Request for Services Registry (waiting list).

FY 15 Funded Slots:	*5,303 (200 slots for Pitts vs. Greenstein settlement)*
FY 14 Funded Slots:	*5,303*
Slots Filled as of 06/30/2014:	*4,184*
Slots Funded but not Filled:	*1,119*
*Registry and/or Waiting List: **	*34,777*
Average Cost/Capped Cost:	*$25,727 ($46,189 cap)*
Actual Expenditures (06/30/2014):	*$109,647,820*
Population Served:	*Ages 21 +, Medicaid eligibility, and meet nursing facility level of care criteria*

The Adult Day Health Care (ADHC) Waiver provides certain services for 5 or more hours per day in a licensed and Medicaid enrolled ADHC facility. Services offered include assistance with activities of daily living, health and nutrition counseling, social services, and exercise programs. There is an ADHC Request for Services Registry that lists the people who requested these services along with the request date.

FY 15 Funded Slots:	*825*
FY 14 Funded Slots:	*825*
Slots Filled as of 06/30/2014:	*672*
Slots Funded but not Filled:	*153*
*Registry and/or Waiting List: **	*4,839*
Average Cost/Capped Cost:	*$23,374 ($49,094 cap)*
Actual Expenditures (06/30/2014):	*$9,406,181*
Population Served:	*Ages 22 +, Medicaid eligibility, and meet nursing facility level of care criteria*

The Long Term Personal Care Services (LT-PCS) Program** provides help with activities of daily living for people who qualify for assistance under the program guidelines. The program also provides personal care workers to help people in their homes. Care provided includes help with bathing, toileting and grooming activities; eating and food preparation; performance of incidental household chores; assistance getting to medical appointments; and grocery shopping.

Slots Filled as of 06/30/2014:	*15,185*
Average Cost/Capped Cost:	*$14,750 ($19,828 cap)*
Actual Expenditures (06/30/2014):	*$235,403,366*
Population Served:	*Ages 21 + who receive Medicaid benefits, nursing facility level of care and imminent risk criteria of nursing home admission*

Program for All Inclusive Care for the Elderly (PACE) Program** coordinates and provides all needed preventive, primary, acute and long-term care services so that older people can continue living in the community. The emphasis is on enabling senior citizens to remain in their communities while enhancing their quality of life.

Slots Filled as of 06/30/2014: 301
Average Cost/Capped Cost: $32,454 ($54,288 cap)
Actual Expenditures (06/30/2014): $9,862,582
Population Served: Ages 55 +, live in PACE provider service area, nursing facility level of care, and meet Medicaid financial eligibility

The Community & Family Support (CFS) Program** provides goods and/or services in a flexible manner to eligible people with severe physical and/or cognitive disabilities in order to help them live independently. Consumers represent a wide range of diversity in terms of disability, including acquired brain injury, spinal cord injury, stroke, visual impairment, muscular dystrophy, and individuals with multiple disabilities. The Office of Aging & Adult Services has contracted with the ARC of Louisiana to administer both the Community & Family Support Program and the State Personal Assistance Services Program for a total of $633,229.

Slots Filled as of 06/30/2014: 24
*Registry and/or Waiting List: * 84*
Average Cost/Capped Cost: $13,801
Actual Expenditures (06/30/2014): $440,894
Population Served: Ages 22 + with a severe physical and/or cognitive disability that manifested after attainment of age 22 but prior to age 55

The State Personal Assistance Services (SPAS) Program** provides personal assistance services to people with significant disabilities to assist them with activities of daily living. The primary service provided with SPAS funding is Personal Assistance Services. *The Office of Aging & Adult Services has contracted with the ARC of Louisiana to administer both the Community & Family Support program and the State Personal Assistance Services program for a total of $633,229.*

Slots Filled as of 06/30/2014: 23
*Registry and/or Waiting List: * 131*
Average Cost/Capped Cost: $16,695
Actual Expenditures (06/30/2014): $356,259
Population Served: Ages 18 - 60, a significant disability, capable of hiring, firing, and supervising the persons who provide personal assistance services

The LA's Traumatic Head & Spinal Cord Injury (TH/SCI) Trust Fund Program** provides services in a flexible, individualized manner to LA citizens with traumatic head or spinal cord injuries. The program enables individuals to return to a reasonable level of functioning and independent living in their communities. Services are provided on a first-come, first-served basis. Expenditures shall not exceed $15,000 for any 12-month period or $50,000 in total lifetime expenditures per individual.

Slots Filled as of 06/30/2014: 720
*Registry and/or Waiting List: * 316*
Average Cost/Capped Cost: $6,902 ($15,000 cap)
Actual Expenditures (06/30/2014): $2,272,685
Population Served: An individual must meet the definition of traumatic head injury or spinal cord injury.

Note: Although the agency fills waiver slots as quickly as possible, not all waiver slots are filled at the beginning of the fiscal year.

*Registry and/or Waiting List as of 06/30/2014
**Programs without designated slots the reported data represent the number of participants.

Department of Health & Hospitals
Office of Public Health (OPH)

School-Based Health Clinics

School-Based Health Clinics (SBHCs) provide convenient access to comprehensive, primary and preventive physical and mental health services for public school students at the school site. Information from DHH indicates that approximately 70% of the students receiving services in SBHCs are Medicaid eligible. As such, the SBHCs may either bill Medicaid for certain services, or students may access medical services in the community through Medicaid. Currently, SBHCs may bill Medicaid for:

- Sick or injury visits
- Nurse only visits
- Hearing and vision screenings
- Comprehensive & interperiodic physical screenings through the Kid Med Program
- Behavioral Health (limited to one-time evaluation if intervention is needed)
- Immunizations
- Laboratory (specimen collection performed in-house during medical screening visit)

In FY 15, the OPH is appropriated $6,791,787 ($470,527 SGF and $6,321,260 LA Fund) for 62 school-based health clinics (53 full-time sites and 9 part-time sites) with 2 positions in the OPH. This represents an overall increase of $56,729 from FY 14 Appropriated. Currently, the following parishes have school-based health clinics: Allen, Avoyelles, Caddo, Calcasieu, Cameron, East Baton Rouge, E. Feliciana, Grant, Jackson, Jefferson, Lafayette, LaSalle, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Point Coupee, Rapides, Richland, St. Bernard, St. Charles, St. Helena, St. Martin, St. Mary, Washington, and W. Feliciana.

Parish Health Units (PHUs)

PHUs provide childhood immunizations, mental health counseling, vital records access, supplemental nutritional programs for mothers and their children, sexually transmitted disease (STD) treatment services, and family planning. Currently, 61 parishes have PHUs funded by OPH (versus local government or by a Federally Qualified Health Center or Rural Health Center). As such, some PHUs operate on a 2-3 days per week work schedule, and staff have a rotating schedule among multiple PHUs. There is an overall net decrease of $83,712 and 76 positions in FY 15 as a result of a hiring freeze. A comparison of funding and positions is given in Table 32 below:

TABLE 32

	FY 12	FY 13	FY 14	FY 15	Difference
SGF	$20,004,649	$18,273,640	$18,203,763	$17,144,336	($1,059,427)
IAT	$ 4,345,866	$ 3,951,057	$ 4,185,537	$ 4,600,500	$ 414,963
SGR	$ 7,490,781	$ 6,824,553	$ 6,880,250	$ 7,235,647	$ 355,397
Federal	$17,341,962	$15,849,127	$15,711,403	$15,916,858	$ 205,455
Total	**$49,183,258**	**$44,898,377**	**$44,981,053**	**$44,897,341**	**($ 83,712)**
T.O.	**618**	**623**	**612**	**536**	**(76)**

Nurse Family Partnership Program

The Nurse Family Partnership (NFP) Program is a prenatal and early childhood intervention program designed to improve the health and social functioning of low-income first-time mothers and their babies. Home visits by specially trained public health nurses begin before the 28th week of pregnancy and continue through the child’s second birthday. The FY 15 budget allocates $20,089,932 ($2.6 M in SGF, $3,196,750 M in IAT, and $14,293,182 M in Federal) and 33 positions for the NFP Program, which represents a $225,308 decrease from FY 14 appropriated due to agency wide reductions. OPH anticipates 3,064 individuals will be served through this program in FY 15.

Department of Health & Hospitals
Office of Behavioral Health

In FY 15, the Office of Behavioral Health (OBH) is appropriated $225 M by total means of finance (MOF). This represents an overall decrease of $48.3 M, approximately 17.7%, from the FY 14 Existing Operating Budget of $273.3 M. The total decrease from the prior year is mainly the result of non-recurring excess budget authority associated with the regional transition of LA Behavioral Health Partnership operations and the transfer of budget authority from the OBH to individual human Service districts and authorities as part of the statewide initiative to localize the delivery of behavioral health services through the human service districts and authorities.

Major Changes from FY 14

Privatization and Regionalization – ($50.9 M decrease)
($38.8 M) – In FY 15, OBH completes the transfer of budget authority to 4 local governing entities created during FY 14 in order to localize delivery of behavioral health and developmental disability services to adults and children statewide. The 4 created districts are the Northeast Delta Human Services Authority, the Calcasieu Human Services Authority, the Central LA Human Services District and the Northwest LA Human Services District. See "*Statewide Localization of Behavioral Health Services (Human Services Districts/Authorities)*" issue on pages 118 - 119 for further details.

($12.1 M) – Excess SGR budget authority within OBH is non-recurred associated with the transition to regional service delivery and the change in contract reimbursement. With the full operationalization of the LA Behavioral Health Partnership, legacy contract providers formerly delivering services on behalf of OBH will transition to receiving reimbursement by the State Management Organization directly.

Department of Health & Hospitals
Office for Citizens with Developmental Disabilities (OCDD)

Community-Based Waivers

The New Opportunities Waiver (NOW) is offered on a first-come, first-served basis. There is a Developmental Disability Request for Services Registry (RFSR) that lists individuals who meet the LA definition for developmental disability and their request date.

FY 15 Funded Slots:	*9,032*
FY 14 Funded Slots:	*8,832*
Slots Filled as of 06/30/2014:	*8,442*
Slots Funded but not Filled:	*390*
*Registry and/or Waiting List:**	*12,906*
Average Cost/Capped Cost:	*$51,573*
Expenditures (06/30/2014):	*$435,811,267*
Population Served:	*Ages 3 + who have a developmental disability that manifested prior to age 22*

The Children's Choice Waiver offers supplemental support to children with developmental disabilities who currently live at home with their families, or who will leave an institution to return home. Children's Choice is an option offered to children on the Request for Services Registry (RFSR) for the New Opportunities Waiver (NOW) as funding permits. Families choose to either apply for Children's Choice, or remain on the RFSR for the NOW.

FY 15 Funded Slots:	*1,475*
FY 14 Funded Slots:	*1,475*
Slots Filled as of 06/30/2014:	*1,105*
Slots Funded but not Filled:	*370*
*Registry and/or Waiting List:**	*7,298*
Average Cost/Capped Cost:	*$11,096 ($16,410 waiver cap only)*
Expenditures (06/30/2014):	*$12,823,354*
Population Served:	*Ages Birth - 18 who meet the federal definition for a developmental disability*

**Also subset of individuals under 19 from the NOW waiver and the number is included in the NOW registry.*

The Support Services Waiver has reserved capacity for individuals who were receiving state general funded vocational and rehabilitation services as of 3/31/2006 or who were listed as waiting for those services prior to 5/31/2006. The Supports Waiver is intended to provide specific, activity focused services rather than continuous custodial care.

FY 15 Funded Slots:	*2,050*
FY 14 Funded Slots:	*2,050*
Slots Filled as of 06/30/2014:	*1,551*
Slots Funded but not Filled:	*499*
*Registry and/or Waiting List:**	*1,431*
Average Cost/Capped Cost:	*$8,030*
Expenditures (06/30/2014):	*$12,408,233*
Population Served:	*Ages 18 +*

The Residential Options Waiver (ROW) offers services designed to support individuals to move from ICFs/DD and nursing facilities to community-based settings, and to serve as an alternative to being institutionalized. ROW was approved by CMS on 10/1/2009.

FY 15 Funded Slots:	*210*
FY 14 Funded Slots:	*210*

Slots Filled as of 06/30/2014:	*31*
Slots Funded but not Filled:	*179*
*Registry and/or Waiting List:**	*0*
Average Cost/Capped Cost:	*$34,087*
Expenditures (06/30/2014):	*$916,705*
Population Served:	*Ages Birth to end of life who have a developmental disability which manifested prior to the age of 22*

*Registry and/or Waiting List as of 06/30/2014

Note: Although the agency fills waiver slots as quickly as possible, not all waiver slots are filled at the beginning of the fiscal year.

Department of Children & Family Services

Modernization Project

The Modernization project will reduce the number of clients that need to visit a physical DCFS office location to apply or receive information about services. Clients will be able to apply for services in multiple ways. The Modernization project includes: (1) customer service call center; (2) electronic case records and document imaging; (3) customer portal that has a web based application for services and allows clients to access their case record to view basic case information; (4) a provider portal that allows providers to view and update basic information regarding invoices, payments, and fees; and (5) worker portal that allows DCFS staff to update and maintain client case information therefore reducing duplicate work effort and increasing efficiency.

In FY 15, the department will continue the implementation of the service delivery Modernization project with a total budget of $31.2 M and 98 non-T.O. positions. The Joint Legislative Committee on the Budget (JLCB) approved two one-year non-cost contract extensions associated with the Modernization project – Deloitte Consulting, LLP for development of CAFÉ web-based portals and SLI Global Solutions, Inc. for quality assurance services. Both contract extensions will continue the original terms of the contract with an additional contingency time and warranty period without any additional costs.

TABLE 33

FY 15
MODERNIZATION PROJECT

MOF	AMOUNT
State General Fund	$4,904,000
IAT	$2,616,270
Federal	$23,763,821
TOTAL	**$31,284,091**

Temporary Assistance

The recommended TANF initiatives budget for FY 15 is $106 M, which is decrease of $5.5 M from FY 14. Significant changes to TANF initiatives include an increase of $2.2 M in funding for LA 4 within the Department of Education and $3.3 M for the Child Welfare within DCFS. A breakdown of TANF initiatives and funding allocations for FY 15 is included in Section V.

Department of Civil Service
Transfer & Expansion of the Board of Tax Appeals

The total appropriation for the Board of Tax Appeals (BTA) has increased by more than half (from $550,157 to $856,788) due to an expansion of the duties of the Board of Tax Appeals to include local sales tax disputes as well as state payments of taxes under protest as stipulated in Acts 198 and 640 of 2014. Once implemented, the BTA will effectively function as a Tax Court. In addition, BTA members will be paid a salary set by the Governor plus per diem. For budgetary purposes, the BTA is moved from the Executive Office to the Department of Civil Service (DCS). Finally, the Secretary of the Department of Revenue (LDR) is allowed to waive penalties on cases up to $25,000, up from a $5,000 limit.

Each component of the changes is detailed below:

Increased Caseload Responsibilities

Prior to passage of Acts 198 and 640, disputes involving state payments under protest and local sales tax disputes were handled in District Court. Under new law, the BTA will hear the disputes with appeals to the District Court. Any mandatory arbitration provisions for all BTA cases are now repealed.

Upon full implementation, these provisions are expected to increase the expenses for the BTA by an estimated $330,000 and 2 new positions. It is expected that the BTA will require 2 additional meeting days per month to handle the increased caseload (upwards of 160 cases per year) which will also increase costs for travel, supplies, legal consultants, related equipment, and personnel expenses including BTA per diem payments.

Under the new law, local disputes may be heard locally upon request under certain parameters with local authorities providing space and possibly some supplies when necessary. There are 61 local taxing authorities in the state.

Board Member Remuneration

Under the new law, the 3 board members will now be paid a salary in addition to the per diem payments that were historically paid. The salary will be set by the Governor and is estimated by the BTA to be $66,000 per member per year with an additional $45,000 distributed based on caseload. Together, salary and additional per diem expenses are expected to be $220,000 per year (it is anticipated that the board will be required to meet about 12 additional times per year to handle the increased caseload).

Secretary Penalty Waiver

The Secretary of LDR has the authority to waive penalties up to $5,000 without BTA approval. Under new law, that threshold has been increased to $25,000, though a fiscal impact has not been estimated. It is expected until proven otherwise that the waiver rate will remain virtually unchanged, whether or not BTA approval is required, since the main impact of increased penalty waivers is a reduction in the operational funding of LDR.

Budget Unit Transfer

The BTA will now be budgeted through the DCS instead of the Executive Office. Other than the placement of the budget, there is expected to be no impact from this provision.

Sources of Funding

Funds are being contributed by local authorities from the first $132,000 of statewide consumer use tax distributions, which are 50% of declared use tax remittances. After the BTA contribution, the remainder of the local share of use tax remittances will continue to be sent to locals based on population estimates. The local funds can only be used for local disputes and will not automatically revert to the SGF.

In addition, LDR has agreed to transfer $80,000 per year through interagency expenditure as a lump sum payment in lieu of filing fees for state related cases. Prior to passage, LDR did not pay filing fees. Presumably, LDR will make the funds available in the budget through savings related to a provision that removes a notification requirement by certified mail.

Finally, the increased caseload is expected to generate about $145,000 in filing fees and other related fees. Together, these 3 revenue estimates exceed expected costs, though the BTA recently increased fees for all cases through the rulemaking process. Should these revenues not be sufficient to cover all BTA costs, SGF may be required.

Note: The BTA is exempt from APA requirements but must promulgate rules per Act 640. The BTA does not have a formal procedure for rule review but, in the past, has published in the LA Administrative Code as means for promulgation.

Retirement Systems

Experience Account Funding and Cost of Living Adjustments (COLAs)

Experience Account Funding and Cost of Living Adjustments (COLAs): With the enactment of Act 399 of 2014, the calculation for automatic gain sharing rules were changed for all four state retirement systems. Automatic gain sharing is the transfer of investment gains earned by the retirement system to the system's Experience Account. Each system has a different calculation for how much is to be transferred to the Experience Account. *As a result of Act 399, the amount of investment gains transferred to the Experience Account will be less and more of the investment gains will be used for payment towards the existing Unfunded Accrued Liability (UAL).* According to the actuarial note for Act 399, employer contributions will be decreased by approximately $5 B over the next 30 years as a result of more investment returns being used to pay down the UAL.

Current Experience Account Funding Method: Each system has a different gain sharing calculation that funds the system's Experience Account if the system meets the assumed rate of return. The Experience Account is the account used to fund COLAs for retirees. Once certain hurdles are met for each system, 50% of investment gains are transferred to each system's Experience Account and the remaining 50% is used to pay down the UAL. For example, when the Louisiana State Employees' Retirement System (LASERS) meets its assumed rate of return, 50% of investment gains in excess of $100 M are deposited into the Experience Account. In 2013, once the funding hurdles were cleared, the remaining investment gain was $391.2 M, which would result in a transfer of $195.6 M into the Experience Account and $195.6 M paid to the UAL.

New Experience Account Funding Method: The significant change for the Experience Account is the amount that can be transferred into the account. Any amount that is not transferred into the Experience Account that previously would have been, will be applied to the UAL.

Once the investment gains are reduced to pay the debt of the system, 50% is available for the Experience Account. Under the previous calculation, half of the $391.2 M went to the Experience Account ($195.6 M) and the other 50% ($195.6 M) was used to reduce the UAL. Table 34 below shows an illustration of how the previous transfer worked and how the new transfer will work:

Table 34

	Previous Calculation	Current Calculation
50% for Experience Account	$195,623,963	$195,623,963
Cost of 1.5% COLA	($97,481,233)	($97,481,233)
Remaining Investment Gain	$98,142,730	$0
Investment Gain Paid to UAL	$0	$98,142,730

Under the new calculation, an additional $98.1 M that would have been in the Experience Account would now be used to reduce the UAL. As a result of this new calculation a total of $293.7 M (195.6 M 50% investment gain + $98.1 M remaining from Experience Account transfer) would now be paid towards the UAL instead of only $195.6 M in years past.

Note: *Table 34 above is purely for illustrative purposes to show how the new gain sharing mechanism will work. It has not been calculated by an actuary.*

The amount transferred into the Experience Account will vary depending on the funded ratio of the system. Table 35 on the next reflects the impact on COLAs as the funded ratio increases.

Table 35	
Funded Ratio	**Transfer Amount to Experience Account (EA)**
80% or more	Difference of the cost of a 3% COLA and amount in the EA
75% - 79.9%	Difference of the cost of a 2.5% COLA and amount in the EA
65% - 74.9%	Difference of the cost of a 2% COLA and amount in the EA
55% - 64.9%	Difference of the cost of a 1.5% COLA and amount in the EA
Less than 55%	No transfer can occur

Cost of Living Adjustments (COLAs) Granted: After the 2014 Legislative Session, 4 bills (Acts 101 – 104) allowed qualified retirees within the 4 state systems to receive COLAs. The COLAs were granted to retirees that were retired for at least 1 year and 60 years old, disability retirees that were retired for at least 1 year regardless of age, beneficiaries of retirees who would have met the applicable criteria to receive the increase if they had survived, and non-retiree beneficiaries who have been receiving a benefit for at least one year and whose benefits originate from service of deceased members who would have attained age sixty. All retirees were granted a 1.5% increase, however the maximum amount the increase was based on varied by system. All COLA costs and retirees affected are detailed in Table 36 below:

Table 36			
System	**COLA Cost**	**Retirees Affected**	**Maximum Benefit Amount**
STPOL	$4.5 M	1,069	$94,313
STPOL*	$5.0 M	720	$94,313
LASERS	$97.4 M	36,969	$96,931
LSERS	$15.8 M	11,930	$94,313
TRSL	$185.1 M	61,074	$93,755

* STPOL retirees and beneficiaries over the age of 65 received a supplemental COLA of 2% on a benefit up to $94,313.
Note: *The costs and affected members were taken from the actuarial note on the respective Acts.*

Unfunded Accrued Liability (UAL)

Many years of insufficient contributions from the State resulted in a large initial UAL, or IUAL. However, in 1987 a constitutional amendment was passed that required all state retirement systems be funded on an actuarially sound basis, which ultimately requires the IUAL be eliminated by FY 2029. The UAL equates to the difference between the total amount of benefit obligations minus the current actuarial value of the assets of the retirement systems. Any benefit obligations not met by actuarial value calculate to the UAL. In order to meet the constitutional mandate, the legislature established a 40-year amortization schedule with increasing annual payments beginning 7/1/1988, which were ultimately back-loaded. Of the 4 state retirement systems, LASERS and TRSL still have an IUAL balance not yet paid, which must be paid in full by 2029. The current statewide UAL is approximately $19 B ($6.41 B – LASERS; $11.34 B – TRSL; $0.32 B – State Police Retirement; and $0.91 B – School Employees).

As of 6/30/2013, the UAL for each system is as follows:

Table 37		
System	**UAL**	**Funded Ratio**
Teachers	$11,348,552,354	56.4%
LASERS	$6,441,316,964	60.2%
School Employees	$911,099,697	62.1%
State Police	$323,604,196	59.4%
TOTAL	$19,024,573,211	

Note: The funding percentages represent the percentage of assets on hand to pay all current/future liabilities.

Note: *Article X, Section 29(E)(2)(a) states that upon elimination of the unfunded accrued liability (UAL), a member's contribution shall not exceed an amount contributed on his behalf as an employer contribution*

Elementary & Secondary Education

FY 15 Minimum Foundation Program (MFP)

SCR 55 is based upon the revised Minimum Foundation Program (MFP) formula that was adopted by BESE on 5/12/2014, which resulted in an increase in state expenditures over the Existing Operating Budget of $83.7 M for FY 15. The FY 14 budget is $3.51 B and $3.593 B is budgeted for FY 15 with SGF and statutorily dedicated funding from the Support Education in LA First (SELF) Fund and Lottery Proceeds Fund.

The MFP base funding includes the following adjustments: 1) $75 M increase associated with an increase in student enrollment of 9,472 students and adjustments for changes in local revenues; 2) $15.5 M increase for recommendations of the MFP Task Force which included career development education, high cost services for students with disabilities and supplemental course allocations; and 3) $6.8 M reduction due to a projected 1,355 students moving out of public schools and into the Student Scholarship for Educational Excellence Program. Additionally, the FY 15 MFP, annualizes the $69 M legislative appropriation that was funded outside of the formula in FY 14. As a result of this adjustment, the proposed formula recognized a 2.75% growth in the base per pupil cost from $3,855 to $3,961.

Level 1: Maintains the weights for Career and Technical Education units (6%), Special Education/Other Exceptionalities (150%) and Special Education/Gifted and Talented (60%), and Low Income/English Learner (22%). However, revisions to the Low Income/English Learner weight deletes language which references those included based on income eligibility guidelines which could result in a double count of those students. Maintains the calculation of local share necessary to maintain a state and local allocation ratio of 65% to 35%.

Level 2: Maintains the provisions of incentives for local effort.

Level 3: Continues the pay raises for certificated and support personnel initiated in 2001-2002 and 2006-2007 through 2008-2009; the 10 year phase out of the hold harmless funding; and a $100 per pupil funding amount for increasing mandated costs of health insurance, retirement and fuel.

Level 4: Proposes new funding initiatives. *1) Career Development Allocation* ($4 M) to support the development of technical courses required for statewide credentials in city and parish school systems and other public schools in the amount of 6% of the base per pupil cost for each qualifying student course enrollment; a minimum amount of $25,000 will be provided for each city and parish school system and a minimum of $10,000 will be provided for other public schools with students enrolled in grades 9 through 12. *2) High Cost Services Allocation* ($4 M) to provide additional funds to public school systems and schools which substantiate that the prior year cost of services for students with disabilities exceeds three times the most recent state average total expenditure per pupil amount; allocation amounts will be limited by the amount budgeted for this initiative and are to be distributed equitably to school systems and other public schools proportional to the total of qualifying applications submitted. *3) Supplemental Course Allocation* ($7.5 M) to provide for the cost of secondary course choices specifically approved by BESE. For each school system and other public schools funded through the formula, the allocation shall equal $26 for each student enrolled in grades 7-12 as of February 1. Provides for the redistribution of uncommitted funds as of a date set by DOE.

In addition, the Foreign Language Associate Program Salary & Stipends Allocation was moved from Level 3 to Level 4. The supplemental allocation has been increased from $20,000 to $21,000 per teacher with the $1,000 increase to be used for the costs of the VISA sponsorship incurred by CODOFIL, pursuant to BESE regulations. The cap of 300 teachers is retained.

Allocations for Other Public Schools: Continues funding methodology for the LSU and Southern University Lab Schools, Type 2 Charter Schools, Office of Juvenile Justice Schools, the Recovery School District, NOCCA and LSMSA.

Pay Raise Requirements: The FY 15 MFP revises the language requiring schools to use at least 50% of any increased funding to supplement and enhance full time certificated staff salaries and retirement benefits for schools with an average teacher salary below the SREB average. Proposed language requires school systems to sustain 2013-2014 pay raises if there is a net increase in the Level 1 and 2 cost allocation. If the school system has established plans to sustain or increase the pay raises prior to the development of this formula, the provision does not apply.

Course Choice Program

The Course Choice Program was created by Act 2 of 2012. A course provider is defined as an entity that offers individual courses in person or on-line and has been approved by BESE. The 2013-2014 approved Course Choice Provider List posted on the DOE website identifies 25 providers, only 10 of which appear to be located in the state. For 2014-2015, an additional 17 providers have been approved, only 9 of which are LA based. Only a select few of these providers appear to be LA public schools.

In May 2013, in a challenge on the use of MFP dollars to fund the tuition costs of students physically attending, or otherwise undertaking individual course work from non-public schools, the Supreme Court of LA found clear and unambiguous restrictions on the use of MFP funds for non-public entities. As a result, funding for the Course Choice Program was removed from the MFP. For FY 14, the program was funded at $2.1 M with monies from the 8(g) Fund. Funding for FY 15 is provided in the MFP through the Supplemental Course Allocation. The MFP provides for the use of these funds pursuant to LA. R.S. 17:4002 et seq. as amended by SB 179. Local school governing authorities are required to adopt policies relative to this program, which shall also provide for determination of whether a requested course is academically appropriate for the student. Students must obtain approval of the school superintendent or other authorized designee prior to enrolling in the course.

Student Scholarships for Educational Excellence Program (SSEEP)

The SSEEP was funded at $43.1 M, with expenditures of $35.5 M for FY14. FY 15 funding totals $46.1 M. There are 6,775 students enrolled in the program with an average tuition of $5,311. For FY 15, total student enrollment is projected at 8,130 students with an average tuition amount of $5,577.

Higher Education FY 15 Funding

The table below reflects the recommended budget for FY 15 compared to the FY 14 Existing Operating Budget (EOB).

TABLE 38

	FY 14 EOB *	FY 15 Allocation	Difference
SGF	$524,340,934	$935,011,852	$410,670,918
IAT	$14,093,574	$33,798,908	$19,705,334
SGR	$1,278,597,027	$1,367,693,220	$89,096,193
STAT DED	$590,669,343	$196,171,912	($394,497,431)
FEDERAL	$105,132,730	$101,532,604	($3,600,126)
TOTAL	**$2,512,833,608**	**$2,634,208,496**	**$121,374,888**

*Does not include funding for the following hospitals: Shreveport Medical Center, E. A. Conway Medical Center, and H. P. Long Medical Center. The table removes funding for these hospitals from Higher Education's FY 14 budget to provide a consistent funding comparison because the hospitals were privatized and are funded in DHH's budget in FY 15.

State support for the institutions of higher learning is essentially at a standstill level.

Institutions
The budget includes a MOF swap replacing $255.3 M in Overcollections Funds with SGF. While the FY 14 line item appropriations totaling $47.5 M were eliminated, new funding in a like amount has been recommended. This includes $40 M for the Workforce & Innovation for a Stronger Economy (WISE) initiative from the following funding sources: $16.85 M in SGF, $12.15 M IAT from Community Development Block Grant (CDBG) Program funding. The use of CDBG funds for this purpose will require HUD approval of an amendment to the State's Action Plan. Additionally, there is a deposit of $11 M from the Overcollections Fund into the WISE Fund contained in the Funds bill (Act 646 of 2014). These monies are appropriated in the Capital Outlay Bill (Act 25 of 2014) for Library, Instructional and Scientific Equipment. Furthermore, the LFO is unaware of any legislative instrument which appropriates or provides for transfer of the remaining $29 M into the WISE Fund. A language amendment added on the Senate Floor to HB 1 directs the Board of Regents to distribute the following amounts by institution from the $40 M for the WISE Initiative: Pennington Biomedical Research Center ($1.5 M), College of Engineering & Science at LA Tech ($1 M), and School of Pharmacy at ULL ($1 M). The LFO presumes that the Board of Regents will distribute the $3.5 M in this language amendment prior to allocation of WISE funds to other institutions in the state.

Act 803 creates the WISE Fund and allocates 80% of funding to institutions based on degree and certificate production leading to 4 and 5 STAR jobs as defined by the LA Workforce Commission. Act 803 allocates the remaining 20% of WISE funds based on federally funded research expenditures as defined by the National Science Foundation. The WISE Council also has the authority to adjust the percentage of the distributions by no more than 10% relative to funds allocated for degree certification production (80%) and for federally funded research expenditures (20%). However, in no event shall the distribution based on federally funded research expenditures be reduced below 20%. To receive funds, institutions will have to partner with private industry by recruiting at least a 20% private match in cash or in-kind, such as technology and equipment. However, in any fiscal year that the total appropriated funds from the sum of the state general fund and dedicated funds for higher education are below the appropriated funding in the prior fiscal year, the WISE Council may delay or waive the matching requirements per amendments adopted in Senate Finance. No additional information is available at this juncture on how the funds would be allocated to the various institutions.

Additionally, $2 M in SGF is appropriated for Science, Technology, Engineering & Math (STEM) programs at universities in the Southern System and facility and technology upgrades at Grambling State University; and $6.1 M from SGF to address equity for some schools that have experienced rapid growth in recent years. The Board of Regents reports that Southern and Grambling will each likely receive $1 M each for the STEM programs. However, an amendment adopted by Senate Finance committee states that Southern University – New Orleans (SUNO) and Southern University – Shreveport shall each receive $150,000 of the $2 M in SGF for facility and technology upgrades. The Board of Regents reports that all $6.1 M will go to the following LCTCS institutions at the following estimated amounts: Bossier Parish Community College ($3,403,030), Delgado Community College ($535,824), Fletcher Technical Community College ($335,776), Nunez Community College ($308,009), River Parishes Community College ($358,320), Sowela Technical Community College ($1,090,030), and Northshore Technical Community College ($69,011).

The Senate added $4.5 M in SGF for the following institutions in the Southern System: Southern A&M ($2.4 M), Southern Law Center ($1.5 M), Southern – Shreveport ($300,000), and Southern – New Orleans ($300,000). Southern A&M (Baton Rouge) will use the additional funds to reduce the number of faculty and staff that the university would otherwise be required to terminate due to projected revenue reductions for FY 15 and for accreditation needs. The Southern Law Center will use the additional funds to support library improvements, clinical education program expansion, building security, technology upgrades, and accreditation needs. Southern – Shreveport and Southern - New Orleans will use the additional funds to mitigate faculty and staff furloughs and layoffs, address some deferred maintenance/facilities needs, and for accreditation issues.

Finally, the budget includes a total increase of $78 M in SGR for tuition increases in accordance with LAGrad Act Performance Agreements. Institutions are impacted by several issues in determining the extent to which these funds can be fully generated; some institutions are close to the SREB tuition cap and may not be able to raise the full 10% amount, some institutions have seen fluctuations in enrollment which reduce the amount generated, and some institutions may choose not to impose the full 10% increase in order to maintain access for low income students. Actual collections of tuition and mandatory fees in FY 15 may also be reduced by hardship waivers, fee exemptions or other forms of student aid. Further analysis will be required to determine the extent of these and other impacts.

TOPS/GO GRANTS

For FY 15, TOPS is funded at $250.0 M; $169.9 M in SGF and $80.1 M from the TOPS Fund. This reflects an increase of $32.5 M primarily associated with tuition increases. A means of financing swap replaces non-recurring TOPS Fund with SGF ($67.3 M) and the Revenue Estimating Conference in their May 2014 meeting recognized $3.4 M in additional anticipated revenue for the TOPS Fund in FY 15 that was offset by a SGF reduction of the same amount. GO Grants remain funded at the current level of $26.3 M.

Section V

BUDGETARY ISSUES

FY 15 Major Budget Issues

DEPT/AGY: Statewide
ISSUE: Double-Counted Financing in FY 14 and FY 15 Budgets

Approximately $108 M in revenue associated with fraud collections and the Revenue Estimating Conference (REC) revenue concept SGR overcollections* are included in the REC forecasts of SGF in FY 14 and FY 15 and have effectively also been dedicated to the Overcollections Fund through each year's Funds bills. This has resulted in these revenues being appropriated in both years' budgets as SGF direct financing and as statutory dedication financing simultaneously. This double-counting of revenues results in a negative contribution to each year's budget balance.

Fraud Collections ($39.2 M in FY 14 and $32 M in FY 15): One of the funding sources for both the FY 14 and FY 15 budgets has been revenue identified by the Department of Revenue (LDR) as fraud collections. According to LDR, fraud collections result from the denial of refunds that have been claimed but are determined to be unwarranted, whether by a third party vendor or units within the agency; comprised primarily of personal & corporate income, sales and severance taxes. Thus, existing tax receipts are retained and not refunded. These revenues are part of the baseline of anticipated receipts and, if not otherwise dedicated, flow to the SGF to support direct general fund appropriations. These receipts have been appropriated as part of the overall SGF direct means of financing as well as statutory dedication financing through the Overcollections Fund, and appear to have been double-counted in the FY 14 and FY 15 budgets.

Fraud collections appropriated in the FY 14 budget from the Overcollections Fund were originally contemplated at $20 M, but a total of $39.2 M had been utilized by fiscal year end. As indicated by LDR, in January and February the treasurer transferred a total of $20.1 M from the SGF into the Overcollections Fund. Then an additional $19.1 M was transferred in the 13th accounting period for the fiscal year. These funds were accounted for as part of total tax receipts, supporting FY 14 SGF appropriations, but had not been subtracted from total general fund receipts reflecting their transfer to the Overcollections Fund, simultaneously supporting FY 14 statutory dedication appropriations.

Similarly, at the outset of the current fiscal year, the FY 15 budget contains $32 M of Fraud collections that are included in the state general fund direct forecast, which is fully appropriated, as well as in the Overcollections Fund appropriation. As with FY 14, amounts transferred to the Overcollections Fund in FY 15 will be reductions to the general fund and could be higher than the $32 M currently contemplated.

Debt Recovery ($10 M in FY 15): The 2014 Funds Bill (Act 646 of 2014) transfers collections from the LDR Office of Debt Recovery (ODR) deemed non-recurring by REC into the Overcollections Fund. Currently, the budget anticipates $10 M in debt recovery funds though the Overcollections Fund. Under current practices, most state tax debt collections are more than 60 days delinquent. ODR will handle all final debt over 60 days delinquent. These anticipated dollars are similar to the fraud collections in that they are appropriated as both SGF and as Overcollections Fund statutory dedications simultaneously. In addition, while probably not intended, it may be possible to interpret the ODR language of the Funds Bill as requiring all funds collected through ODR to be deposited into the Overcollections Fund. Under this scenario, certain amounts of baseline tax collections would be diverted from the SGF, possibly of a substantial magnitude. The first $5 M in SGF debt recovered by ODR is directed to the Department of Public Safety & Corrections for state police training, but alternative financing has been provided for this training in FY 14 or FY 15.

SGR Overcollections ($27 M in FY 14): The REC forecast includes SGR collections in excess of the appropriated amounts in the Office of Financial Institutions (OFI) and the Department of Insurance (DOI). In the absence of an explicit dedication of these funds, they are included in the SGF forecast. In FY 14, these excess collections were $27 M and were appropriated as SGF direct means of financing.

Language in the FY 14 Funds bill (Act 420 of 2013) directs the treasury to transfer to the Overcollections Fund all "excess collections from Interagency Transfers and Fees and Self-Generated Revenues of at least Ten Million Dollars" where they are to be used to support appropriations from the Overcollections Fund. This language encompasses this REC revenue concept of excess collections, resulting in their being double-counted as both direct general fund and statutory dedication financing.

* SGR Overcollections is an REC revenue concept that includes collections in excess of appropriation for the OFI and the DOI.

DEPT/AGY: **Executive/Division of Administration (DOA)**
ISSUE: **LaGov**

Due to FY 11, FY 12, FY 13, FY 14 and FY 15 budget constraints, the DOA decision to phase in the implementation of the LaGov System by bringing online the Department of Transportation & Development (DOTD) in FY 11, the Department of Environmental Quality (DEQ) in FY 13 and the Department of Natural Resources, Wildlife & Fisheries and the Coastal Protection & Restoration Authority in FY 14 (Go Live date of 7/1/2014). The hardware/software infrastructure is in place for a statewide rollout. There is no additional funding for any additional agencies being brought online in FY 15. The further the rollout is delayed, the less relevant the LaGov System becomes and the increased risk that the current 17-year old legacy systems will crash beyond repair.

Original projections of the total cost of the new system were approximately $100 M. Due to the decision to incrementally bring on state agencies, the projected cost to bring the entire state online will increase to approximately $128 M, or an increase of $28 M. The $28 M will provide funding for basic consulting services (data conversion and training) to convert the entire state. The FY 15 budget provides $6.6 M total funding ($5.3 M SGF & $1.3 M IAT (TTF)) for the LaGov System. The $6.6 M of expenditures includes $0.5 M for personal services, $1.3 M for expenses associated with agile assets (DOTD only uses this module), and $4.8 M for hardware/software cost associated with application software licenses.

Note: *Due to IT consolidation, the LaGov System and DOA employees who maintain the system moved into the newly created Office of Technology Services (OTS) in FY 15.*

DEPT/AGY: **Executive/Division of Administration (DOA)**
ISSUE: **Statewide IT Consolidation**

Act 15 includes various adjustments to state agencies related to state IT consolidation initiatives. Based upon these budget adjustments, statewide IT consolidation may result in a statewide SGF savings of $25.1 M, a total position reduction of 62 (55 TO positions, 1 Non-TO position & 6 Other Charges positions) and the transfer of 724 TO positions and 9 Other Charges positions from various state agencies into the newly created Office of Technology Services (OTS, 21-815), an ancillary agency contained in the Ancillary Appropriations Bill (Act 45 of 2014). According to the DOA, these 62 positions were vacant. The majority of the savings is a result of the consolidation of software licenses, hardware maintenance agreements, and staff augmentation contract services, which will result in various savings to professional services and operating services expenditures. A smaller amount of SGF savings is due to the reduction of 62 positions at various state agencies statewide.

The OTS will be the central procurement and provisioning agency for all technology goods and services. The table below shows the state agencies and number of TO positions being moved into the OTS. The new OTS agency's FY 15 budget is $280 M IAT revenue from these various state agencies. According to the DOA, the original source of the IAT funds utilized by the various state agencies includes SGF ($65.2 M), IAT ($24.1 M), SGR ($49.7 M), Statutory Dedications ($48.6 M) and Federal ($71.4 M). Overall, instead of the impacted state agencies funding their IT expenditures with salaries/related benefits for IT employees and/or professional services for IT contracts, these state agencies will be "invoiced" for IT services provided by OTS.

TABLE 39

Department	SGF Impact	TO Impact
01-Exec	$24,220,439	(197)
03-Vets	($19,250)	0
05-LED	($661,130)	(2)
07-DOTD*	$0	(73)
08-CORR	($4,852,981)	(37)
08-DPS*	$0	(119)
08-OJJ	($533,440)	(4)
09-DHH	($25,837,666)	(37)
10-DCFS	($6,692,518)	(103)
11-DNR	($592,083)	(50)
12-REV*	$0	(26)
14-WORK*	$0	(43)
17-CIVIL	($40)	(1)

19-DOE	($2,865,693)	(32)
21-815*	$0	724
TOTAL	**($17,834,322)**	**0**

**As a result of the IT Consolidation, these state agencies transferred TO positions to the new OTS with no reduction in funding. FY 14 IT expenditures incurred by these state agencies will be paid to OTS as the provider of these services.*
***OTS's only revenue source is IAT revenues from the various state agencies.*

According to the DOA, in future fiscal years there will likely be additional position reductions associated with this initiative as greater economies of scale are realized in various state agencies as non-IT positions doing indirect IT work may no longer be needed due to the creation of OTS.

Although OTS's FY 15 budget is $280 M, the agency anticipates collecting $258.9 M in revenues. According to the DOA, the $22 M of excess OTS budget authority is being set aside in case other state agencies (boards & commissions, elected officials, etc.) decide to utilize the IT services being offered by OTS in FY 15.

Note: *Due to language contained in Act 14 (FY 14 budget), any FY 14 budgetary savings as a result of IT consolidation initiatives will likely be processed via in-house BA-7s. To date, no BA-7s have been approved and processed. The specific language in Act 14 (Section 6B) is as follows: Pursuant to the authority granted to the Office of Information Technology in R.S. 39:15.1 through R.S. 39:15.3 and in conjunction with the assessment of the existing staff, assets, contracts, and facilities of each department, agency, program, or budget unit's information technology resources, upon completion of this assessment and to the extent optimization of these resources will result in the projected cost savings through staff reductions, realization of operational efficiencies, and elimination of asset duplication, the commissioner of administration is authorized to transfer the functions, positions, assets, and funds from any other department, agency, program, or budget units related to this optimization to a different department.*

The DOA issued a RFP for a vendor to provide consulting and IT technology policy, planning and transformation initiatives. The DOA announced in September 2013 that Deloitte Consulting was selected and the contract period is from 11/11/2013-2016 and not to exceed $975,000. Based upon discussions with the DOA and review of the draft contract, Deloitte Consulting will study the state's current IT infrastructure, framework and current statewide IT costs and provide the DOA with a recommended plan for a new consolidated model for delivery of state IT services. The FY 15 budget includes some of the recommendations provided to the DOA by the vendor. The consulting contract includes 2 distinct parts: IT Planning Services ($650,000) and Staff Augmentation Services (up to $325,000).

DEPT/AGY: State/Secretary of State (SOS)
ISSUE: One-Stop Web Portal

At the December 2013 meeting of the Joint Legislative Committee on the Budget (JLCB) a BA-7 was approved in the amount of $2.8 M SGR for the SOS to fund the creation of a one-stop web portal for the registration of new businesses. The BA-7 obligated the SOS to $2.1 M to $2.4 M in annual maintenance expenditures for the overall portal in subsequent fiscal years. According to the approved DOA IT-10, anticipated subsequent fiscal year overall maintenance expenditures are as follows: FY 15 - $2.5 M, FY 16 - 2.2 M, FY 17 - $2.2 M and FY 18 - $2.1 M.

According to the SOS, the portal is a collaborative effort by the SOS, the LA Workforce Commission (LWC) and the Department of Revenue (LDR). The project goal is to create a single website, where new business will be able to file corporate documents with the SOS, secure a state tax ID number from the LDR and enroll with the LWC for an unemployment insurance account number. SOS has awarded the contract to GCR, Inc. (GCR) for the development of the portal with an anticipated go-live date of 2/1/2015.

Staff Augmentation Contract: Due to 4 SOS existing IT staff being shifted to this portal project, the SOS budgeted $600,000 in FY 14 to increase an existing staff augmentation contract for support of SOS's in-house application Commercial Online Registration Application (CORA) and assisting with the Phase I of Uniform Commercial Code (UCC) online filings. With the launch of UCC Phase I online filings in January 2014 and portal development beginning in January 2014, SOS wants to have full CORA support as UCC and CORA are integrated IT systems. The SOS is proposing that the existing contractor, GRC, increase its total contract value (contract amendment) by $600,000 in order to provide CORA and UCC support while existing SOS IT staff work on the portal project. GCR was the vendor that originally assisted the agency in the development of CORA and UCC Phase I online.

Revenue: According to the SOS, funding for this project will be provided by fee increases pursuant to Act 316 of 2013. Act 316 provided for various fee increases for domestic corporations, limited liability companies, nonprofit corporations, foreign corporations, trade names, trademarks and service marks. The agency is on track to collect the additional anticipated SGR as a result of Act 316. Based upon current actual collections, SOS is on pace to collect $3.2 M of additional fee collections. ***Note:*** *Any unexpended SGR will revert to the SGF at the end of the fiscal year.*

After the portal is completed, the additional staff augmentation services (mentioned above) from GCR will no longer be needed. Thus, based upon anticipated subsequent fiscal year maintenance costs of approximately $2.2 M per year and current increased collections from enacting Act 316, the SOS will likely be collecting approximately $600,000 to $800,000 more than the total cost of the portal in future fiscal years. At this time the SOS has not indicated to the LFO what those revenues will be utilized for in future fiscal years. However, to the extent this portal is successful and additional state agencies are included, these additional revenue collections may be utilized to fund the inclusion of the additional agencies. The specific costs associated with bringing another state agency online with the portal are not known at this time. In addition, as new state agencies are brought online with the portal, portal maintenance costs will likely increase on an annual basis.

Funding in the amount of $2,375,866 is included in FY 15 budget and specific expenditures include the following:

$1,975,750	Consulting services for application development and ongoing maintenance
$105,000	Consulting services for each department to retrofit new system in current environment
$14,328	Software
$121,338	Corporations Section telecommunications support (2 job appointments)
$159,450	Up to 3 WAE (when actually employed) positions formerly employed by LDR and LWC to assist with program development

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DEPT/AGY: Justice/Attorney General (DOJ)
ISSUE: BP Oil Spill Settlements and Grants

Since the Deepwater Horizon oil spill, LA has been awarded more than $2.1 B for damages. Payments awarded to the state include over $1.6 B from settlements and approximately $500 M in the form of grants. The settlement includes payments from MOEX, British Petroleum (BP), Halliburton, and Transocean. Aside from the MOEX settlement, the other settlement agreements have not been paid and the amounts listed are what LA has the potential to receive in future years. The settlements and grant payments are described below:

MOEX Settlement: In February 2012, MOEX (a minority owner in the well) reached a settlement with the United States Department of Justice (U.S. DOJ) to pay $90 M in civil penalties for violations under the federal Clean Water Act. Of the $90 M, $45 M was paid to the federal government and $45 M was paid to the Gulf States, with LA receiving $13.5 M. The MOEX settlement included a $6.75 M cash payment that was deposited in the Coastal Protection & Restoration Fund in accordance with Act 805 of 2012. MOEX also purchased land (valued at $6.75 M) to be used for perpetual conservation servitude and gave the title for the land to the LA Department of Wildlife & Fisheries. The land will add wetlands to the Maurepas Swamp Wildlife Management Area. ***Note:*** *Act 805 of 2012 provides that any monies received by the state for violations of the Federal Water Pollution Act associated with the Deepwater Horizon oil spill will be deposited into the Coastal Protection & Restoration Fund.*

BP Settlement - (Clean Water Act Criminal Penalties): In November 2012, BP entered into a plea agreement with the U.S. DOJ that totaled $4 B in criminal penalties. Of the $4 B, $2.4 B is allocated to the National Fish & Wildlife Foundation (NFWF), a 501(c)(3) non-profit foundation established by Congress. The NFWF will administer the settlements funding. The NFWF can award $1.2 B to LA and the remaining $1.2 B to the other Gulf States. As part of the agreement, the funding that LA receives will be used to create or restore barrier islands or to implement river diversion projects. To date the state has received $10.5 M in reimbursement from NFWF for 4 projects underway. The 4 projects are: Mid-Barataria Sediment Diversion ($8.3 M), Caminada Beach and Dune Restoration ($1.2 M), Increase to Atchafalaya Flow ($1.0 M), and East Timbalier Island Restoration ($32,000).

Transocean Settlement - (Clean Water Act Civil Penalties): Transocean entered into a Federal Settlement Agreement with the U.S. DOJ in January 2013 and paid civil penalties of $1 B. These penalties are to be distributed according to the RESTORE Act, which was passed by Congress in 2012, with 20% paid to the federal government and 80% ($800 M) deposited in the Gulf Coast Restoration Trust Fund. From the fund, 35% ($280 M) is allocated equally to the Gulf States. LA's share will be distributed with 70% paid directly to the state and 30%

paid to coastal parishes through a weighted formula. An additional 30% (of the $800 M) will be distributed to Gulf States using a weighted formula and no state will receive less than 5% of this portion. Finally, the state will receive an equal share with the other Gulf States of 2.5% for grants and research centers. To date, the state has not received any RESTORE dollars.

Transocean Settlement - (Clean Water Act Criminal Penalties): At the same time, Transocean also agreed to a criminal plea agreement in the amount of $400 M, with $150 M paid to the NFWF to distribute to the Gulf States. LA will be able to receive $75 M of the $150 M and the remaining $75 M will be distributed to the other Gulf States. Like the BP settlement, as part of the agreement LA must use the funds to create or restore barrier islands or to implement river diversion projects.

Halliburton Settlement: In July 2013, Halliburton entered a federal criminal plea agreement by pleading guilty to a misdemeanor violation of destruction of evidence. As part of the agreement Halliburton paid $200,000 in criminal fines and pledged a voluntary contribution of $55 M to the NFWF. The contribution does not have any limitations on the use of the funds. From this contribution, LA may potentially receive a distribution from the foundation. However, at this time it is not known how much, if any, LA may receive.

Early Restoration Settlement: The LA Coastal Protection & Restoration Authority (CPRA) will have access to approximately $370 M as part of an early restoration settlement between federal and state trustees and BP. Under the early restoration settlement, BP agreed to pay a total of $1 B to the 5 Gulf States for implementation of restoration projects prior to completion of the Natural Resources Damage Assessment Process. CPRA plans to utilize approximately $370 M of early restoration settlement award to fund the following projects: outer coast restoration project ($318 M); marine fisheries enhancement, research & science center project ($22 M); oyster clutch project ($15 M); and Lake Hermitage Marsh Creation project ($13.9 M).

Grant Payments: The state received approximately $500 M in grants from BP to provide for claims or expenditures incurred by the state because of the oil spill. Approximately $360 M of the $500 M was utilized to provide for construction of barrier island sand berms and to enhance the area around the barrier island berms. The balance of the advanced funding for claims was allocated as follows:

- $25 M initial funding negotiated by the Commissioner of Administration that was distributed to various state agencies such as the Oil Spill Coordinator's Office and the Department of Natural Resources to provide for expenses related to the oil spill response.
- $15 M to the Lt. Governor's Office to promote tourism in a manner designed to alleviate or mitigate concerns resulting from the oil spill.
- $13.2 M to the Department of Wildlife & Fisheries for monitoring programs dealing with near shore, inshore and offshore fisheries for a 3-year period.
- $30 M to the Community Foundation of Acadiana and distributed to and directed by the Lt. Governor's Office for Tourism.
- $30 M to the Wildlife & Fisheries Foundation for a seafood marketing program agreed on by the foundation and the LA Seafood Promotion & Marketing Board and approved by the Department of Wildlife & Fisheries.
- $18 M to the Department of Wildlife & Fisheries for seafood testing.
- $8.25 M to the Department of Health & Hospitals to address behavior health needs of LA residents.

DEPT/AGY: Culture, Recreation & Tourism (CRT)
ISSUE: State Library LSTA Grant Funding

The State Library's federal grant funding is provided by the Library Services & Technology Act (LSTA) through the Institute of Museum & Library Services. The Institute of Museum & Library Services is an independent agency of the federal government established in 1996 to ensure that libraries and museums remain up-to-date in their usage of service and technology. This grant provides funding to the state libraries for library services and technology, and the amount dispersed is determined by a base grant for each state coupled with a per capita amount added. It should be noted that the LTSA federal allocation varies from year to year but typically stays between $2.3 to $2.5 M with $2.4 M allotted for FY 15. The State Library is required to maintain a Maintenance of Effort (MOE) level in state funding to maintain the current level of federal funding. In addition, for every $2 in LTSA funds spent, $1 must be spent on specific LSTA approved programs.

No specific amount of funding goes to individual libraries as all funds are used by the State Library for statewide initiatives. In FY 15, $1.4 M for State Aid to Public Libraries is appropriated from the Overcollections Fund. In past years the funding for State Aid to Public Libraries was funded with SGF. These funds are passed through to public libraries on a base grant plus per capita formula and used by the public libraries for library materials and technology including internet connections and the purchase of new computers. Moreover, if the state does not provide any funding for the program, the State Library cannot apply for the full amount they may be eligible for under the LSTA.

In addition to the match requirement for use of LSTA funds, there is also a MOE required. In any one year, funding cannot go below the average of the previous three years' expenditures of state funds for library services. If State Library goes below the MOE, the federal allocation can be reduced.

DEPT/AGY: Transportation & Development (DOTD)
ISSUE: DOTD Initiates Billing for Direct Charges Against Certain Capital Outlay Projects in FY 15

The Capital Outlay Bill contains language each fiscal year that permits the DOTD and the Office of Facility Planning & Control (OFP&C) to charge up to 6% of the individual line-item appropriations as a cost of administering the project (or in the case of DOTD providing engineering and construction services). Act 24 of 2013, on page 162, states in relevant part, "For all projects in this or any previous Capital Outlay Act appropriated to the Department of Transportation & Development, up to six percent of each line-item may be used for costs of administering the projects, or for field engineering/construction supervision." (***Note:*** *The language is also contained in Act 25 of 2014 on page 190.)* The OFP&C derives its operating budget primarily from this authority, generating IAT revenues for project administration that is charged against the project cost. Historically, DOTD has not exercised its authority to capture these charges. However, due to the continuing dilution of the Transportation Trust Fund (TTF) caused by flattening growth in revenues as well as constitutionally allowable supplantation of TTF - Regular funds into the Office of State Police for traffic control purposes in lieu of SGF support, the DOTD intends to utilize its authority to collect up to $6 M IAT in administrative fees charged against capital projects in FY 15 to support its operating budget.

DOTD will only be able to apply the administrative fee against eligible projects, which include all MOFs that are not federally reimbursable and that do not provide match funds on federally authorized projects. DOTD reports that the only projects that will be ineligible for the application of the administrative fee are those funded by TTF - Federal (FHWA) because the department already bills indirect charges for federally authorized projects, TTF - Regular, and IAT in emergency events from which reimbursement would be provided by FEMA through GOHSEP. At the end of FY 13, DOTD began developing a process to ensure that capital projects that will be appropriated to the department include sufficient funds to cover any projected administrative or direct-service charges.

In current practice, DOTD provides administrative and direct service charges for non-federal and non-federal match projects as non-billed services. Rather than charging administrative, engineering and construction services to individual projects, DOTD has utilized its general appropriation of TTF - Regular to cover these costs. In this sense, the transition to charging up to 6% for administrative costs will not add to the total cost of administering a project. DOTD previously provided these services without direct billing. In practical terms, transitioning to this form of project reimbursement will add to the total line item appropriation for any eligible project beyond levels seen under current practice. For example, a transportation project that may have previously received a $100 M appropriation of cash or general obligation (GO) bonds may instead require up to $106 M including the potential administrative and direct service charges. These IAT revenues will supplant TTF - Regular expended in the operating budget on a dollar for dollar basis.

Note: *DOTD estimates the likelihood to be low that it would charge up to the 6% allowable fee on any given project, but it is unable to provide an estimate of what the percentage might be due to the varying complexities and specifics of the transportation projects managed by the department.*

DEPT/AGY: Transportation & Development (DOTD)
ISSUE: Transfer of LA 1 Toll Revenues into SGF

DOTD attained approval to refinance the debt associated with the LA 1 Improvement Project in November 2013. The U.S. Department of Transportation authorized the use of a loan program authorized under the Transportation Infrastructure Finance & Innovation Act (TIFIA) in conjunction with public market bonds to renegotiate and restructure $176 M in debt associated with the project. The majority of the TIFIA loan was issued

at an interest rate of 1.89% and the refinance deal is projected to save LA 1 toll payers approximately $34 M over the payoff period.
DOTD had projected toll revenues would be insufficient to meet debt service coverage requirements beginning in December 2013. This shortfall would have required legislative appropriation to fill the gap or the project may have defaulted on debt service payments. Alternatively, the LA Transportation Authority (LTA) may have been required to raise the toll fee 88% above the scheduled 20% increase that was initiated in January 2013.

The successful restructuring of the LA 1 improvement project places the debt repayment on solid footing and tolls are projected to cover the new debt payments. Part of the restructuring required DOTD to enter into a Cooperative Endeavor Agreement (CEA) with the Division of Administration (DOA) to include debt service payments for the TIFIA loans and public market bonds within its annual operating budget, similar to other appropriation-dependent debts. The CEA requires the LTA to deposit toll revenues in the amount of the scheduled debt service payments into the SGF. Those revenues are subsequently appropriated in the amount of $6.24 M in Schedule 20-977 DOA - Debt Service and Maintenance beginning in FY 15. Any excess toll revenues will be utilized by the LTA to make additional payments on the TIFIA loan. The LTA agrees to continue toll collections for the duration of the debt repayments, but will not be required to increase tolls above the scheduled 5-year increases. DOTD will continue paying costs for toll collections, operations and maintenance.

The debt service payments associated with the LA 1 Debt Restructuring for the next 5 years are as follows:

FY 15	$6,204,716
FY 16	$5,955,948
FY 17	$6,125,624
FY 18	$6,219,876
FY 19	$8,090,686

DEPT/AGY: Health & Hospitals (DHH)
ISSUE: Statewide Localization of Behavioral Health Services (Human Services Districts/Authorities)

In FY 14, four local governing entities (LGE) were created in the form of human services districts or authorities in an effort to localize the delivery of behavioral health and developmental disability services to adults and children statewide. The four created districts are the Northeast Delta Human Services Authority (NEDHSA), the Imperial Calcasieu Human Services Authority (ICHSA), the Central LA Human Services District (CLHSD) and the Northwest LA Human Services District (NWLHSD). These districts increase the local network of human services districts and authorities in the state from 6 to 10, and shift service delivery from the Office of Behavioral Health (OBH) to LGEs.

In FY 14, the new districts and authorities received operating funds via IAT from OBH, the Office for Citizens with Developmental Disabilities (OCDD) and the DHH Office of the Secretary. In FY 15, the districts and authorities received a direct appropriation equal to the FY 14 IAT funding (with the corresponding funds non-recurred from the source agencies on a dollar-for-dollar basis) plus a net increase in budget authority associated with statewide and specific adjustments, as well as a transfer of budget authority retained by OBH in FY 14 for certain legacy contracted mental health and addictive disorders services. Moving into FY 15, the legacy contracted services shift to the corresponding human services districts and authorities that will now serve as the contractor of record.

Schedule #	Agency	MOF	FY 14	FY 15
09-310	NEDHSA	SGF	$0	$10,591,880
		IAT	$11,543,165	$3,214,760
		SGR	$0	$2,664,300
		FED	$0	$48,289
		TOTAL	**$11,543,165**	**$16,519,229**
09-375	ICHSA	SGF	$0	$8,264,630
		IAT	$8,613,148	$1,906,384
		SGR	$0	$2,140,563
		FED	$0	$19,126
		TOTAL	**$8,613,148**	**$12,330,703**

09-376	CLHSD	SGF	$0	$10,642,966
		IAT	$9,271,679	$3,823,951
		SGR	$0	$2,002,783
		FED	$0	$48,358
		TOTAL	**$9,271,679**	**$16,518,058**
09-377	NWLHSD	SGF	$0	$9,638,744
		IAT	$11,511,824	$4,212,865
		SGR	$0	$2,941,499
		FED	$0	$48,289
		TOTAL	**$11,511,824**	**$16,841,397**

Note: Personnel are classified as non-T.O. and not reflected within each budget's Table of Organization since they are funded through the Other Charges expenditure category.

The mission of human services districts and authorities is to provide and coordinate, directly and through community collaboration, a range of services to address mental health, addictive disorders, and developmental disability needs among its citizens. The funding transferred from OBH provides for mental health and addictive disorders services; OCDD funding provides for developmental disabilities and waiver supports needs; and the Office of the Secretary funding provides for the Executive, Human Resources, and Fiscal directors' salaries and related benefits. The funds transferred from OBH and OCDD are reflective of FY 12 expenditure levels on those services in the geographic footprint of each respective region.

DEPT/AGY: **Health & Hospitals (DHH)/Medical Vendor Payments (MVP)**
ISSUE: **Bayou Health Medicaid Managed Care and New Managed Care Dental Benefit Plan**

FY 15 budget contains $1.63 B in funding for Bayou Health Managed Care programs (Prepaid and Shared plans) and a new Dental Benefit Plan (DBP).

Bayou Health Plans

FY 15 budget contains $1.49 B in funding for Bayou Health (BH) plans, which includes Prepaid Plan Per Member Per Month (PMPM) capitation rate payments and Shared Savings Plan administrative fee payments and Shared Savings payouts. FY 15 represents the 3rd full year of BH implementation.

The BH Medicaid Managed Care Program is designed to manage the care of approximately 900,000 LA Medicaid and LaChip recipients through 2 managed care models. BH includes a prepaid, full risk bearing Managed Care Organization (MCO) model (Prepaid Health Plan) and a primary care case management (PCCM) with shared savings model (Shared Savings Health Plan). The department implemented BH in February 2012 under the authority of Section 1932(a)1 State Plan Amendment and did not require waiver approval from the Center for Medicare & Medicaid Services (CMS).

Under the Shared Savings Health Plan (SSHP) model, DHH reimburses the health plans a per member per month administrative fee to build, coordinate, and operate networks of primary care providers to coordinate care for Medicaid plan members. The current PMPM administrative fee paid to the SSHPs are $10.24 for children and parents and $15.74 for people with disabilities and pregnant women. The PMPM covers care coordination services, and all other healthcare services provided to the SSHP members are paid on a fee-for-service basis from the state's fiscal intermediary.

Note: In addition to the administrative PMPM paid to SSHPs, the plans may also receive savings plan pay-outs. Pay-outs to the plans are earned when a plan spends less than a pre determined benchmark amount. The benchmark amount represents what the state would have spent for the population covered in the absence of managed care. To the extent plans spend less than the benchmark amount, plans share up to 60% of the total calculated savings amount. For FY 15, the budget assumes $6,254,746 in shared savings pay-outs to cover payments for the plans share of savings projected during the 2nd contract year (FY 14).

The Prepaid Health Plan (PHP) is a full risk bearing financial model. Plans are paid a PMPM capitation rate, and plans are responsible to assemble and operate provider networks to provide a full range of Medicaid covered services (less certain carve out services), and assume all financial risk of managing covered Medicaid services to plan members. The Prepaid capitation composite rate is currently $254.34. The composite rate is expected to change for FY 15, and will depend on not only managed care adjustments in the budget but also by shifts in eligibles by category of assistance. The composite rate for FY 15 is not yet known. The current rates (January 2014 to June 2014) by category of assistance are as follows (SSI $714.85 PMPM, Family and Children $162.55 PMPM, LaChip $162.55 PMPM, Foster Care Children $222.23, Breast and Cervical Cancer $1,601.37 PMPM, LaChip Affordable Plan $148.39 and Maternity Kick payment $5,344.01). For FY 15, preliminary rate estimates indicate these PMPMs by category of assistance are anticipated to increase.

Some services are 'carved out' and continue to be provided through the legacy fee-for-service Medicaid Program. The current list of carve out services include specialized behavioral health, targeted case management, nursing home services, ICF/MR, and personal care services. In addition, individuals that receive home and community-based services (waivers) are not currently included in BH. With 3 prepaid and 2 shared savings plan contracts awarded, the latest projection reflects an enrollment pattern of approximately 48% of eligible recipients enrolled in a PHP, and 52% enrolled in SSHP. All previous CommunityCare recipients and Medicaid enrolled pregnant women and Medicaid eligibles over age 65 are required to enroll.

Contracts: DHH has entered into contracts with 5 separate entities. Each health plan provides services statewide. The 3 PHP entities are Amerigroup, Amerihealth, and LA Healthcare Connections. Community Health Solutions and United Healthcare manage the 2 shared savings plans. Medicaid and LaChip recipients have an option to enroll in any of the 5 health plans.

BH Payment History: The FY 14 appropriation for BH was approximately $1,463,526,915. Total payments allocated for BH in FY 15 (PMPM payments and Administrative Payments to Shared Services Health Plans) is $1,492,117,083, an increase of $28,590,168 from FY 14 initial allocation (or 1.9%). Significant adjustments from FY 14 include adjusting the PMPM capitated rate to account for the ACA mandated health insurer excise tax, additional shared savings administrative payments due to increased enrollment in the shared savings plans (shifting from full risk), and shared savings plan pay-outs.

$1,463,526,915	FY 14 Base allocation for BH (PMPMs and administrative payments)
$31,319,090	FY 15 funding for increased PMPMs, shared savings pay-outs, and enrollment shifts between plans
($7,571,184)	Savings associated with payment methodology change for managed care (prospective to retrospective system
($1,976,805)	Reduction in Shared Savings administration as a result of no longer requiring plans to pre-process claims
$2,812,743	Transfer funding from Private Providers Program to fund Hospice Community Services benefit
$4,703,829	Funding allocation to BH due to restoration of pregnant women coverage
($697,505)	Technical adjustments
$1,492,117,083	**Total BH Funding in FY 15**

Dental Benefit Plan (Prepaid): Beginning in FY 14, and for FY 15, DHH will transition the provision of Medicaid dental benefits from fee-for-service model to a full risk managed care delivery model. The Dental Benefit Plan (DBP) will provide dental services to children under the age of 21 (formally served under the EPSDT Program) and individuals at 21 years and older and whose Medicaid coverage includes the full range of Medicaid services (formally served under the Adult Dentures Program). Excluded populations are individuals residing in ICF/DD facilities and individuals who are 21 years of age and older that are certified as a Qualified Medicare Beneficiary only. The DBP is required to offer enrollees a choice of primary dental providers and must provide core dental benefits as defined in the LA Medicaid state plan (plan members may choose to provide services over the core level of state plan services if deemed necessary).

Based on documentation in the LA Dental Benefit Program Request for Proposal (RFP), the DBP will be reimbursed PMPM capitation rates for 3 groups of eligibles, which include $11.68 PMPM for LaChip Affordable Plan children, $15.27 PMPM for LaChip and Medicaid enrolled children, and $1.26 PMPM for Adults. DHH's rate actuary (Mercer) developed statewide actuarially sound capitation rates for the DBP based on the State Plan covered services only. The rates developed by Mercer include the following adjustments to dental fee for service projected spend: 1) a 13.9% managed care savings, and 2) 13.25% administrative reimbursement loaded into the rate (9% for administrative overhead, 2% for profit/risk, and 2.25 % for the excise tax assessed on health plans reimbursed back to the plans), and 1.67% fraud and abuse savings adjustments.

DHH is covering the majority of the DBP PMPM payments for FY 15 with dollars from the Medicaid base budget (as reflected in the transfer of $126,500,187 from Privates to Buy-Ins).

$126,500,187	FY 14 fee-for-service base allocation for dental services transferred from the Private Providers Program for the DBP (no net state impact)
$18,260,760	Additional funding associated with DBP (includes restoration of a 1.5% dental cut effective August 2013 and administrative cost adjustment loaded into the PMPM)
$144,760,947	**Total DBP Funding in FY 15**

DEPT/AGY: Health & Hospitals (DHH)/Medical Vendor Payments (MVP)
ISSUE: Medicaid Outlook

The FY 15 Medicaid budget contains approximately $655.8 M in funding from 3 separate sources that will likely have to be partially or entirely replaced with SGF or alternate revenue sources in FY 16. These sources of revenue include amnesty tax collections projected to be collected in FY 15 (and a portion collected in FY 14), Overcollections Fund revenues, and revenues from the Medicaid Trust Fund for the Elderly (MTFE). These fund sources collectively will draw $1 B ($1,072,721,008) in federal match for a total of $1.7 B ($1,728,522,411) in claims payments.

Amnesty Revenues: FY 15 budget allocates $156.5 M in amnesty revenues for the MVP Payments to Private Providers Program. Any revenues generated through the tax amnesty program will be deposited into the 2013 Amnesty Collections Fund. Act 421 established the 2013 Amnesty Collections Fund through the LA Tax Delinquency Amnesty Act of 2013. All $156.5 M of these revenues will be used as a state match source to draw federal financial participation for claims payments to private providers. Based on the FY 15 blended Federal Medical Assistance Percentage (FMAP) of 62.06% (37.94% state match) for LA Medicaid, $156.5 M in amnesty revenues will generate approximately $256.1 M in federal matching funds for a total of $412.6 M in Medicaid claims payments. To the extent amnesty tax revenues are not realized up to the level of appropriation in Medicaid for FY 15, claims payments to providers will be reduced by a proportionate amount (inclusive of federal match).

Overcollections Fund Revenues: FY 15 budget contains $266.3 M in Overcollections Fund revenues appropriated in MVP Payments to Private Providers Program for FY 15. The specific revenues in the fund that will be used in Medicaid include, but are not limited to, fund sweeps, pharmaceutical settlements, excess self generated revenues, savings from bond refunding, ORM insurance proceeds, state general fund agency reversions, fraud initiative revenues, LA Housing Authority revenues, and debt recovery revenues. The various revenue sources that are projected to be in the Overcollections Fund are anticipated to be collected in both FY 14 and FY 15. All $266.3 M of the Overcollections Fund revenues appropriated in Medicaid for FY 15 will be used as a state match source to draw down federal financial participation for claims payments to private providers. Based on the FY 15 blended Federal Medical Assistance Percentage (FMAP) of 62.06% (37.94% state match) for LA Medicaid, $266.3 M in Overcollections Fund revenues will generate approximately $435.7 M in federal matching funds for a total of $702 M in Medicaid claims payments. To the extent Overcollections Fund revenues are not realized up to the level of appropriation in Medicaid for FY 15, claims payments to providers will be reduced by a proportionate amount (inclusive of federal match).

Medicaid Trust Fund for the Elderly: FY 15 budget contains $232.9 M in revenue from the Medicaid Trust Fund for the Elderly (MTFE) used to fund nursing home and long term care payments. These revenues are used as a state match source in FY 15 to draw down federal financial participation for long term care claims payments. Based on the FY 15 blended Federal Medical Assistance Percentage (FMAP) of 62.06% (37.94% state match) for LA Medicaid, $232.9 M in MTFE revenues will generate approximately $380.9 M in federal matching funds for a total of $613.9 M in Medicaid claims payments to long term care providers. The sources of revenue are reflected below:

TABLE 40

Revenue Source	State	Federal	Total
State Tax Amnesty Program Revenues	$156,539,178	$256,057,495	$412,596,673
Overcollections Fund revenues	$266,346,081	$435,673,110	$702,019,191
MTFE revenues	$232,916,144	$380,990,403	$613,906,547
FY 15 non-SGF match sources used as match	**$655,801,403**	**$1,072,721,008**	**$1,728,522,411**

FY 15 Major Budget Issues

DEPT/AGY: Health & Hospitals (DHH)/Medical Vendor Payments (MVP)
ISSUE: Medicaid Trust Fund for the Elderly (MTFE)

The Medicaid Trust Fund for the Elderly (MTFE) contains non-recurring revenues (with the exception of any interest earned on the corpus of fund revenues) that are utilized for nursing home provider payments as authorized under revised statutes (R.S. 46:2691). The revenues deposited in the fund were initially generated through an intergovernmental transfer (IGT) in which non-state public nursing homes provided a state match source to pull down federal matching funds for Medicaid supplemental payments (Upper Payment Limit reimbursement) for eligible expenses in these facilities. State Treasury fund balance documents reflect initial federal receipts of $306 M deposited into the fund in 2001, and reflect total federal receipts in excess of $800 M deposited into the MTFE from multiple IGT's (not including interest on the corpus of the fund). Specifically, these statutorily dedicated revenues are used for annual nursing home rate rebasing, or recalculation of the per day rate paid to certain nursing facilities for Medicaid patients.

FY 15 MTFE Allocation: The FY 15 Medicaid budget contains $232,916,144 in statutorily dedicated revenue from the MTFE. These funds, in addition to other revenue sources allocated for nursing home payments, are used as a state match source to draw federal financial participation. In FY 15, these statutorily dedicated revenues will draw approximately $380.9 M in federal matching funds.

MTFE Fund Balance: Based on the FY 15 level of revenue appropriated from the MTFE (including historical interest earnings on the fund), the corpus of the MTFE will be almost entirely depleted. In the absence of another IGT program or other funding mechanism generating non state revenue to the fund, significant SGF support will be required in FY 16 and future fiscal years for nursing home payments and annual increases in the nursing home rates (rate rebasing). The remaining balance of the fund for FY 16 will depend on investment income earnings on the corpus of the fund. As the fund is liquidated, interest earnings are not projected to be earned at the historical level of earnings (see interest earnings below). The projected MTFE fund balances (from state treasury fund statements) and historical investment earnings are reflected are reflected below.

$410,860,765	FY 14 Fund Balance (State Treasury Fund Statement) as of July 2013
($183,505,794)	FY 14 MTFE allocation for long-term care payments
$227,354,971	FY 15 Fund Balance (not including interest/gains)

Information reflected in State Treasury Fund Statements indicates approximately $6.7 M in FY 14 investment earnings through January 2014.

$232,916,144	FY 15 MTFE allocation for long-term care payments

Historical investment earnings on the MTFE:

Fiscal Year	Investment Income Totals
2007	$46.7 M
2008	$45.1 M
2009	$36.7 M
2010	$20.4 M
2011	$22.6 M
2012	$18.8 M
2013	$18.9 M
2014	$6.7 M to date (through January)

Based on the FY 15 allocation of revenues from the MTFE, investment earnings in FY 14 to date (trended forward), and assuming investment earnings decreasing annually due to the corpus of the fund decreasing (as reflected in the investment earnings table above), the MTFE fund balance will be effectively eliminated for FY 16.

DEPT/AGY: Health & Hospitals (DHH)/Medical Vendor Payments (MVP)
ISSUE: Public/Private Partnership Payments

FY 15 budget allocates $1,150,396,329 in funding for Public/Private Partnership payments for FY 15. Including payments for both HCSD and Shreveport Hospital legacy payments, and the funding for the remaining public hospital (Lallie Kemp), FY 15 funding totals $1,201,161,476 related to public/private hospital funding. Partnership payments are comprised of Medicaid Title XIX claims payments, Disproportionate Share Hospital (DSH) payments for uncompensated care costs and Medicaid shortfall, and Medicaid Upper Payment Limit (UPL) supplemental Medicaid payments. The UPL defines a payment level a state can pay certain Medicaid providers. Specifically, it represents a maximum aggregate payment a state can pay to a provider class. These payments to a provider type are above what a state (DHH) is paying for services to that provider class through its Medicaid provider rates. Table 41 below reflects FY 15 partnership payments.

Table 41: FY 15 Public/Private Partnership Payments:

	Act 14 Allocated	**Act 15**	**Difference**
Title XIX Claims	$177,999,183	$150,003,674	($27,995,509)
UPL	$279,559,909	$263,857,238	($15,702,671)
UCC	$653,163,908	$736,535,417	$83,371,509
Total	**$1,110,723,000**	**$1,150,396,329**	**$39,673,329**

Act 15 correctly aligns means of finance that was allocated in the FY 14 budget to the revenue sources and reimbursement levels anticipated in the Cooperative Endeavor Agreements (CEA) for FY 15. The CEA's assume annual growth in payment caps to partner hospitals based on a 2.7% or 2.8 % inflation factor. Inflation factor methodologies are outlined in each of the CEA's. Additionally, some partner hospitals are receiving shared savings bonuses as outlined in the CEA's. Shared savings earned in FY 14 are being appropriated in FY 15.

Act 15 further provided an additional $50 in Disproportionate Share Hospital (DSH) payments for uncompensated care costs (UCC). It is unclear which provider will receive these payments in FY 15. Information provided by DHH indicates these funds will be made to non-partner hospitals. To the extent these payments are made to a public hospital partner, partner hospital payments will be $89 M greater than the FY 14 allocation of expenditures for the partnerships.

DEPT/AGY: Natural Resources (DNR)
ISSUE: Bayou Corne Sinkhole

As of 7/30/2014, the state has incurred approximately $13.8 M in expenditures associated with its response to the Bayou Corne sinkhole incident since August 2012. Approximately $9.2 M or 67% of the expenditures provided are associated with a contract the DNR has with the Chicago Bridge & Iron Company (CB&I), formerly The Shaw Group, (including its subcontractors). CB&I is responsible for planning, testing and drilling activities to determine the cause of the sinkhole. The second major expenditure category includes costs for salaries and related benefits. Approximately $1.7 M or 15% of the total expenditures provides for salaries and related benefits for state employees (primarily scientists and enforcement personnel within various state departments). Other expenditure categories along with the cost incurred include the following: $125,504 for professional services contracts with other contractors responsible for drilling wells and performing testing activities; $213,791 for operating services, travel and supplies; and $452,736 for other charges including legal services, well drilling, command post rental, and accounting services. An additional $1.9 M was expended by the Department of Transportation & Development (DOTD) through capital outlay to build a monitor on LA Highway 70 and study a bypass route for the highway in the event the sinkhole encroaches upon LA Highway 70.

The approximate amount incurred by each state agency responding to the incident is as follows: Department of Natural Resources (DNR) $10.6 M; Department of Environmental Quality (DEQ) $0.35 M; DOTD $2.5 M; Public Safety Services (State Police and Management & Finance) $0.13 M; Wildlife & Fisheries $0.1 M; DHH Office of Public Health $0.01 M; Homeland Security (GOHSEP) $0.03 M. Although DNR has adequate budget authority to provide for the sinkhole expenditures, it lacks the cash required to pay for the expenses. DNR received a seed (loan) of $8 M in FY 13, $5.5 M in FY 14, and $13.5 M in FY 15 from the Treasury to provide for its sinkhole expenditures. DOTD utilized budget authority in the Capital Outlay Bill (Act 23 of 2012) from the Secretary's Emergency Fund. GOSHEP received a $152,383 (IAT) appropriation in the FY 13 supplemental bill (Act 54 of 2013). DEQ, Public Safety, Wildlife & Fisheries and Public Health utilized revenue in its existing budget.

The state, through the Attorney General's Office, has requested reimbursement from Texas Brine, the company responsible for the sinkhole incident, for all expenditures it has incurred in response to the sinkhole incident. If reimbursement is received, the state will be able to replace the revenue previously utilized to provide for the sinkhole expenditures. No payments have been received. On 7/2/2013 the Attorney General's Office filed suit against Texas Brine to recover the state's cost associated with its response to the sinkhole incident. The case is at the trial court level in pretrial status.

DEPT/AGY: Revenue (LDR)
ISSUE: Excess SGR at the Department of Revenue (LDR)

Additional funds may be available for use in the state budget from retained collections of the LDR as a result of the FY 14 amnesty program. The LDR is authorized to retain amnesty collections equal to the amount of penalties abated and any administrative expenses related to amnesty. As of early January, the REC presented figures obtained from the agency that LDR anticipates retaining about $76.3 M ($13.5 M from administrative expenses and $62.8 M from penalties abated). With a significant portion of amnesty proceeds outstanding, this total is expected to increase upon finalization.

In the FY 15 budget, LDR requires no SGF, instead funding the Tax Collection Program using primarily SGR. In addition to retained amnesty collections, LDR will continue to generate SGR through normal operations, though possibly at a slower pace in the absence of an amnesty program. Historically, the agency collects about $60 M in SGR. With amnesty, FY 14 SGR collections were less than the historical amount by an estimated $10-20 M.

However, the agency rarely has collected enough SGR to fully fund its budget without SGF. In past amnesty programs, the LDR was allowed to keep all SGR in excess of that expended in order to sustain its mission. Toward that end, amnesty windfalls were allowed to remain in the LDR coffers to make up for the future penalty collections that were enticed into an early collection with the amnesty program. Thus, the agency has avoided the need for significant SGF. The amount of amnesty SGR that may be used in the operating budget is critical to fully fund the operations of the LDR. However, this result is blurred by the presence of amnesty programs in both FY 15 and FY 16, in which the potential for increased amnesty retention is once again a possibility, though the amount is unclear.

Additional efforts are underway at LDR that could also increase SGR, including the centralized debt collection effort authorized in Act 399 of 2013. In this Act, LDR is allowed to retain up to 25% of collections of final debt referred from all required agencies of the state using new and aggressive tactics to collect the debt. These efforts may offset the sweeping of amnesty SGR, especially in FY 15, though accurate estimates are not yet available since the program is not yet operational.

DEPT/AGY: Higher Education (HIED)/LSU System
ISSUE: FY 15 Funding for the LSU Health Sciences Center in Shreveport (including Medical School)

Prior to 2013, LSU Health Sciences Center in Shreveport (LSU HSC-S) functioned as an academic medical center, comprised of a linked public university teaching hospital and School of Medicine, School of Allied Health Professions, and School of Graduate Studies. Like other medical schools nation-wide, the Shreveport medical school is not capable of generating sufficient revenue through student tuition and fees to cover expenses due to the small class sizes necessary for clinical training. As such, the former LSU HSC-S teaching hospital historically transferred patient-generated revenue of approximately $26 M to $30 M per year to the medical school to meet expenses, with this budget authority captured under the medical school.

On 10/1/2013 the Biomedical Research Foundation of Northwest Louisiana Hospital Holdings, LLC (BRFHH) began private management of the hospitals in Shreveport and Monroe and the hospitals were renamed University Health Shreveport and University Health Conway. Under the new model of a private hospital separate from the medical school, the Shreveport hospital no longer transfers revenues to the medical school. For FY 14 and after, the medical school has established contracts with partner hospitals to replace the previous fund transfers. This new funding approach is similar to the funding model historically used by LSU HSC-NO and other public academic medical centers in the country. Public academic medical centers generally depend on the following funding sources: state appropriations, student tuition/fees, research grants, contracting clinical/support services, and endowments.

FY 15 Major Budget Issues

Two primary examples of contractual services that LSU HSC-S are providing for University Health Shreveport and University Health Conway include:

1. Physician Services Agreement (PSA) – Payment for the following services provided in University Health Shreveport and University Health Conway hospitals: free care to patients, teaching/education activities, on-call activities, and administrative services. LSU HSC-S anticipates that payments for free care to patients and for teaching/educational activities will generate the largest revenue source. For FY 2015, the LSU HSC-S Physician Services Agreement (PSA) with University Health Shreveport has the potential to be reimbursed up to $48 M for indigent healthcare services, residency supervision and on-call compensation for services provided by the Shreveport faculty physicians. Additionally, a Monroe PSA has the potential to be reimbursed up to $10 M for health care services provided by Monroe faculty physicians, providing a revenue source for the faculty expense previously under the EA Conway hospital.

2. Shared Services Agreement (SSA) – Payments for information technology, telecommunications, legal services compliance with accreditation and legal/regulatory issues, parking services, physical plant/maintenance services, University Police Department (UPD), parking and utilities.

Below is Table 42 comparing funding for LSU HSC-S from FY 14 and 15.

TABLE 42

Funding Source	*FY 14*	*FY 15*	*Change*
SGF	$35,704,325	$37,346,058	$1,641,733
IAT	$0	$8,000,000	$8,000,000
SGR	$56,434,165	$81,433,774	$24,999,609
Statutory Dedications	$9,078,294	$9,049,579	($28,715)
TOTAL	**$101,216,784**	**$135,829,411**	**$34,612,627**

Significant Budget Changes from FY 14 to FY 15

IAT	
Pass-through payments to Private Providers	$8,000,000
SGR that were Hospital Costs Previously	
Cert. Reg. Nurse Anesthetists (CRNSs) - Shreveport	$6,000,000
Cert. Reg. Nurse Anesthetists (CRNSs) - E.A. Conway	$1,000,000
Residents - Shreveport and E.A. Conway	$18,000,000
Total - SGR that were Hospital Costs Previously	$25,000,000

While there are still outstanding schedule and ancillary agreements, LSU HSC-S indicates that the most pertinent legal agreements defining contracted revenue sources have been completed. On 8/18/2014, attorneys for LSU HSC-S sent a demand letter to BRFHH for $25.3 M for the balance payment of contracted services rendered by the school for the period 10/1/2013 through 6/30/2014. On 8/22/2014, BRFHH sent a payment of $6.4 M to LSU HSC-S, and $7.4 M on 9/4/2014 when the Physician Services Agreement (PSA) for E. A. Conway Hospital was concluded. Payments from BRFHH were further offset by $10.2 M for Medicare collections by LSU on behalf of BRFHH as of 8/22/2014. BRFHH also placed $3.3 M into an escrow account payable upon execution of a Shared Services Agreement (SSA) for both hospitals. As of 9/4/2014, total payments received by LSU from BRFHH equal $24 M. The $3.3 M escrow payment will be applied to the final balance due from BRFHH for the proposed SSA agreement. Table 43 on the next page illustrates LSU's original demand letter and payment and escrow payments by BRFHH:

TABLE 43

Date		Amount (Millions)	
8/18/14	LSU Demand Letter to BRF	$25.6	
8/22/14	BRF Payment to LSU	($6.4)	
8/22/14	Offset of Medicaid Payments from LSU to BRF	($10.2)	
9/4/14	E. A. Conway Physician Services Agreement (PSA)	($7.2)	
T.B.D.	BRF Escrow contingent upon completion of Shared Services Agreement	($3.3)	
	Subtotal BRF Payments	($27.1)	*

* BRF has calculated total estimated payments of $27.1M due to LSU.

The Legislative Fiscal Office requested information from LSU HSC-S regarding the cash flow and short/long-term financial impacts from these legal/payment disputes with BRF. The LFO also asked LSU HSC-S about actions the center may have taken or may take, if any, to deal with the lack of funds if the crisis is not resolved soon. *LSU HSC-S was unable to provide information prior to publication of this report due to ongoing negotiations with BRF.*

DEPT/AGY: **LSU Health Care Services Division**
ISSUE: **SGR Budget Authority and Public/Private Partnership Legacy Costs**

The LSU Health Care Services Division (HCSD), Executive Administration & General Support Program, was moved off budget in FY 14. Act 15 brings the program back on budget and includes an allocation of $77.4 M SGR. The recommended authority provides for the program's general operating expenditures, legacy costs associated with the implementation of the public/private partnerships, and support services that will be provided to the private partners on a contractual basis in FY 15.

Legacy Costs in FY 15
Of the $77.4 M budget recommendation, approximately $40 M is estimated to account for legacy costs of the public/private partnership. These costs cover expenses such as:
Retiree Group Insurance Premiums (estimated at $23 M in FY 15)
Risk Management Premiums
Unemployment Expenses (for employees laid off in the privatization process)
Debt Service Requirements
Security Services (for shuttered facilities in New Orleans and Lake Charles)
Ventilation of Empty Facilities to Prevent Mold

HCSD has committed to utilize $30 M in reserve funds to cover a portion of these expenses in FY 15. The Department of Health & Hospitals (DHH) received a direct appropriation of $10 M SGF in FY 15 to pay the balance of the estimated $40 M in legacy costs. HAC amendment added $10 M in IAT expenditure authority to HCSD to accommodate the transfer of funds from DHH.

Legacy Costs in FY 14
Legacy costs associated with LSU HCSD retiree group insurance premiums were budgeted in DHH as match funds in FY 14 in the amount of $26 M. It was subsequently determined that these expenditures, outside of a specific hospital's cost of operation, are not matchable by federal dollars. The total projected expense in FY 14 was approximately $19-$20 M. The SGF portion of the DHH appropriation is approximately $9.63 M. The lack of ability to provide the matching funds creates a gap of approximately $10 M in FY 14 available funding. LSU HCSD, DHH and the Division of Administration (DOA) are reported to be working on a solution to the funds transfer problem between DHH and LSU HCSD for the SGF portion of the budget allocation. HAC amendment added $10 M in IAT expenditure authority to HCSD to accommodate the transfer of funds from DHH in FY 15. LSU HCSD reports approximately $10 M of reserve funds may be used to cover the retiree group insurance deficit in FY 14.

FY 15 Major Budget Issues

The use of $40 M in reserve funds between FY 14 and FY 15 will greatly deplete LSU HCSD's reserve balance, reported to be approximately $83 M on 12/11/2013. The balance of the reserve funds is already encumbered for other purposes. Historically, LSU HCSD utilized its reserve balance for items such as capital and equipment improvements, cash flow and in some instances to offset budget shortfalls or cuts to funding levels.

General Administration & Contract Services in FY 15
LSU HCSD is currently providing and negotiating to provide services to several private partners such as:

Information Technology Supports and Services
Billing
Accountable Care Services
Contracted Physician Services

The LFO requested detailed information regarding the projected composition and activities related to these expenditures but the department indicated that it is unable to provide such information due to the ongoing negotiations. The agency's general administrative and operating costs are paid from overhead charges built into the contracts for service. It is unclear whether LSU HCSD will require the entirety of the $37.7 M balance of SGR budget authority ($77.4 M less legacy costs). The breadth of the services provided to private providers could potentially be more or less than the recommended budget authority level.

Section VI

OTHER MISCELLANEOUS INFORMATION
&
TABLES

Department of Children & Family Services
Temporary Assistance for Needy Families (TANF)
Funding for FY 15

For FY 15, Act 15 of 2014 contains funding of $106 M for TANF, which is an increase of $5.5 M from FY 14.

FEDERAL INITIATIVES	FY 14	FY 15	DIFFERENCE
Literacy:			
Jobs for America's Graduates	$3,950,000	$3,950,000	$0
LA 4	$36,456,588	$38,656,588	$2,200,000
Family Stability:			
CASA	$4,436,500	$4,436,500	$0
Drug Courts	$6,000,000	$6,000,000	$0
Child Welfare	$38,203,204	$41,540,946	$3,337,742
Family Violence	$2,350,000	$2,350,000	$0
Homeless	$637,500	$637,500	$0
Nurse Family Partnership	$3,196,750	$3,196,750	$0
Substance Abuse	$3,059,458	$3,059,458	$0
Abortion Alternatives	$1,260,000	$1,260,000	$0
Community Supervision (OJJ)	$900,000	$900,000	$0
Fatherhood Initiative	$49,900	$49,900	$0
TOTALS	**$100,499,900**	**$106,037,642**	**$5,537,742**

Louisiana Education Quality Trust Fund - 8(g) 1986-87 to 2012-13

Beginning 1986-87 Fund Balance - $540,699,504 with Annual Interest and Royalty Deposits

Permanent Fund:	**1996-97**	**1997-98**	**1998-99**	**1999-2000**	**2000-2001**	**2001-2002**	**2002-2003**	**2003-2004**	**2004-2005**
Cash Value	$707,258,020	$728,166,189	$762,108,629	$799,726,036	$822,498,152	$841,538,930	$852,195,675	$868,402,048	$891,805,723
Investment Income	$14,303,306	$27,795,972	$33,409,785	$18,104,819	$10,001,192	$5,723,829	$11,519,457	$14,372,777	$15,307,935
Royalties Income	$6,604,864	$6,146,468	$4,207,622	$4,667,297	$9,039,586	$4,932,916	$4,686,916	$9,030,898	$8,967,600
Total	$728,166,190	$762,108,629	$799,726,036	$822,498,152	$841,538,930	$852,195,675	$868,402,048	$891,805,723	$916,081,258
Permanent Fund:									
Market Value	**$760,195,407**	**$817,056,699**	**$817,998,820**	**$823,520,329**	**$831,338,021**	**$812,737,083**	**$877,000,364**	**$925,090,380**	**$975,661,638**
Support Fund:									
Investment Income	$38,077,244	$39,941,397	$40,406,672	$43,836,613	$40,992,264	$36,463,986	$37,779,199	$37,606,959	$41,587,080
Royalties Income	$13,477,394	$19,814,592	$18,439,406	$12,622,864	$14,001,891	$14,798,746	$14,060,747	$27,092,693	$26,902,801
Total	$51,554,638	$59,755,989	$58,846,078	$56,459,477	$54,994,155	$51,262,732	$51,839,946	$64,699,652	$68,489,881

A History of the Support Fund and Permanent Fund Income in Millions of Dollars

	1996-97	**1997-98**	**1998-99**	**1999-2000**	**2000-2001**	**2001-2002**	**2002-2003**	**2003-2004**	**2004-2005**
Support Fund	$51.6	$59.8	$58.8	$56.5	$55.0	$51.3	$51.8	$64.7	$68.5
Permanent Fund	$728.2	$762.1	$799.7	$822.5	$841.5	$852.2	$868.4	$891.8	$916.1

Permanent Fund:	**2005-2006**	**2006-2007**	**2007-2008**	**2008-2009**	**2009-2010**	**2010-2011**	**2011-2012**	**2012-2013**	**2013-2014**	Cumulative Growth
Cash Value	$916,081,258	$936,295,533	$956,625,141	$977,990,329	$1,000,182,756	$1,014,497,848	$1,031,048,104	$1,051,147,849	$1,101,101,724	Permanent Fund
Investment Income	$12,877,985	$13,433,082	$13,110,162	$12,687,191	$9,060,555	$11,131,777	$14,711,773	$43,963,840	$49,377,173	$423,958,125
Royalties Income	$7,336,290	$6,896,526	$8,255,026	$9,505,235	$5,254,537	$5,418,479	$5,387,972	$5,721,149	$5,159,884	$136,930,382
Total	$936,295,533	$956,625,141	$977,990,329	$1,000,182,755	$1,014,497,848	$1,031,048,104	$1,051,147,849	$1,100,832,838	$1,155,638,781	$560,888,507
Permanent Fund:										
Market Value	**$958,642,904**	**$1,021,316,556**	**$968,122,567**	**$872,736,756**	**$997,888,851**	**$1,082,169,386**	**$1,129,938,382**	**$1,255,509,896**	**$1,264,482,559**	
										Cumulative Growth
Support Fund:										Support Fund
Investment Income	$42,233,206	$44,460,712	$42,952,072	$40,358,067	$34,670,951	$30,654,199	$31,075,809	$40,675,700	$43,333,954	$986,061,324
Royalties Income	$21,401,616	$20,689,576	$24,765,079	$28,515,706	$15,763,612	$16,255,436	$16,163,917	$17,163,448	$15,479,653	$401,115,948
Total	$63,634,822	$65,150,288	$67,717,151	$68,873,773	$50,434,563	$46,909,635	$47,239,726	$57,839,148	$58,813,607	$1,387,177,272

A History of the Support Fund and Permanent Fund Income in Millions of Dollars

	2005-2006	**2006-2007**	**2007-2008**	**2008-2009**	**2009-2010**	**2010-2011**	**2011-2012**	**2012-2013**	**2013-2014**
Support Fund	$63.6	$65.2	$67.7	$68.9	$50.4	$46.9	$47.2	$57.8	$58.8
Permanent Fund	$936.3	$956.6	$978.0	$1,000.2	$1,014.5	$1,031.0	$1,051.1	$1,100.8	$1,155.6

Constitutional Uses of Support Fund Dollars:
Board of Regents: 1) The carefully defined research efforts of public and private universities in Louisiana. 2) The endowment of chairs for eminent scholars. 3) The enhancement of the quality of academic, research or agricultural departments or units within a university. These funds shall not be used for athletic purposes or programs. 4) The recruitment of superior graduate students.

Board of Elementary & Secondary Education: 1) To provide compensation to city or parish school board or postsecondary vocational-technical professional instructional employees. 2) To insure an adequate supply of superior textbooks, library books, equipment and other instructional materials. 3) To fund exemplary programs in elementary, secondary or vocational-technical schools designed to improve elementary, secondary or vocational-technical student academic achievement or vocational-technical skill. 4) To fund carefully defined research efforts, including pilot programs, designed to improve elementary and secondary student achievement. 5) To fund school remediation programs and preschool programs. 6) To fund the teaching of foreign languages in elementary and secondary schools. 7) To fund an adequate supply of teachers by providing scholarships or stipends to prospective teachers in academic or vocational-technical areas where there is a critical teacher shortage.

Notes: The cumulative growth figures for both the Permanent and Support Fund include balances from 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94 and 1994-95 (history for these years is not shown above). The Cash Value for 1988-89 through 2013-14 equal the Permanent Fund balance at 6/30 of the prior fiscal year.

Taylor Opportunity Program for Students (TOPS)

TOPS Awards for Public and Private Colleges & Universities

	FY 12	FY 13	FY 14	Projected FY 15	Projected FY 16
Number of Awards	45,787	47,187	48,649	49,135	49,627
Total Amount of Awards (millions)	$165.93	$191.19	$221.28	$248.57	$278.80
Average Award Amount	$3,624	$4,052	$4,549	$5,059	$5,618

FY 14 TOPS Awards for Public Colleges & Universities

	# of Awards	*# of Awards Statewide*	*Amount per Award*	*Total Amount of Awards*	*% of Total Amount of Awards Statewide*
LSU - Alexandria	455	1.0%	$3,721	$1,693,200	0.8%
LSU - Baton Rouge	13,675	30.5%	$5,872	$80,298,930	38.9%
LSU - Eunice	471	1.1%	$2,029	$955,450	0.5%
LSU - Shreveport	722	1.6%	$4,197	$3,030,192	1.5%
LSU HSC - New Orleans	327	0.7%	$3,739	$1,222,691	0.6%
LSU HSC - Shreveport	16	0.0%	$4,065	$65,042	0.0%
LSU System Total	**15,666**	**35.0%**	**$5,570**	**$87,265,505**	**42.3%**
SU - Baton Rouge	597	1.3%	$4,095	$2,444,952	1.2%
SU - New Orleans	28	0.1%	$2,952	$82,658	0.0%
SU - Shreveport	45	0.1%	$1,434	$64,541	0.0%
SU System Total	**670**	**1.5%**	**$3,869**	**$2,592,151**	**1.3%**
Grambling	216	0.5%	$4,176	$902,080	0.4%
LA Tech	3,323	7.4%	$4,894	$16,263,889	7.9%
McNeese	2,472	5.5%	$4,096	$10,125,811	4.9%
Nicholls	2,214	4.9%	$4,255	$9,420,471	4.6%
Northwestern	2,000	4.5%	$4,384	$8,768,336	4.3%
Southeastern	4,476	10.0%	$4,152	$18,582,415	9.0%
UL Lafayette	6,041	13.5%	$4,328	$26,145,872	12.7%
UL Monroe	2,297	5.1%	$4,489	$10,310,147	5.0%
UNO	1,813	4.0%	$4,707	$8,534,193	4.1%
UL System Total	**24,852**	**55.5%**	**$4,388**	**$109,053,214**	**52.9%**
Baton Rouge CC	689	1.5%	$1,931	$1,330,789	0.6%
Bossier Parish CC	517	1.2%	$2,173	$1,123,359	0.5%
Delgado CC	673	1.5%	$2,058	$1,385,197	0.7%
LA Delta CC	214	0.5%	$2,112	$451,981	0.2%
LA Technical College	175	0.4%	$1,553	$271,724	0.1%
Northshore Technical CC	118	0.3%	$1,413	$166,752	0.1%
Central La. Technical CC	68	0.2%	$1,878	$127,699	0.1%
L. E. Fletcher CCC	206	0.5%	$2,199	$452,924	0.2%
Nunez CC	97	0.2%	$2,031	$197,041	0.1%
River Parishes CC	163	0.4%	$2,260	$368,458	0.2%
South Louisiana CC	325	0.7%	$2,039	$662,749	0.3%
SOWELA Technical CC	355	0.8%	$2,140	$759,874	0.4%
LCTCS Total	**3,600**	**8.0%**	**$2,027**	**$7,298,547**	**3.5%**
					U
Statewide Total	**44,788**	**100.0%**	**$4,604**	**$206,209,417**	**100.0%**

Note: Includes LA approved proprietary and cosmetology schools and institutions that are a part of the LA Association of Independent Colleges & Universities.

Source: LA Office of Student Financial Assistance

Higher Education Enrollment

	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Increase 2012 to 2013	% Increase 2012 to 2013
Acadiana Technical College * ****	4,649	3,842	N/A	N/A	N/A	N/A
Baton Rouge CC	8,332	8,275	7,945	10,266	2,321	29.2%
Bossier Parish CC	6,473	7,077	7,917	8,302	385	4.9%
Capital Area Technical College * ****	3,900	4,260	3,890	N/A	N/A	N/A
Central LA Technical College *	3,193	2,435	2,283	2,127	(156)	-6.8%
Delgado CC	18,741	20,436	18,093	18,698	605	3.3%
LA Delta CC	2,485	2,954	4,123	3,874	(249)	-6.0%
LA Technical College **	N/A	N/A	N/A	N/A	N/A	N/A
L. E. Fletcher Technical CC	2,395	2,486	2,502	2,811	309	12.4%
Northwest LA Technical College *	3,037	3,071	2,626	2,602	(24)	-0.9%
Northeast LA Technical College * ****	1,834	1,536	N/A	N/A	N/A	N/A
Northshore Technical CC *	3,531	3,353	3,111	3,151	40	1.3%
Nunez CC	2,415	2,421	2,269	2,496	227	10.0%
River Parishes CC	2,566	2,673	3,566	3,238	(328)	-9.2%
South Central LA Technical College *	3,018	3,531	2,885	2,439	(446)	-15.5%
South Louisiana CC	4,218	3,897	7,458	7,326	(132)	-1.8%
Sowela Technical CC	2,616	3,054	2,741	3,226	485	17.7%
LCTCS System Total	**73,403**	**75,301**	**71,409**	**70,556**	**(853)**	**-1.2%**
				0		
LSU - Alexandria	2,667	2,612	2,426	2,229	(197)	-8.1%
LSU - Baton Rouge	28,771	28,985	29,549	29,907	358	1.2%
LSU - Eunice	3,431	2,982	3,075	2,673	(402)	-13.1%
LSU - Shreveport	4,504	4,562	4,535	4,109	(426)	-9.4%
LSU HSC - New Orleans	2,699	2,777	2,788	2,829	41	1.5%
LSU HSC - Shreveport	839	867	888	856	(32)	-3.6%
UNO ***	11,276	N/A	N/A	N/A	N/A	N/A
Paul M. Hebert Law Center	682	737	681	621	(60)	-8.8%
LSU System Total	**54,869**	**43,522**	**43,942**	**43,224**	**(718)**	**-1.6%**
SU - Baton Rouge	7,294	6,904	6,611	6,730	119	1.8%
SU - New Orleans	3,165	3,245	3,046	2,989	(57)	-1.9%
SU - Shreveport	2,834	2,820	2,931	3,016	85	2.9%
SU Law Center	718	706	755	682	(73)	-9.7%
SU System Total	**14,011**	**13,675**	**13,343**	**13,417**	**74**	**0.6%**
Grambling	4,994	5,207	5,277	5,071	(206)	-3.9%
LA Tech	11,743	11,518	11,304	10,962	(342)	-3.0%
McNeese	8,941	8,791	8,579	8,348	(231)	-2.7%
Nicholls	7,102	6,802	6,621	6,560	(61)	-0.9%
Northwestern	9,244	9,191	9,447	8,944	(503)	-5.3%
Southeastern	15,351	15,414	15,602	14,949	(653)	-4.2%
UL Lafayette	16,763	16,885	16,740	16,646	(94)	-0.6%
UL Monroe	8,777	8,626	8,548	8,613	65	0.8%
UNO ***	N/A	10,903	10,071	9,323	(748)	-7.4%
UL System Total	**82,915**	**93,337**	**92,189**	**89,416**	**(2,773)**	**-3.0%**
Statewide Total	**225,198**	**225,835**	**220,883**	**216,613**	**(4,270)**	**-1.9%**

* Counts for these Technical Colleges were included in the LA Technical College in 2009 and prior years.

** Counts for LTC-Ascension and LTC-Tallulah were merged with River Parishes CC and LA Delta CC respectively in 2010 and 2011.

*** The University of New Orleans (UNO) was moved to the University of LA (UL) System in 2011.

**** Counts for Acadiana Technical College were included in the South LA CC in 2012. Counts for Northeast LA Tech. CC were included in LA Delta CC in 2012. Counts for Capital Area Technical College were included in Baton Rouge

Higher Education Funding by Board and Institution
(FY 14 Budgeted compared to FY 15 Appropriated)

	FY 14 6/30/2014 SGF	FY 14 6/30/2014 Total	FY 15 Appropriated SGF	FY 15 Appropriated Total	Difference FY 14 to FY 15 SGF	% Diff. SGF	Difference FY 14 to FY 15 Total	% Diff. Total
LSU Board	$2,033,151	$12,495,054	$3,495,054	$3,495,054	$1,461,903	72%	($9,000,000)	-72%
LSU - Alexandria	$3,057,546	$15,970,474	$5,241,531	$16,782,304	$2,183,985	71%	$811,830	5%
LSU - Baton Rouge	$62,823,923	$448,680,923	$107,149,958	$475,250,255	$44,326,035	71%	$26,569,332	6%
LSU - Eunice	$2,722,468	$12,455,573	$4,666,525	$12,806,716	$1,944,057	71%	$351,143	3%
LSU - Shreveport	$4,201,974	$28,439,647	$7,189,227	$31,082,093	$2,987,253	71%	$2,642,446	9%
LSU HSC - New Orleans	$41,249,864	$169,004,492	$70,183,496	$171,995,609	$28,933,632	70%	$2,991,117	2%
LSU HSC - Shreveport	$20,423,374	$212,774,245	$37,346,058	$135,829,411	$16,922,684	83%	($76,944,834)	-36%
E. A. Conway Med Center	$0	$18,293,582	$0	$0	$0	N/A	($18,293,582)	-100%
Huey P. Long Med Center	$0	$11,535,382	$0	$0	$0	N/A	($11,535,382)	-100%
LSU Agricultural Center	$39,577,832	$89,404,109	$64,533,394	$89,588,461	$24,955,562	63%	$184,352	0%
Paul M. Hebert Law Center	$2,708,751	$24,030,001	$4,784,889	$24,808,585	$2,076,138	77%	$778,584	3%
Pennington Biomedical	$7,188,562	$14,275,607	$12,352,289	$13,275,406	$5,163,727	72%	($1,000,201)	-7%
LSU System Total	**$185,987,445**	**$1,057,359,089**	**$316,942,421**	**$974,913,894**	**$130,954,976**	**70%**	**($82,445,195)**	**-8%**
SU Board	$1,408,668	$6,317,138	$7,047,340	$7,047,340	$5,638,672	400%	$730,202	12%
SU - Baton Rouge	$13,957,823	$75,562,567	$21,217,922	$70,387,206	$7,260,099	52%	($5,175,361)	-7%
SU - New Orleans	$4,971,070	$19,704,483	$6,388,241	$18,392,739	$1,417,171	29%	($1,311,744)	-7%
SU - Shreveport	$4,745,980	$14,325,138	$5,184,241	$12,732,248	$438,261	9%	($1,592,890)	-11%
SU Agricultural Center	$4,402,168	$10,869,292	$2,407,371	$7,869,173	($1,994,797)	-45%	($3,000,119)	-28%
SU Law Center	$2,306,331	$15,013,506	$4,860,662	$13,277,422	$2,554,331	111%	($1,736,084)	-12%
SU System Total	**$31,792,040**	**$141,792,124**	**$47,105,777**	**$129,706,128**	**$15,313,737**	**48%**	**($12,085,996)**	**-9%**
UL Board	$601,566	$13,248,112	$1,034,112	$3,248,112	$432,546	72%	($10,000,000)	-75%
Grambling	$7,483,700	$49,167,283	$13,808,347	$49,859,763	$6,324,647	85%	$692,480	1%
LA Tech	$16,130,352	$94,468,837	$27,621,895	$103,424,618	$11,491,543	71%	$8,955,781	9%
McNeese	$10,224,503	$60,575,916	$17,477,556	$62,920,766	$7,253,053	71%	$2,344,850	4%
Nicholls	$8,709,396	$51,872,987	$14,911,317	$54,953,953	$6,201,921	71%	$3,080,966	6%
Northwestern	$11,875,901	$68,751,604	$20,344,577	$71,522,590	$8,468,676	71%	$2,770,986	4%
Southeastern	$17,188,149	$107,424,457	$29,435,295	$113,813,646	$12,247,146	71%	$6,389,189	6%
UL Lafayette	$26,163,476	$129,228,376	$44,831,995	$137,120,521	$18,668,519	71%	$7,892,145	6%
UL Monroe	$14,256,559	$71,751,785	$24,405,667	$75,007,190	$10,149,108	71%	$3,255,405	5%
UNO	$17,566,678	$105,280,185	$30,059,616	$102,454,198	$12,492,938	71%	($2,825,987)	-3%
UL System Total	**$130,200,280**	**$751,769,542**	**$223,930,377**	**$774,325,357**	**$81,237,159**	**62%**	**$25,381,802**	**3%**
LCTCS Board	$4,163,119	$27,156,540	$7,156,540	$17,156,540	$2,993,421	72%	($10,000,000)	-37%
Baton Rouge CC	$5,118,925	$28,379,369	$14,724,512	$40,896,337	$9,605,587	188%	$12,516,968	44%
Bossier Parish CC	$4,202,269	$29,807,256	$10,604,354	$35,657,555	$6,402,085	152%	$5,850,299	20%
Delgado CC	$14,687,072	$81,533,700	$25,688,398	$83,671,414	$11,001,326	75%	$2,137,714	3%
LA Delta CC	$4,609,197	$17,827,834	$7,901,568	$18,556,972	$3,292,371	71%	$729,138	4%
LA Technical College	$9,833,436	$26,142,608	$10,910,029	$19,915,265	$1,076,593	11%	($6,227,343)	-24%
LCTCS Online	$753,857	$1,295,904	$1,295,904	$1,295,904	$542,047	72%	$0	0%
L.E. Fletcher CC	$1,525,077	$8,020,860	$2,951,984	$8,802,990	$1,426,907	94%	$782,130	10%
Northshore Technical CC	$2,861,414	$9,750,969	$4,977,133	$10,509,750	$2,115,719	74%	$758,781	8%
Central LA Technical CC	$3,314,381	$9,586,870	$5,682,888	$9,972,291	$2,368,507	71%	$385,421	4%
Nunez CC	$1,774,986	$7,437,000	$3,351,673	$8,385,379	$1,576,687	89%	$948,379	13%
River Parishes CC	$1,706,431	$7,950,251	$3,285,295	$9,438,863	$1,578,864	93%	$1,488,612	19%
South Louisiana CC	$7,305,953	$26,868,166	$12,523,867	$29,218,551	$5,217,914	71%	$2,350,385	9%
SOWELA Technical CC	$3,105,722	$12,695,131	$6,405,524	$14,669,840	$3,299,802	106%	$1,974,709	16%
LCTCS System Total	**$64,961,839**	**$294,452,458**	**$117,459,669**	**$308,147,651**	**$52,497,830**	**81%**	**$13,695,193**	**5%**
LOSFA	**$102,217,150**	**$312,035,520**	**$196,240,475**	**$344,622,485**	**$94,023,325**	**92%**	**$32,586,965**	**10%**
Board of Regents	**$8,302,079**	**$64,604,133**	**$30,997,281**	**$90,607,306**	**$22,695,202**	**273%**	**$26,003,173**	**40%**
LUMCON	**$1,360,036**	**$11,885,758**	**$2,335,852**	**$11,885,675**	**$975,816**	**72%**	**($83)**	**0%**
Higher Ed Total	**$524,820,869**	**$2,633,898,624**	**$935,011,852**	**$2,634,208,496**	**$410,190,983**	**78%**	**$309,872**	**0%**
Higher Ed (w/o LOSFA)	**$422,603,719**	**$2,321,863,104**	**$738,771,377**	**$2,289,586,011**	**$316,167,658**	**75%**	**($32,277,093)**	**-1%**

SELECTED MAJOR STATE AID TO LOCAL GOVERNMENTS PROJECTIONS (FY 15)

		MFP Distribution	Revenue Sharing	Supplemental Pay	Parish Road Program	Parish Severance & Royalty Dists.	Video Poker Distribution	Total Distributions
1	Acadia	$53,673,263	$1,233,301	$1,145,240	$599,209	$972,750	$1,664,265	$59,288,028
2	Allen	$29,181,269	$510,329	$491,201	$352,961	$1,087,608	$0	$31,623,369
3	Ascension	$99,335,542	$2,281,949	$1,931,031	$851,322	$109,270	$0	$104,509,113
4	Assumption	$24,028,641	$458,646	$390,666	$265,811	$703,557	$401,683	$26,249,003
5	Avoyelles	$32,741,164	$841,736	$825,602	$501,193	$262,037	$294,811	$35,466,543
6	Beauregard	$34,791,009	$724,627	$631,385	$490,040	$1,598,023	$0	$38,235,084
7	Bienville	$6,557,779	$292,867	$306,401	$271,248	$1,485,004	$0	$8,913,299
8	Bossier	$116,058,611	$2,390,655	$4,411,279	$977,131	$1,550,241	$671,937	$126,059,854
9	Caddo	$217,981,830	$4,869,116	$10,310,772	$1,509,076	$1,581,435	$2,178,906	$238,431,135
10	Calcasieu	$154,247,031	$3,810,325	$7,284,715	$1,563,103	$1,455,757	$2,873,818	$171,234,750
11	Caldwell	$12,236,931	$214,547	$245,953	$182,471	$195,656	$0	$13,075,557
12	Cameron	$3,378,969	$145,868	$361,299	$116,429	$4,674,314	$22,493	$8,699,372
13	Catahoula	$10,286,751	$216,162	$421,446	$176,977	$289,671	$0	$11,391,007
14	Claiborne	$10,225,762	$333,313	$177,927	$280,138	$1,306,945	$0	$12,324,085
15	Concordia	$21,347,415	$423,403	$829,788	$255,396	$1,028,748	$0	$23,884,751
16	DeSoto	$13,005,636	$566,977	$917,116	$373,610	$2,231,537	$546,615	$17,641,491
17	East Baton Rouge	$246,572,064	$8,489,405	$13,630,839	$2,322,025	$882,457	$0	$271,896,790
18	East Carroll	$7,566,111	$139,751	$146,698	$136,075	$36,641	$122,567	$8,147,843
19	East Feliciana	$11,777,754	$407,421	$212,728	$246,315	$346,930	$0	$12,991,148
20	Evangeline	$34,312,659	$672,394	$461,026	$444,411	$1,108,303	$0	$36,998,793
21	Franklin	$19,371,189	$432,052	$594,193	$301,128	$57,959	$0	$20,756,520
22	Grant	$21,644,261	$449,356	$293,647	$322,555	$524,408	$0	$23,234,227
23	Iberia	$77,250,145	$1,477,040	$1,849,685	$643,404	$6,273,821	$0	$87,494,095
24	Iberville	$15,874,185	$649,619	$812,791	$381,547	$821,930	$864,120	$19,404,192
25	Jackson	$11,052,877	$321,773	$283,320	$268,351	$778,718	$0	$12,705,040
26	Jefferson	$191,065,685	$8,341,023	$10,215,425	$2,126,848	$1,999,917	$4,779,438	$218,528,336
27	Jefferson Davis	$36,583,725	$622,341	$638,915	$418,410	$601,841	$474,215	$39,339,447
28	Lafayette	$116,307,846	$4,410,858	$5,814,605	$1,512,963	$554,251	$0	$128,600,523
29	Lafourche	$64,196,932	$1,952,923	$2,077,454	$845,608	$7,533,324	$2,309,034	$78,915,275
30	LaSalle	$16,095,913	$298,109	$506,721	$248,642	$1,321,838	$0	$18,471,223
31	Lincoln	$32,744,086	$893,182	$1,080,721	$531,563	$1,081,040	$0	$36,330,592
32	Livingston	$155,712,113	$2,640,614	$1,406,050	$1,032,257	$1,894,509	$0	$162,685,543
33	Madison	$8,615,311	$225,467	$409,350	$197,504	$61,808	$731,753	$10,241,193
34	Morehouse	$30,391,851	$541,560	$1,123,471	$367,259	$67,144	$0	$32,491,285
35	Natchitoches	$36,405,408	$768,407	$1,223,421	$539,525	$403,387	$0	$39,340,148
36	Orleans	$179,491,480	$6,899,328	$14,702,822	$2,257,169	$163	$2,506,163	$205,857,125
37	Ouachita	$168,526,679	$2,997,733	$5,603,905	$1,235,284	$282,934	$0	$178,646,535
38	Plaquemines	$11,322,698	$449,234	$1,263,272	$266,066	$16,498,111	$431,996	$30,231,377
39	Pointe Coupee	$12,389,722	$410,760	$465,065	$264,321	$817,963	$485,499	$14,833,330
40	Rapides	$133,632,230	$2,634,033	$5,277,413	$1,103,869	$638,618	$0	$143,286,164
41	Red River	$6,077,601	$178,448	$211,328	$149,749	$1,144,322	$248,801	$8,010,249
42	Richland	$18,302,397	$425,819	$501,691	$295,575	$35,045	$0	$19,560,527
43	Sabine	$26,088,089	$494,199	$418,825	$353,964	$1,243,060	$0	$28,598,137
44	St. Bernard	$37,055,100	$816,120	$1,898,011	$488,823	$1,899,108	$884,161	$43,041,323
45	St. Charles	$26,483,512	$1,034,659	$1,508,872	$501,606	$2,954,349	$570,861	$33,053,859
46	St. Helena	$6,967,700	$220,832	$179,342	$177,543	$566,906	$1,823,599	$9,935,922
47	St. James	$12,497,202	$439,777	$469,637	$242,018	$258,684	$994,851	$14,902,169
48	St. John	$27,918,479	$891,903	$1,299,026	$519,301	$42,760	$1,115,804	$31,787,273
49	St. Landry	$79,321,821	$1,641,774	$2,067,035	$781,314	$721,735	$1,413,810	$85,947,489
50	St. Martin	$46,141,720	$1,064,706	$913,729	$527,269	$948,656	$3,502,036	$53,098,116
51	St. Mary	$43,210,800	$1,099,769	$1,782,861	$469,007	$4,013,456	$1,031,024	$51,606,916
52	St. Tammany	$212,177,642	$4,836,740	$6,089,073	$1,585,005	$80,610	$0	$224,769,069
53	Tangipahoa	$124,550,019	$2,425,273	$2,385,917	$1,008,703	$119,437	$0	$130,489,350
54	Tensas	$4,398,335	$101,210	$132,363	$92,883	$247,556	$46,867	$5,019,214
55	Terrebonne	$89,907,329	$2,191,676	$2,600,998	$876,975	$6,130,584	$3,368,699	$105,076,261
56	Union	$12,390,690	$455,205	$349,065	$372,742	$621,833	$0	$14,189,535
57	Vermilion	$49,124,118	$1,166,972	$1,286,370	$574,688	$2,722,722	$0	$54,874,871
58	Vernon	$56,973,268	$1,023,868	$862,335	$546,540	$1,538,329	$0	$60,944,340
59	Washington	$37,377,758	$933,768	$920,400	$596,274	$176,418	$0	$40,004,618
60	Webster	$37,849,782	$825,296	$939,092	$507,364	$1,116,357	$1,137,642	$42,375,533
61	West Baton Rouge	$13,327,557	$478,020	$877,563	$273,443	$636,714	$2,187,797	$17,781,093
62	West Carroll	$13,582,302	$233,272	$117,045	$205,872	$3,211	$0	$14,141,702
63	West Feliciana	$9,957,780	$282,737	$282,054	$230,331	$44,879	$309,055	$11,106,836
64	Winn	$16,145,055	$299,753	$171,547	$288,797	$612,703	$0	$17,517,855
	TOTAL	**$3,485,806,583**	**$90,000,000**	**$129,039,535**	**$38,445,000**	**$93,000,000**	**$39,994,321**	**$3,876,285,439**

Notes:

1) The MFP Initial Distribution (prior to audit adjustments) is generated based on estimated student counts (as of 2/1/2014) and the previous year's local school system tax revenues. Funds for the school systems of the cities of Monroe and Bogalusa are contained in the amounts for the parishes of Ouachita and Washington, respectively. Funds for the school systems of the cities of Baker, Central, and Zachary are contained in the amount for East Baton Rouge Parish. Funds for the Recovery School District are contained in the amount for Orleans, East Baton Rouge, and Caddo parishes.

2) Revenue Sharing distribution to each parish and the city of New Orleans is allocated in Section 12 of Act 805 of 2014.

3) Supplemental Pay provides additional compensation for eligible law enforcement personnel ($500 per month), and for eligible municipal constable and justice of the peace. Funding for FY 15 is an estimation based on FY 14 distribution to each parish.

4) The Parish Road distribution is based on population and mileage as per state law (exclusive of $4.955 M for the Mass Transit Program and $3 M for the Off-System Roads & Bridges Match Program). Of the Mass Transit Program allocation, DOTD retains approximately $123,875.

5) Parish severance, royalty, and video poker distributions are based on state level estimates of the aggregate amount of severance, royalty, and video poker receipts available for distribution to locals that are allocated to each parish based on the prior year's share of these monies distributed to each parish by the state Treasury.

Capital Outlay Appropriation By Parish

Act 25 of 2014

	SGF	IAT	SGR	St, Ded.	Reappro. Cash	Federal	Revenue Bonds	CASH PORTION	Priority 1	Priority 2	Priority 3	Priority 4	Priority 5	TOTAL GO BONDS	Bonds NRP/RBP	TOTAL
Acadia									$640,000	$681,500			$2,120,000	$3,441,500		$3,441,500
Allen									$705,000	$100,000				$805,000		$805,000
Ascension									$23,875,000	$5,950,000			$21,320,000	$51,145,000		$51,145,000
Assumption									$120,000	$375,000			$1,630,000	$2,125,000		$2,125,000
Avoyelles									$610,000				$770,000	$1,380,000		$1,380,000
Beauregard									$2,835,000	$1,695,000			$5,625,000	$10,155,000		$10,155,000
Bienville				$306,720				$306,720	$2,405,000				$2,380,000	$4,785,000		$5,091,720
Bossier									$16,985,000	$451,700			$28,410,000	$45,846,700		$45,846,700
Caddo			$12,000,000				$15,935,000	$27,935,000	$106,430,000	$7,672,500			$108,210,000	$222,312,500		$250,247,500
Calcasieu									$67,525,000	$16,454,100			$188,225,000	$272,204,100		$272,204,100
Caldwell				$426,000				$426,000	$15,495,000	$1,205,000			$8,835,000	$25,535,000		$25,961,000
Cameron				$9,216,000				$9,216,000	$4,965,000					$4,965,000		$14,181,000
Catahoula									$2,610,000	$400,000			$3,000,000	$6,010,000		$6,010,000
Claiborne									$940,000	$926,400				$1,866,400		$1,866,400
Concordia				$501,600				$501,600	$11,510,000	$681,000			$3,175,000	$15,366,000		$15,867,600
DeSoto									$830,000	$200,000			$715,000	$1,745,000		$1,745,000
E. Carroll									$3,675,000	$2,200,000				$5,875,000		$5,875,000
E. Feliciana									$8,795,000	$3,779,000			$15,455,000	$28,029,000		$28,029,000
EBR		$10,000,000	$73,700,000	$2,483,120		$450,000	$169,940,000	$256,573,120	$101,405,000	$23,862,600			$202,715,000	$327,982,600		$584,555,720
Evangeline										$86,000				$86,000		$86,000
Franklin									$1,905,000	$580,000			$2,260,000	$4,745,000		$4,745,000
Grant									$2,330,000	$75,000			$3,805,000	$6,210,000		$6,210,000
Iberia				$3,500,000				$3,500,000	$7,885,000	$600,000			$2,790,000	$11,275,000		$14,775,000
Iberville				$178,800				$178,800	$5,205,000	$355,000			$8,650,000	$14,210,000		$14,388,800
Jackson									$1,580,000	$195,000			$1,655,000	$3,430,000		$3,430,000
Jefferson				$1,221,300				$1,221,300	$113,005,000	$20,881,900			$55,610,000	$189,496,900		$190,718,200
Jefferson Davis									$2,380,000	$250,000			$18,015,000	$20,645,000		$20,645,000
Lafayette									$39,535,000	$20,450,200			$79,990,000	$139,975,200		$139,975,200
Lafourche									$14,905,000	$3,813,800			$65,025,000	$83,743,800		$83,743,800
LaSalle				$59,976				$59,976	$665,000	$495,000				$1,160,000		$1,219,976
Lincoln			$400,000					$400,000	$24,165,000	$7,894,000			$55,145,000	$87,204,000		$87,604,000
Livingston									$8,595,000	$1,445,000			$16,245,000	$26,285,000		$26,285,000
Madison									$730,000	$300,000			$905,000	$1,935,000		$1,935,000
Morehouse									$1,380,000	$1,038,000			$8,250,000	$10,668,000		$10,668,000
Multi					$4,220,646	$22,000,000		$26,220,646	$92,360,000	$8,550,700			$82,985,000	$183,895,700	$98,294	$210,214,640
Natchitoches									$5,065,000	$4,510,200			$81,095,000	$90,670,200		$90,670,200
Orleans			$1,302,000	$2,500,000		$182,500		$3,984,500	$336,391,100	$54,285,800			$169,560,000	$560,236,900	$42,936,994	$607,158,394
Ouachita									$29,330,000	$13,470,000			$61,150,000	$103,950,000		$103,950,000
Plaquemines									$6,420,000	$100,000			$60,270,000	$66,790,000		$66,790,000
Pointe Coupee									$4,135,000	$359,100			$3,225,000	$7,719,100		$7,719,100
Rapides		$768,041				$9,840,180		$10,608,221	$21,465,000	$5,758,500			$50,385,000	$77,608,500		$88,216,721
Red River									$50,000	$725,000			$50,000	$825,000		$825,000
Richland				$126,000				$126,000	$6,915,000	$11,919,000			$7,025,000	$25,859,000		$25,985,000
Sabine									$7,200,000	$1,640,000			$3,450,000	$12,290,000		$12,290,000
St. Bernard									$920,000	$120,600			$3,035,000	$4,075,600		$4,075,600
St. Charles									$2,755,000				$500,000	$3,255,000	$72,545	$3,327,545
St. Helena									$800,000	$175,000			$2,305,000	$3,280,000		$3,280,000
St. James									$15,100,000	$1,700,000			$22,285,000	$39,085,000		$39,085,000
St. John the Baptist			$240,000		$1,500,000			$1,740,000	$7,585,000	$8,154,700			$7,440,000	$23,179,700		$24,919,700
St. Landry									$480,000	$1,013,700			$670,000	$2,163,700		$2,163,700
St. Martin									$850,000	$4,507,000			$56,560,000	$61,917,000		$61,917,000
St. Mary									$11,960,000	$8,069,900			$13,025,000	$33,054,900		$33,054,900
St. Tammany				$687,480				$687,480	$13,425,000	$13,628,700			$30,335,000	$57,388,700		$58,076,180
Statewide		$407,073,500	$25,000,000	$1,095,970,558	$7,902,293	$73,976,342		$1,609,922,693	$300,275,000	$156,578,100			$247,420,000	$704,273,100	$23,632,215	$2,337,828,008
Tangipahoa				$885,000				$885,000	$14,935,000	$4,858,000			$22,985,000	$42,778,000		$43,663,000
Tensas				$576,000				$576,000	$1,060,000	$250,000			$7,450,000	$8,760,000		$9,336,000
Terrebonne									$13,950,000	$5,692,300			$26,925,000	$46,567,300		$46,567,300
Union									$295,000	$875,000			$3,440,000	$4,610,000		$4,610,000
Vermilion				$585,460				$585,460	$1,835,000	$1,945,000			$1,400,000	$5,180,000		$5,765,460
Vernon									$24,855,000	$4,730,000			$2,990,000	$32,575,000		$32,575,000
W. Carroll									$160,000	$1,905,000				$2,065,000		$2,065,000
W. Feliciana									$11,540,000	$563,300			$13,180,000	$25,283,300		$25,283,300
Washington									$4,560,000	$1,083,500			$2,170,000	$7,813,500		$7,813,500
WBR									$6,275,000	$150,000			$26,400,000	$32,825,000		$32,825,000
Webster						$508,000		$508,000	$5,225,000	$860,000			$7,910,000	$13,995,000		$14,503,000
Winn									$3,555,000	$2,115,000			$15,000,000	$20,670,000		$20,670,000
Total		**$417,841,541**	**$112,642,000**	**$1,119,224,014**	**$13,622,939**	**$106,957,022**	**$185,875,000**	**$1,956,162,516**	**$1,548,346,100**	**$445,385,800**			**$1,943,550,000**	**$3,937,281,900**	**$66,740,048**	**$5,960,184,464**

Total State Spending Without Double Counting of Expenditures

	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
	Actual*	**Actual***	**Actual***	**Actual***	**Actual***	**Actual***	**Actual***	**Actual***
State General Fund	$5,818,159,735	$5,811,328,419	$6,279,796,406	$6,484,124,015	$6,593,839,128	$6,536,768,945	$7,179,361,987	9,327,485,627
Self Generated Revenue	$880,018,178	$907,226,026	$1,131,863,636	$1,063,917,530	$1,060,771,306	$1,279,607,742	$1,213,971,213	1,344,780,376
Statutory Dedication	$1,847,283,483	$2,120,666,811	$1,998,560,099	$2,582,272,904	$2,568,809,921	$2,499,947,780	$2,924,513,351	$4,244,609,938
Interim Emergency Bd.	$4,488,327	$2,092,944	$4,287,912	$4,764,095	$5,091,801	$1,855,193	$2,785,111	$973,121
Total State Funds	**$8,549,949,723**	**$8,841,314,200**	**$9,414,508,053**	**$10,135,078,544**	**$10,228,512,156**	**$10,318,179,660**	**$11,320,631,662**	**$14,917,849,062**
% Chg	*3.4%*	*3.4%*	*6.5%*	*7.7%*	*0.9%*	*0.9%*	*9.7%*	*31.8%*
% of Gross State Product	*8.5%*	*8.5%*	*8.5%*	*8.8%*	*8.5%*	*8.0%*	*8.5%*	*11.2%*
Federal	$4,204,178,286	$4,294,795,289	$4,713,910,763	$5,421,770,845	$5,812,966,128	$6,213,400,921	$6,342,171,627	$11,151,125,271
% Chg	*2.2%*	*2.2%*	*9.8%*	*15.0%*	*7.2%*	*6.9%*	*2.1%*	*75.8%*
Total Budget	**$12,754,128,009**	**$13,136,109,489**	**$14,128,418,816**	**$15,556,849,389**	**$16,041,478,284**	**$16,531,580,581**	**$17,662,803,289**	**$26,068,974,333**
% Chg	*3.0%*	*3.0%*	*7.6%*	*10.1%*	*3.1%*	*3.1%*	*6.8%*	*47.6%*
Classified	56,007	56,662	44,591	43,983	44,460	42,268	43,507	40,881
Unclassified	2,195	2,300	2,852	2,751	3,068	3,015	2,302	2,921
Total Authorized Positions	**58,202**	**58,962**	**47,443**	**46,734**	**47,528**	**45,283**	**45,809**	**43,802**
% Chg	*1.3%*	*1.3%*	*-19.5%*	*-1.5%*	*1.7%*	*-4.7%*	*1.2%*	*-4.4%*

	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
	Actual*	**Actual***	**Actual***	**Actual***	**Actual***	**Actual***	**Budgeted ****	**Appropriated**
State General Fund	$10,371,746,553	$9,404,455,045	$8,654,063,030	$7,585,083,993	$8,218,640,371	$8,346,657,081	$8,583,521,684	$8,757,751,385
Self Generated Revenue	$1,237,953,868	$1,373,063,319	$1,428,207,083	$1,559,479,974	$1,979,835,429	$2,046,493,259	$2,342,504,361	$2,517,169,935
Statutory Dedication	$4,104,169,999	$3,287,472,706	$3,430,782,368	$4,025,813,002	$3,637,575,351	$4,112,137,392	$4,631,150,066	$4,290,420,283
Interim Emergency Bd.	$4,612	$1,718,869	$1,343,156	$1,897,824	$2,019,745	$1,347,509	$852,108	$0
Total State Funds	**$15,713,875,032**	**$14,066,709,939**	**$13,514,395,637**	**$13,172,274,793**	**$13,838,070,896**	**$14,506,635,241**	**$15,558,028,219**	**$15,565,341,603**
% Chg	*5.3%*	*-10.5%*	*-3.9%*	*-2.5%*	*5.1%*	*4.8%*	*7.2%*	*0.0%*
% of Gross State Product	*11.3%*	*10.1%*	*8.7%*	*7.6%*	*7.4%*	*7.8%*	*8.8%*	*8.4%*
Federal	$12,883,328,708	$10,951,001,370	$11,771,791,862	$10,918,294,287	$9,745,573,269	$9,520,946,163	$10,519,891,640	$10,030,496,787
% Chg	*15.5%*	*-15.0%*	*7.5%*	*-7.3%*	*-10.7%*	*-2.3%*	*10.5%*	*-4.7%*
Total Budget	**$28,597,203,740**	**$25,017,711,309**	**$25,286,187,499**	**$24,090,569,080**	**$23,583,644,165**	**$24,027,581,404**	**$26,077,919,859**	**$25,595,838,390**
% Chg	*9.7%*	*-12.5%*	*1.1%*	*-4.7%*	*-2.1%*	*1.9%*	*8.5%*	*-1.8%*
Classified	43,735	41,934	40,151	55,861	52,128	47,007	36,373	35,728
Unclassified	3,162	3,256	3,579	26,386	20,549	19,252	17,863	17,443
Total Authorized Positions	**46,897**	**45,190**	**43,730**	**82,247**	**72,677**	**66,259**	**54,236**	**53,171**
% Chg	*7.1%*	*-3.6%*	*-3.2%*	*88.1%*	*-11.6%*	*-8.8%*	*-18.1%*	*-2.0%*

* Executive Budget Yellow Pages
** As of 6/30/2014

Note: Reflects total state spending and avoids double counting of expenditures (primarily Ancillary Bill SGR, IEB Appropriations, Interagency Transfers, etc.).
FY 97 to FY 04 Governor Foster; FY 05 to FY 08 Governor Blanco; FY 09 to present Governor Jindal.
FY 01 forward does not include expenditures of the LSU Health Care Services Division that have been moved "off-budget".
FY 11 forward include positions of the LSU Health Care Services Division.

ITEMS EXCLUDED AS DOUBLE COUNTED
FY 13 - FY 15

	SGF	SGR	Stat Ded	IEB	Fed	Total
FY 13 ACTUAL Total	8,346,657,081	3,399,121,295	4,155,390,375	1,347,509	9,520,946,163	25,423,462,423
Ancillary Bill		(1,338,274,611)				(1,338,274,611)
Legislative Ancillary Enterprise Fund (24-924)		(350,000)				(350,000)
Legislative Auditor Fees (24-954)		(14,003,425)				(14,003,425)
LA Public Defender Fund (01-116)			(32,124,432)			(32,124,432)
Indigent Parent Representation Program Fund (01-116)			(979,680)			(979,680)
Indigent Patient Representation Program Fund (01-103)			(327,649)			(327,649)
LA Interoperability Communication Fund			(9,796,763)			(9,796,763)
DNA Testing Post-Conviction Relief for Indigents Fund (01-116)			(7,000)			(7,000)
IEB Board (20-905)			(17,459)			(17,459)
Total	**8,346,657,081**	**2,046,493,259**	**4,112,137,392**	**1,347,509**	**9,520,946,163**	**24,027,581,404**
FY 14 BUDGETED Total	8,583,521,684	3,815,015,499	4,664,944,543	852,108	10,519,891,640	27,584,225,474
Ancillary Bill		(1,458,944,118)				(1,458,944,118)
Legislative Ancillary Enterprise Fund (24-924)		(350,000)				(350,000)
Legislative Auditor Fees (24-954)		(13,217,020)				(13,217,020)
LA Public Defender Fund (01-116)			(32,493,268)			(32,493,268)
Indigent Parent Representation Program Fund (01-116)			(932,680)			(932,680)
Indigent Patient Representation Program Fund (01-103)			(328,573)			(328,573)
IEB Board (20-905)			(39,956)			(39,956)
Total	**8,583,521,684**	**2,342,504,361**	**4,631,150,066**	**852,108**	**10,519,891,640**	**26,077,919,859**
FY 15 APPROPRIATED Total	8,757,751,385	3,923,557,157	4,324,506,435	0	10,030,496,787	27,036,311,764
Ancillary Bill		(1,391,117,380)				(1,391,117,380)
Legislative Ancillary Enterprise Fund (24-924)		(350,000)				(350,000)
Legislative Auditor Fees (24-954)		(14,919,842)				(14,919,842)
LA Public Defender Fund (01-116)			(32,716,959)			(32,716,959)
Indigent Parent Representation Program Fund (01-116)			(979,680)			(979,680)
Indigent Parent Representation Program Fund (01-103)			(328,573)			(328,573)
DNA Testing Post-Conviction Relief for Indigents Fund (01-116)			(20,000)			(20,000)
IEB Board (20-905)			(40,940)			(40,940)
Total	**8,757,751,385**	**2,517,169,935**	**4,290,420,283**	**0**	**10,030,496,787**	**25,595,838,390**

Previous Mid-Year Budget Deficits

Since December 2008, the state budget has been subject to a mid-year SGF budget deficit every fiscal year (FY 09, FY 10, FY 11, FY 12, FY 13 & FY 14). These deficits have been "solved" in various ways from reducing the SGF budget, maximizing other means of financing, and reducing statutory dedicated appropriations and transferring these funds to the SGF. The following information summarizes the SGF reductions/SGF actions incorporated to solve these various mid-year SGF budget deficits by fiscal year. (only significant items are detailed)

FY 14 SGF MOF Swap

($34.7 M)	SGF revenue forecast reduction
$3.1 M	Calculated SGF available in December 2013
($31.6 M)	Total SGF deficit

Solution:

$31.6 M	MOF swap replacing SGF with 2013 Tax Amnesty proceeds within the Medicaid Budget.

FY 13 SGF Reduction Plan

($129.2 M)	SGF revenue forecast reduction
($30.0 M)	MFP underfunding due to October 2012 child count
($11.4 M)	TOPS underfunding due to student count
$5.1 M	Calculated SGF available in November after satisfying preamble reductions
($165.5 M)	Total SGF deficit

Solution:

$7.1 M	Hiring Freeze Savings (BJ 2012-6)
$68.3 M	MOF swaps replacing SGF *($1 M due to local government election cost sharing; $5.5 M offenders excess proceeds from canteen sales in Correctional Services; $30.5 M anticipated legal settlements (Average Wholesale Price) in DHH; $7.3 M redirection in TANF funding used in LA-4; $10 M in HIED tuition increase; and $11.3 M from Hurricane Katrina proceeds in ORM)*
$40.4 M	SGF funding due to the reducing Capital Outlay statutorily dedicated appropriations and transferring these funds to the SGF *(FY 13 Supplemental Bill)*
$49.7 M	SGF reductions *($0.8 M - DOA; $0.8 M – Military Death Benefits; $1.1 M – Correctional Services; $4.6 M – Youth Services; $20.5 M – DHH; $1 M – DCFS; $3 M – Local Housing of State Adult & Juvenile Offenders; and $2.2 M – Schedule 20-XXX)*

FY 12 SGF Reduction Plan

($197.8 M)	SGF Revenue Forecast Reduction
($42.6 M)	MFP Underfunding Due to October 2011 Child Count
($10.9 M)	FY 11 SGF Deficit
($251.3 M)	Total SGF Deficit

Solution:

$119.3 M	MOF swaps replacing SGF *($2.4 M in TTF funding for State Police; $50.4 M cost reports in DHH; and $66.2 M settlement receipts for TOPS)*
$38.2 M	SGF funding due to the reducing statutorily dedicated appropriations and transferring these funds to the SGF *(56 statutorily dedicated funds were impacted)*
$93.8 M	SGF reductions *($1.5 M – Secretary of State; $1.2 M – Agriculture & Forestry; $1.1 M – CRT; $6.3 M – Correctional Services; $6 M – Youth Services; $13.4 M – DHH; $8 M – DCFS; $50 M - Board of Regents; and $1.3 M – Dept. of Ed.)*

FY 11 SGF Reduction Plan

($106.7 M)	Total SGF deficit (FY 10 ending year SGF deficit)

Solution:

$106.7 M	SGF reductions *($5.1 M – Correctional Services; $3.4 M – Public Safety Services; $4.6 M – Youth Services; $20.8 M – DHH; $11.7 M – DCFS; and $34.7 M – HIED)*

Note: The LFO utilized the DOA Power Point Presentation on the FY 11 Mid-Year Reduction Plan. A portion of the $106.7 M in SGF reductions was likely replaced with other means of financing to mitigate the cut. This information was not presented within the DOA handouts.

FY 10 SGF Reduction Plan

($197.0 M)	SGF revenue forecast reduction
($52.6 M)	MFP underfunding due to October 2009 child count
$1.7 M	Calculated SGF available in November
($247.9 M)	Total SGF deficit

Solution:

$247.9 M	SGF reductions *($7.7 M – Executive Department; $108.1 M – DHH; $84 M – HIED; and $16 M – Dept. of Ed.)*

Note: BJ 2009-21 reduced SGF expenditures in the amount of $247.9 M. An example of a SGF reduction could be a means of financing swap that increases another revenue source and decreases SGF by a like amount. The LFO does not have this information pertaining to the FY 10 Mid-Year Deficit Reduction Plan.

FY 09 SGF Reduction Plan

($341 M)	SGF revenue forecast reduction

Solution:

$178 M	JLCB Approval *(inclusive of $24,378,056 from various statutorily dedicated funds)*
$163 M	SGF reductions *(BJ 2008-114 including $11 M – Correctional Services; $11.7 M – Youth Services; $118.1 M – DHH; $55.2 M – HIED; $11.1 M – Dept. of Ed.; and $20 M – GO Debt Services)*

Note: The FY 09 Mid-Year Reduction Plan reduced SGF expenditures in the amount of $341 M. An example of a SGF reduction could be a means of financing swap that increases another revenue source and decreases SGF by a like amount. The LFO does not have this information pertaining to the FY 09 Mid-Year Deficit Reduction Plan.

See table summarizing all of these fiscal years on the next page.

Department	**FY 09**	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**
01-EXEC	($6,257,189)	($7,740,854)	($6,094,311)	($2,196,294)	($20,841,311)	$0
03-VETS	($1,454,402)	($637,278)	($350,495)	($228,476)	($596,943)	$0
04-STATE	($4,213,831)	($1,632,209)	($2,430,964)	($1,490,918)	($1,000,000)	$0
04-JUSTICE	($1,388,370)	($619,232)	($350,000)	($119,000)	$0	$0
04-LT. GOV.	($121,766)	($122,053)	($93,129)	($46,371)	$0	$0
04-TREAS	($116,640)	($46,881)	$0	$0	$0	$0
04-AGRI	($2,732,951)	($1,554,442)	($1,646,031)	($1,183,683)	($102,412)	$0
05-LED	($1,005,750)	($1,714,480)	($1,195,191)	($564,373)	($430,199)	$0
06-CRT	($5,506,033)	($2,188,047)	($1,350,618)	($1,138,189)	($4,000,000)	$0
07-DOTD	($6,806,761)	($132,296)	$0	$0	$0	$0
08-CORR	($11,032,707)	$0	($5,071,813)	($6,272,005)	($9,414,276)	$0
08-DPS	($5,840,693)	($2,740,923)	($3,485,973)	($2,351,002)	$0	$0
08-OJJ	($11,744,321)	$0	($4,564,339)	($6,024,629)	($4,600,000)	$0
09-DHH	($118,070,508)	($108,056,551)	($20,804,466)	($62,627,895)	($51,758,946)	($31,575,408)
10-DCFS	($20,445,097)	($14,129,547)	($11,711,646)	($8,000,000)	($3,153,009)	$0
11-DNR	($1,959,852)	($375,881)	$0	($158,111)	($180,321)	$0
12-REV	($3,393,660)	($1,060,656)	$0	$0	$0	$0
13-DEQ	($1,815,028)	($321,667)	$0	$0	$0	$0
14-WORK	($1,017,500)	($137,514)	($275,000)	$0	$0	$0
16-WLF	$0	($7,561)	$0	$0	$0	$0
17-CIVIL	$0	($176,384)	($152,859)	($174,695)	($111,055)	$0
19-HIED	($55,182,262)	($83,961,506)	($34,745,030)	($116,223,039)	($22,834,387)	$0
19-SPECIAL	($3,324,982)	($94,116)	($461,981)	($273,425)	($248,879)	$0
19-DOE	($11,146,641)	($15,983,432)	($6,320,266)	($3,481,265)	($9,262,781)	$0
19-HCSD	$0	($2,454,084)	($5,307,534)	$0	$0	$0
20-OTHER	($20,493,234)	($2,024,315)	($319,900)	($540,000)	($36,930,170)	$0
21-ANCIL	($1,000,000)	$0	($1,000)	$0	$0	$0
22-NON-APPROP.	($20,000,000)	$0	$0	$0	$0	$0
26-CAP	($500,000)	$0	$0	$0	$0	$0
Statutory Dedicated Funds	***($24,378,056)***	***$0***	***$0***	***($38,186,107)***	***$0***	***$31,575,408***
Total Mid-Year Deficit	**($340,948,234)**	**($247,911,909)**	**($106,732,546)**	**($251,279,477)**	**($165,464,689)**	**$0**

Sources: FY 09 (BJ 2008-114); FY 10 (BJ 2009-21); FY 11 (BJ 2010-20); FY 12 (BJ 2011-25); FY 13 (BJ 2012-24 & 2012-25); and FY 14 (JLCB Approved BA-7).

**Includes JLCB approval. The mid-year SGF budget deficits in FY 09 and in FY 12 required executive order action as well as JLCB approval. Thus, the 2 columns listed above include executive order actions and JLCB actions to solved the SGF budget deficit and those 2 executive order columns do not accurately reflect the specific total SGF reduction actions actually presented within the specific executive orders.*

***Due to the 3% per budget unit reduction limitation in R.S. 39:75(C)(1)(a), the DOA implemented the FY 13 Deficit Reduction Plan via 2 Executive Orders (BJ 2012-24 & BJ 2012-25). Executive Order 24 (Expenditure Reduction) reduced SGF appropriations $127,835,080, while the remaining $37,629,609 of SGF was reduced in Executive Order 25 (Expenditure Freeze). If all of the $165.5 M FY 13 Deficit Reduction Plan had been enacted in Executive Order 24, the 3% limitation would have been violated in the following budget units: Inspector General, Board of Tax Appeals, State Parks, Corrections Administration, Phelps, Youth Services, State Police Commission, Special School Districts and various other requirements. The DOA argues that this is possible due to R.S. 39:75(C)(3), which allows the governor to issue executive orders in the form of freeze orders prohibiting the expenditure of monies.*

2014 Fiscal Highlights
Appendix of Tables