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To: The Honorable Eric LaFleur, Chairman of the Joint Legislative Committee on the Budget
Honorable members of the Joint Legislative Committee on the Budget
The Honorable John A. Alario, Senate President
The Honorable Taylor Barras, Speaker of the House
Honorable members of the Louisiana Legislature
The Honorable John Bel Edwards, Governor

From: John D. Carpenter, Legislative Fiscal Officer

Date: February 22, 2016

Subject: Report by the LFO pursuant to Act 424 of the 2013 Regular Legislative Session

Pursuant to Section 1 of Act 424 of the 2013 Regular Legislative Session, the Legislative Fiscal Office (LFO) is required to review the proposed executive budget for the ensuing fiscal year and report to the Joint Legislative Committee on the Budget (JLCB), the state legislature and the governor whether the budget recommended appropriations out of the state general fund and dedicated funds for health care (09-DHH) and higher education (19A-Higher Education, 19E-HCSD) in FY 17 have been reduced from the FY 16 existing operating budget (as of February 13, 2016).

For purposes of Act 424, "general fund and dedicated funds" is assumed to have the meaning ascribed to that phrase in Article VII, Section 10(J) of the Louisiana Constitution. That definition specifically excludes self-generated revenue (SGR) collections from Higher Education (see below).

Article VII, Section 10 (J)

(J) Definition of Funds. For the purposes of this Article, the state general fund and dedicated funds shall be all money required to be deposited in the state treasury, except that money the origin of which is:

- (1) The federal government*
- (2) Self-generated collections by an entity subject to the policy and management authority established by Article VIII, Sections 5 through 7.*
- (3) A transfer from another state agency, board, or commission.*
- (4) The provisions of this Paragraph shall not apply to or affect funds allocated by Article VII, Section 4, Paragraphs (D) and (E).*

Department of Health and Hospitals

As presented in Table 1, the LFO reports that the recommended appropriations contained in the executive budget submitted by the governor are in an amount more than the appropriations for schedule 09, Department of Health & Hospitals in the existing operating budget (FY 16) by approximately \$134.6 M.

TABLE 1

09-DHH	FY 16 Current	FY 17 EXEC Budget	Difference
SGF	\$2,307,668,324	\$2,519,552,475	\$211,884,151
SGR	\$180,307,677	\$266,568,083	\$86,260,406
Dedications	\$611,940,403	\$448,419,545	(\$163,520,858)
Total	\$3,099,916,404	\$3,234,540,103	\$134,623,699

Higher Education

As presented in Table 2C, the LFO reports that the recommended appropriations contained in the executive budget submitted by the governor are in an amount less than the appropriations for schedule 19, Higher Education and LSU Health Sciences Center Health Care Services Division in the existing operating budget (FY 16) by approximately \$453.8 M.

TABLE 2A

19A-HIED	FY 16 Current	FY 17 EXEC Budget	Difference
SGF	\$649,879,923	\$570,857,964	(\$79,021,959)
Dedications	\$533,675,165	\$175,521,643	(\$358,153,522)
Total	\$1,183,555,088	\$746,379,607	(\$437,175,481)

TABLE 2B

19E-HCSD	FY 16 Current	FY 17 EXEC Budget	Difference
SGF	\$37,222,579	\$20,505,447	(\$16,717,132)
Dedications	\$0	\$0	\$0
Total	\$37,222,579	\$20,505,447	(\$16,717,132)

TABLE 2C

19-HIED/HCSD Total	FY 16 Current	FY 17 EXEC Budget	Difference
SGF	\$687,102,502	\$591,363,411	(\$95,739,091)
Dedications	\$533,675,165	\$175,521,643	(\$358,153,522)
Total	\$1,220,777,667	\$766,885,054	(\$453,892,613)

FY 16 current is from the LFO database & FY 17 Exec Budget is from the Governor's FY 16 Executive Budget Document.