

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Approved By JLCB**

DEPARTMENT: Executive

AGENDA NO.: 1

AGENCY: LA Commission on Law Enforcement

ANALYST: Monique Appeaning

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Federal Program	\$1,000,000	0
Interagency Transfers:	\$0	State Program	\$0	0
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$1,000,000			
Total	<u>\$1,000,000</u>	Total	<u>\$1,000,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 is to increase federal budget authority (Other Charges) for the LA Commission on Law Enforcement (LCLE) as a result of receiving a \$1 M grant award from the U.S. Department of Justice, Office of Justice Programs, Edward Byrne Memorial Competitive Grant Program (Law Enforcement Emergency Funding).

These funds will be utilized to defray law enforcement expenditures associated with officer involved shootings during the summer of 2016. Specifically, these funds are pass-thru in nature in that they will be sent to the East Baton Rouge Sheriff's Office (\$71,000) and the city of Baton Rouge Police Department (\$929,000) for overtime costs incurred during the aforementioned timeframe. This grant does not cover the entire overtime expenditures. The total expenditures for the East Baton Rouge Parish Sheriff's Office was \$101,864 (with a total of 2,628 hours worked) and the total for the city of Baton Rouge Police Department was \$1,459,428 (with a total of 36,906 hours worked).

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

While the LFO agrees in concept with the increase in expenditures as a result of the federal award, the need for additional federal budget authority is not needed based on historical unexpended authority each year as shown below. The Legislative Fiscal Office (LFO) does not recommend approval of this BA-7 request. Based on the latest projections in the current fiscal year, the reimbursement levels reflect that there will be unused federal authority in excess of \$10 M remaining.

Historical Federal Authority

	<u>Existing Operating Budget</u>	<u>Year To Date/Prior Year Actual Expended</u>	<u>Remaining/Unexpended Authority</u>
FY 17	\$50,705,433	\$4,378,469 (as of 10/10/16)	\$46,326,964 (as of 10/10/16)
FY 16	\$36,019,483	\$19,149,697	\$16,869,786
FY 15	\$22,792,417	\$16,820,920	\$5,971,497
FY 14	\$21,403,530	\$14,728,642	\$6,701,888

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DEPARTMENT: Environmental Quality

AGENDA NO.: 2

AGENCY: Environmental Quality

ANALYST: Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Office of the Secretary	\$0	0
Interagency Transfers:	\$250,000	Environmental Compliance	\$0	0
Self-Generated Revenue:	\$0	Environmental Services	\$250,000	0
Statutory Dedications:	\$0	Management & Finance	\$0	0
Federal Funds:	\$0			
Total	<u>\$250,000</u>	Total	<u>\$250,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase Interagency Transfers budget authority in the amount of \$250,000 within the Department of Environmental Quality (DEQ) to receive funds from the LA Department of Health (LDH) related to the Zika virus. At the September 2016 meeting of the Joint Legislative Committee on the Budget (JLCB), a BA-7 in the amount of \$3.4 M was approved for LDH. Included in the \$3.4 M amount was an IAT amount of \$250,000 which is being addressed through this BA-7.

DEQ will use the funds to reduce waste tires in the designated area associated with the grant funds (Orleans, Plaquemines, and St. Bernard parishes). The funds will be used to pay transporters and processors for waste tires. Ineligible waste tires are tires in which a fee has not been collected.

DEQ will provide for transportation of containers to mosquito districts in the designated parishes that will be used to collect tires from residents. The containers will either be small containers (holding 250 tires) or large containers (holding 500 tires). The transportation cost is \$250 for a small container and \$500 for a large container. The transportation fee is \$1 per tire. Residents are allowed to drop off as many tires as they have in their possession. The first 5 tires are considered eligible and any tire above that amount is considered ineligible. Ineligible tires will be processed by processors at the same rate as eligible tires which is \$0.075 per pound.

According to DEQ, the amount of tires that will be collected ranges from approximately 79,500 tires (if all tires are ineligible) to 250,000 tires (if all tires are eligible). DEQ plans to issue a Request for Proposals (RFP) for processors in the state to bid on processing and transporting the tires collected in the designated parishes.

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
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DEPARTMENT: Environmental Quality

AGENDA NO.: 3

AGENCY: Environmental Quality

ANALYST: Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Office of the Secretary	\$26,000	0
Interagency Transfers:	\$0	Environmental Compliance	\$248,571	0
Self-Generated Revenue:	\$0	Environmental Services	\$0	0
Statutory Dedications:	\$274,571	Management & Finance	\$0	0
Federal Funds:	\$0			
Total	<u>\$274,571</u>	Total	<u>\$274,571</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase budget authority in the amount of \$274,571 from the statutorily dedicated Environmental Trust Fund (ETF) to replace vehicles and air monitoring equipment that was damaged in the August 2016 flood. The department is replacing 2 vehicles and equipment that was located at the LSU and Pride, LA air monitoring sites.

ETF funds totaling \$274,571 will be used to replace the vehicles (\$66,000) and monitoring equipment (\$208,571) that was damaged. The difference in replacement costs and available insurance proceeds will be covered by existing ETF resources.

The vehicles that were damaged in the flood were a 2015 Dodge Ram 1500 pickup truck and a Ford F-350 truck. The Dodge truck has an estimated replacement cost of \$26,000 and the Ford truck has an estimated replacement cost of \$40,000 for a total of \$66,000. The department will receive insurance funds from the Office of Risk Management (ORM) for the damaged vehicles and will deposit the funds into the ETF. The amount of funds that will be received from ORM total \$41,330 (\$25,920 Dodge truck + \$15,410 Ford truck). Based on the replacement costs and insurance proceeds, the ETF will ultimately cover \$26,670 (\$66,000 replacement costs - \$41,330 insurance proceeds) in replacement costs.

The air monitoring equipment damaged at the two locations has a replacement cost of \$208,571. This includes \$37,660 of replacement equipment at the LSU site and \$170,911 of replacement equipment at the Pride, LA site. The equipment damaged was insured and the department will receive insurance funds from ORM. However, at this time the amount that will be received from ORM is unknown. The difference between the replacement costs and the insurance proceeds will be covered by ETF resources.

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Original: Not approved by JLCB**

DEPARTMENT: Veterans Affairs

AGENDA NO.: 4

AGENCY: Northeast LA War Veterans Home

ANALYST: Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Northeast LA War Veterans Home	\$370,000	0
Interagency Transfers:	(\$101,893)			
Self-Generated Revenue:	(\$150,000)			
Statutory Dedications:	\$0			
Federal Funds:	\$621,893			
Total	<u>\$370,000</u>	Total	<u>\$370,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to properly align means of financing by removing \$101,893 of IAT budget authority as well as decreasing SGR by \$150,000 and increasing Federal funds by \$621,893 at the Northeast LA War Veterans Home.

Removal of IAT (-\$101,893)

The IAT funds were used for salary (\$70,603) and related benefits (\$31,290) for a shared internal auditor position housed at the Northeast veterans home in Monroe. In FY 17, the internal auditor position was placed under Southeast veterans home. Each of the other 4 veterans homes would send revenue to cover 20% of the cost of salary and related benefits. The original source of IAT funds are SGR and Federal funds from the care of veterans. The salary and related benefits of the position are \$127,366 (\$88,254 salary and \$39,1120 related benefits).

- (\$25,474) - LA War Veterans Home in Jackson
- (\$25,473) - Northwest LA War Veterans Home in Bossier City
- (\$25,473) - Southeast LA War Veterans Home in Reserve
- (\$25,473) - Southwest LA War Veterans Home in Jennings
- (\$101,893) - Total IAT for Internal Auditor position

MOF Swap of SGR and Federal Funds (\$471,893)

The increase in Federal funding of \$621,893 at Northeast veterans home is due to additional Federal reimbursement as a result of projected higher number of veterans who are 70% service-connected disabled (i.e. a condition related to their military service). These veterans receive a higher per diem rate from the U.S. Department of Veterans Affairs (USVA); thereby increasing Federal reimbursement. Northeast is a 145 bed facility. The average census of veterans who are 70% service-connected disabled at Northeast veterans home has increased from 25 to 30. Once a veteran becomes 70% service-connected disabled, the USVA per diem increases from \$103.61 to \$341.44, an increase of \$237.83.

With the enhanced USVA per diem rate, veterans who are 70% service-connected disabled or higher are no longer contributing as much to the cost of their care (co-payments, pension, private pay, room rental, monthly fees, etc). As a result, Northeast veterans home anticipates a decrease in SGR of \$150,000.

Northeast LA War Veterans Home
Means of Financing Swap
Federal - \$623,128*
SGR - <u>(\$150,000)</u>
Total \$473,128

*Projected Federal revenue is based on an average increase of 5 veterans who are 70% service-connected disabled that is \$623,128 (\$341.44 x 5 x 365).

The agency intends to use the additional revenue as follows:

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Original: Not approved by JLCB**

Operating Services - Expenses for lab, x-ray and ambulance services as well as podiatry and physical therapy (\$30,000).

Supplies - Medication, medical supplies, and food (\$100,000).

Interagency Transfers - Northeast veterans home will send revenue to cover their share of salary and related benefits of the shared Internal Auditor position at Southeast veterans home (\$20,000); prescription medication provided by Southeast (\$27,000); payments to the Division of Administration for the LaGov ERP procurement module, Supplier Relationship Management (SRM) (\$23,000).

Acquisitions - Due to high mileage and mechanical issues, 2 new replacement passenger vans will be purchased. One van is a 12-passenger and the other is a 16-passenger van. Both vans are wheelchair accessible and are equipped with an interior wheelchair lift. The new vans will replace existing vehicles; therefore, the number of vehicles in the fleet will not increase. These vans will be used to transport veterans, including those with limited mobility, to dialysis, therapy and doctor appointments (\$150,000). Replacement of broken and old computer equipment and accessories that include 6 touch screen computer monitors (\$8,4000); 4 broken laptop computers (\$5,200); 2 desktop computers (\$3,100); 4 scanners (\$1,200); 4 printers (\$800); and 8 computer monitors (\$1,300).

II. IMPACT ON FUTURE FISCAL YEARS

Information provided by the Northeast veteran home indicates that the average census for veterans who are 70% service-connected disabled will continue to be at least 30 in FY 18 and future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request. In addition, the LFO recommends approval of budgeting an additional \$1,235 in Federal funds projected to be received by the Northeast veterans home in FY 17 resulting in a total BA-7 amount of \$371,235.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Amended: Approved by JLCB**

DEPARTMENT: Veterans Affairs

AGENDA NO.: 4

AGENCY: Northeast LA War Veterans Home

ANALYST: Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Northeast LA War Veterans Home	\$371,235	0
Interagency Transfers:	(\$101,893)			
Self-Generated Revenue:	(\$150,000)			
Statutory Dedications:	\$0			
Federal Funds:	\$623,128			
Total	<u>\$371,235</u>	Total	<u>\$371,235</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to properly align means of financing by removing \$101,893 of IAT budget authority as well as decreasing SGR by \$150,000 and increasing Federal funds by \$621,893 at the Northeast LA War Veterans Home.

Removal of IAT (-\$101,893)

The IAT funds were used for salary (\$70,603) and related benefits (\$31,290) for a shared internal auditor position housed at the Northeast veterans home in Monroe. In FY 17, the internal auditor position was placed under Southeast veterans home. Each of the other 4 veterans homes would send revenue to cover 20% of the cost of salary and related benefits. The original source of IAT funds are SGR and Federal funds from the care of veterans. The salary and related benefits of the position are \$127,366 (\$88,254 salary and \$39,1120 related benefits).

- (\$25,474) - LA War Veterans Home in Jackson
- (\$25,473) - Northwest LA War Veterans Home in Bossier City
- (\$25,473) - Southeast LA War Veterans Home in Reserve
- (\$25,473) - Southwest LA War Veterans Home in Jennings
- (\$101,893) - Total IAT for Internal Auditor position

MOF Swap of SGR and Federal Funds (\$471,893)

The increase in Federal funding of \$621,893 at Northeast veterans home is due to additional Federal reimbursement as a result of projected higher number of veterans who are 70% service-connected disabled (i.e. a condition related to their military service). These veterans receive a higher per diem rate from the U.S. Department of Veterans Affairs (USVA); thereby increasing Federal reimbursement. Northeast is a 145 bed facility. The average census of veterans who are 70% service-connected disabled at Northeast veterans home has increased from 25 to 30. Once a veteran becomes 70% service-connected disabled, the USVA per diem increases from \$103.61 to \$341.44, an increase of \$237.83.

With the enhanced USVA per diem rate, veterans who are 70% service-connected disabled or higher are no longer contributing as much to the cost of their care (co-payments, pension, private pay, room rental, monthly fees, etc). As a result, Northeast veterans home anticipates a decrease in SGR of \$150,000.

Northeast LA War Veterans Home	
Means of Financing Swap	
Federal -	\$623,128*
SGR -	<u>(\$150,000)</u>
Total	\$473,128

*Projected Federal revenue is based on an average increase of 5 veterans who are 70% service-connected disabled that is \$623,128 (\$341.44 x 5 x 365).

The agency intends to use the additional revenue as follows:

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Operating Services - Expenses for lab, x-ray and ambulance services as well as podiatry and physical therapy (\$30,000).

Supplies - Medication, medical supplies, and food (\$100,000).

Interagency Transfers - Northeast veterans home will send revenue to cover their share of salary and related benefits of the shared Internal Auditor position at Southeast veterans home (\$20,000); prescription medication provided by Southeast (\$27,000); payments to the Division of Administration for the LaGov ERP procurement module, Supplier Relationship Management (SRM) (\$23,000).

Acquisitions - Due to high mileage and mechanical issues, 2 new replacement passenger vans will be purchased. One van is a 12-passenger and the other is a 16-passenger van. Both vans are wheelchair accessible and are equipped with an interior wheelchair lift. The new vans will replace existing vehicles; therefore, the number of vehicles in the fleet will not increase. These vans will be used to transport veterans, including those with limited mobility, to dialysis, therapy and doctor appointments (\$150,000). Replacement of broken and old computer equipment and accessories that include 6 touch screen computer monitors (\$8,4000); 4 broken laptop computers (\$5,200); 2 desktop computers (\$3,100); 4 scanners (\$1,200); 4 printers (\$800); and 8 computer monitors (\$1,300).

II. IMPACT ON FUTURE FISCAL YEARS

Information provided by the Northeast veteran home indicates that the average census for veterans who are 70% service-connected disabled will continue to be at least 30 in FY 18 and future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

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Approved By JLCB**

DEPARTMENT: Economic Development

AGENDA NO.: 5

AGENCY: Business Development

ANALYST: Zachary Rau

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Business Development	\$2,000,000	0
Interagency Transfers:	\$0	Business Incentives	\$0	0
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$2,000,000			
Federal Funds:	\$0			
Total	<u>\$2,000,000</u>	Total	<u>\$2,000,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to appropriate \$2 M from the statutorily dedicated 2013 Amnesty Collections Fund to the Office of Business Development. The \$2 M appropriation from the 2013 Amnesty Collections Fund is to satisfy a provision of Act 822 of 2014, which provides that, of revenues in excess of \$100 M deposited in the fund in FY 15, \$4 M shall be appropriated to the DED, then disbursed to the LA Regional Leadership Council to be used “for purposes of regional economic development and workforce development.”

The legislature appropriated the first \$2 M of the \$4 M requirement in FY 15 via Act 56 of 2015, the Supplemental Appropriations Act. The \$2 M appropriated in Act 56 of 2015 was then carried forward into FY 16 via the carryforward BA-7 process and disbursed to the LA Regional Leadership Council’s member entities. This BA-7 request is to fulfill the remaining \$2 M left of the \$4 M requirement. The DED’s appropriation from the 2013 Amnesty Collections Fund totals \$15,852 in FY 17 and is the remainder of the \$2 M appropriated in FY 15 and carried forward to FY 16.

For reference, the 2013 Amnesty Collections Fund has a present balance of approximately \$3.42 M with a total appropriation of \$15,852 in FY 17.

The LA Regional Leadership Council is a nonprofit corporation that comprises eight regional economic development organizations statewide that serve all 64 parishes. The Council’s purposes include economic development, workforce enhancement, business retention and expansion, community development, and job creation. Each of the eight members is entitled to a total disbursement of \$500,000 from the DED. The eight organizations each have received the first \$250,000 associated with Act 822 of 2014 and this \$2 M appropriation satisfies the remaining balance due to each organization.

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years. This BA-7 request fulfills a one-time obligation for the DED that does not recur in subsequent fiscal years. The LA Regional Development Council does not receive an annual appropriation through the DED.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
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Approved By JLCB**

DEPARTMENT: Health

AGENDA NO.: 6

AGENCY: Medical Vendor Payments

ANALYST: Shawn Hotstream

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Private Providers	(\$53,802,709)	0
Interagency Transfers:	\$0	Public Providers	\$0	0
Self-Generated Revenue:	\$106,384,506	Medicare Buy-Ins & Supplements	\$0	0
Statutory Dedications:	\$0	Uncompensated Care Costs	\$318,256,592	0
Federal Funds:	\$158,069,377			
Total	<u>\$264,453,883</u>	Total	<u>\$264,453,883</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase both SGR (\$106,384,506) and Federal Funds (\$158,069,377) budget authority in the LA Department of Health (LDH), Medical Vendor Payments. The source of Fees and Self Generated funds are revenues transferred from various hospitals and the two state medical schools. The source of Federal Funds are Medicaid federal matching funds. Fees will be used as a state match source to make Disproportionate Share Hospital (DSH) and supplemental Medicaid payments to both Public Private Partnership (PPP) hospitals and various non partnership hospitals.

\$135,802,397 - Additional FY 17 DSH and supplemental Medicaid payments to PPP hospitals
 \$140,834,665 - Additional FY 17 supplemental Medicaid payments to various non partner hospitals
 \$276,637,062* - Total new Medicaid payments in FY 17 to hospitals

*LDH will make approximately \$276 M in additional payments to both partner and certain other hospitals. The BA-7 only requests \$264,453,883, as a result of LDH's existing budget authority.

The purpose of this BA-7 is twofold. First, the BA-7 requests to refinance existing means of finance for the Public Private Partnerships by replacing currently allocated supplemental Medicaid payments (Upper Payment Limit, or UPL) with Disproportionate Share Hospital (DSH) payments. This means of finance swap has no net impact on overall payments to the Public Private Partnerships. Second, the BA-7 proposes to make additional payments to certain hospitals (including partnership hospitals) in FY 17, increasing net payments to various hospitals by approximately \$276 M. The LDH will utilize fees and self generated funds generated from certain hospital providers and the two LSU medical schools (LSU Health Science Center - New Orleans, and Health Science Center - Shreveport) as a state match source to draw federal financial participation in order to make the additional payments. Approximately \$106 M in revenues will be transferred through an Intergovernmental Transfer (IGT) process to LDH. The illustration below reflects the state match sources transferred by provider/medical school.

Sources of self generated revenue transferred to LDH to be used as state match for BA-7 :

Match for additional hospital funding:

- \$28,607,824 - LSU HSC - New Orleans Medical School (restricted off budget self generated funds from clinical activities)
- \$10,255,567 - LSU HSC - Shreveport Medical School (restricted off budget self generated funds from clinical activities)
- \$2,425,828 - Re-couplement of FY 17 overpayments (state match) from LDH to Biomedical Research Foundation
- \$3,924,204 - Lallie Kemp/HCSO
- \$8,302,572 - Terrebonne General
- \$1,509,600 - West Calcasieu Cameron
- \$28,054,657 - East Jefferson General Hospital
- \$1,471,105 - East Baton Rouge School Board (self generated funds for operation of school based health clinic)
- \$6,642,240 - West Jefferson General Hospital
- \$6,793,200 - New Orleans East

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\$6,415,800 - Beauregard Mem., Hardtner Med. Ctr., LaSalle Gen., Opelousas Gen., Richardson Med. Cntr., St. Bernard, West
Calc. Cameron
\$1,981,907 - Terrebonne General
\$106,384,504

The state match source will be used to make the \$135 M in additional PPP hospital payments, and \$140 M in payments to certain hospitals:

Additional PPP Hospital UPL and DSH Payments (\$135,802,397):

\$22,000,000 - Southern Regional Medical Corp. (Houma)
\$14,129,272 - Our Lady of the Lake (Baton Rouge)
\$46,873,125 - Children's Hospital(New Orleans)
\$4,800,000 - Lafayette General Health
\$4,000,000 - Southwest LA Hospital Assoc. (Lake Charles)
\$44,000,000 - Biomedical Research Foundation (Monroe/Shreveport)
\$135,802,397

Note: The additional Medicaid supplemental payments to the PPP hospitals requested in this BA-7 (in addition to funding allocated through HB 1) are intended to match total funding reflected in the signed MOU's. Total Medicaid supplemental payments (including DSH payments) to the PPP's in the signed MOU's for FY 17 totals \$1,245,261,781.

Additional Non Partnership Hospital UPL Payments (\$140,834,665):

Other Hospitals
\$74,336,665 - East Jefferson General Hospital
\$17,600,000 - West Jefferson General Hospital
\$18,000,000 - New Orleans East
Low Income & Needy Care Collaboration Agreement (LINCCA) Program Hospitals
\$3,898,000 - Our Lady of the Lake (for operation of East Baton Rouge school based health clinic)
\$10,000,000 - Willis Knighton
\$7,000,000 - Glenwood Hospital
\$10,000,000 - Lifepoint Hospital
\$140,834,665 Total New Other Hospital Funding (non PPP)

II. IMPACT ON FUTURE FISCAL YEARS

Providing these additional payments in FY 18 and future fiscal years will require a similar state match financing mechanism in which providers/medical schools provide the state match source, or will require appropriation of additional SGF or other state funds.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
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Approved By JLCB**

DEPARTMENT: Justice

AGENDA NO.: 7

AGENCY: Attorney General

ANALYST: Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$0	0
Interagency Transfers:	\$0	Civil Law	\$0	0
Self-Generated Revenue:	\$0	Criminal Law & Medicaid Fraud	\$811,489	0
Statutory Dedications:	\$811,489	Risk Litigation	\$0	0
Federal Funds:	\$0	Gaming	\$0	0
Total	<u>\$811,489</u>	Total	<u>\$811,489</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase budget authority from the statutorily dedicated Sex Offender Registry Technology Fund by \$811,489 to distribute funds from FY 16 to the sheriff of each parish. Sheriffs statewide receive the remaining dollars from the fund after appropriations are made to the Office of State Police, Division of Probation & Parole, and Office of the Attorney General. After the Revenue Estimating Conference (REC) recognizes the prior year fund balance, the remaining funds are distributed to each sheriff in the state. The distribution for each parish is based on the number of sex offenders living in each parish based on the 6/1/2016 parish count. The funds are used by each sheriff to cover costs associated with sex offender registration and compliance. The \$811,489 amount is the amount owed to the sheriffs in FY 16 since the REC has recognized the prior year fund balance.

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
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Original: Not approved by JLCB**

DEPARTMENT: Justice

AGENDA NO.: 8

AGENCY: Attorney General

ANALYST: Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$0	0
Interagency Transfers:	\$0	Civil Law	\$0	0
Self-Generated Revenue:	\$0	Criminal Law & Medicaid Fraud	\$1,087,535	10
Statutory Dedications:	\$271,884	Risk Litigation	\$0	0
Federal Funds:	\$815,651	Gaming	\$0	0
Total	<u>\$1,087,535</u>	Total	<u>\$1,087,535</u>	<u>10</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request as recommended by Office of Planning & Budget (OPB) is to increase positions by 10 and increase total budget authority by \$271,884 from the statutorily dedicated Medical Assistance Programs Fraud Detection Fund and \$815,651 from Federal funds; increasing the Medicaid Fraud Unit within the Criminal Program by a total of \$1,087,535. The funds from the Medical Assistance Programs Fraud Detection Fund are used as a 25% match to receive Federal funds.

The Attorney General's (AG) Office originally submitted this BA-7 requesting 19 positions; however, OPB has recommended 10 positions. The original positions requested included 3 attorneys, 10 investigators, 3 analysts, 2 clerical staff, and 1 IT position. The 10 positions that would be added would be at the discretion of the AG's Office. According to the AG's Office, to the extent the authority to add 10 positions is approved, the likely positions would be 4 investigators, 3 attorneys, and 3 analysts. However, it should be noted that the exact positions would ultimately be at the discretion of the AG. Based on the positions, salaries and benefits would total \$559,522.

The BA-7 includes operating expenses totaling \$321,319. This includes travel (\$77,985), office space rent (\$79,212), and supplies (\$164,122). Travel would include all staff attending the National Association of Medicaid Fraud Control Units training program, Peace Officer Standards & Training (POST) academy, and in-state travel for investigations and hearings. Rent would be in the Benson Tower in New Orleans where the AG's Office currently has staff located. Supplies would include office supplies and fuel. OPB's recommendation did not reduce the amounts originally submitted by the AG's Office. To the extent the operating expenses matched the 10 positions that OPB recommended, the expenses would total \$203,398 (\$41,045 travel + \$79,212 rent + \$83,131 supplies). It should be noted that rent has remained constant. In the event the leased spaced can be reduced, the amount for rent would also be reduced accordingly.

Professional services includes contracts for expert witnesses and IT services for claims data and case tracking at a cost of \$82,542. Other charges includes \$89,406 for indirect costs which is paid from federal funds for costs associated with operating the program. Finally, acquisitions include the purchase of forensic workstation computer a cost of \$6,354.

II. IMPACT ON FUTURE FISCAL YEARS

The FY 17 increase is for 8 months of the remaining fiscal year. Beginning in FY 18, the annualized cost for 10 additional positions would be approximately \$1,278,000. This would include \$835,300 in salaries and related benefits, \$265,700 in operating expenses, \$110,000 in professional services, and \$67,000 in other charges.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 in the amount of \$1,087,535 and 10 positions including the purchase of 7 vehicles based on the reallocation of expenditure categories.

The original BA-7 submitted by the AG's Office included the purchase of 14 vehicles for attorneys and investigators. OPB reduced the number of vehicles to 0. Based on conversations with the AG's Office, the Medicaid Fraud Unit assigns a vehicle for each attorney and investigator. Currently there are 11 attorneys and 34 investigators in the unit and 45 vehicles. Based on

LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Original: Not approved by JLCB

the potential addition of 3 attorneys and 4 investigators, 7 additional vehicles would be needed. The cost of a vehicle is \$26,000, therefore 7 vehicles would cost \$182,000. This cost would be split between 25% statutorily dedicated funds (\$45,500) and 75% Federal funds (\$136,500).

Adjusting the expenditure categories to appropriately match the 10 positions recommended in this BA-7 would allow the purchase of 7 vehicles resulting in an FY 17 total of \$1,080,871. This amount is determined based on \$559,522 in salaries and related benefits, \$203,398 in operating expenses, \$85,542 in professional services, \$47,056 in other charges, and \$188,354 in acquisitions.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
Amended: Approved by JLCB**

DEPARTMENT: Justice

AGENDA NO.: 8

AGENCY: Attorney General

ANALYST: Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$0	0
Interagency Transfers:	\$0	Civil Law	\$0	0
Self-Generated Revenue:	\$0	Criminal Law & Medicaid Fraud	\$1,087,535	10
Statutory Dedications:	\$271,884	Risk Litigation	\$0	0
Federal Funds:	\$815,651	Gaming	\$0	0
Total	<u>\$1,087,535</u>	Total	<u>\$1,087,535</u>	<u>10</u>

I. SUMMARY/COMMENTS

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