

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

DEPARTMENT: Veterans Affairs

AGENDA NO.: 1

AGENCY: 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	LA War Veterans Home	\$347,693	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$347,693			
Total	<u>\$347,693</u>	Total	<u>\$347,693</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase Federal funds budget authority by \$347,693 at the LA Veterans Home located in Jackson. The increase in Federal funding is a result of the following: (1) the daily reimbursement rate paid by the U.S. Department of Veterans Affairs (USVA) has increased; and (2) appropriation of prior year fund balance. There is no state match requirement associated with these Federal funds. The fund balance will be used for one-time expenditures including acquisitions and major repairs.

Daily Reimbursement Rate Increase (\$119,738)

The LA Veterans Home is a 161 bed facility. In October 2016, the daily reimbursement rate from the USVA increased from \$103.61 to \$106.04, an increase of \$2.43. Based on an average daily census of 135 veterans, LA Veterans Home anticipates an increase of \$119,738 in Federal revenue (135 veterans x \$2.43 increase daily reimbursement rate x 365 days).

Federal Fund Balance (\$227,955)

The LA Veterans Home has accumulated a Federal fund balance of \$227,955 from FY 16. Budgeting these funds will exhaust the FY 16 fund balance. The fund balance will be used for one-time expenditures including acquisitions and major repairs.

The agency intends to use the additional \$347,693 of Federal funds as follows:

Acquisitions (\$52,893) - Due to mechanical issues, a new utility tractor (\$42,119) and commercial mower (\$10,774) need to be replaced to maintain the grounds of the home.

Major Repairs (\$294,800) - The veterans home was constructed over 35 years ago. Many components of the building need replacing and upgrading. The floors in the main hallway, lobby and main dining area of the facility need replacing (\$125,000). The exterior fire/security doors need replacing (\$157,000). In addition, the light poles on the grounds of the facility need replacing (\$12,800).

LA Veterans Home
(Jackson)
Federal Funding

Daily Reimbursement Rate Increase - \$119,738
Fund Balance - \$227,955
Total \$347,693

II. IMPACT ON FUTURE FISCAL YEARS

Information provided by the LA Veterans Home indicates that the daily reimbursement rate increase of \$106.04 will continue in FY 18 and future fiscal years. All revenue will be expended on operation of the veterans home and services to veterans.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

December 15, 2016

**LEGISLATIVE FISCAL OFFICE
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DEPARTMENT: Veterans Affairs

AGENDA NO.: 2

AGENCY: Southwest 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	Southwest LA War Veterans Home	\$1,000,000	0
Interagency Transfers:	\$80,800			
Self-Generated Revenue:	(\$128,736)			
Statutory Dedications:	\$0			
Federal Funds:	\$1,047,936			
Total	<u>\$1,000,000</u>	Total	<u>\$1,000,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to properly align means of financing by adding \$80,800 of IAT budget authority as well as decreasing SGR by \$128,736 and increasing Federal funds by \$1,047,936 at the Southwest LA Veterans Home in Jennings. There is no state match requirement associated with these Federal funds.

Addition of IAT (\$80,800)

Additional IAT funds will be used for the salary (\$54,000) and related benefits (\$26,800) for a shared internal auditor position that was previously housed at the Northeast Veterans Home. In FY 17, the internal auditor position was placed under Southwest veterans home. Each of the other 4 veterans homes 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). The \$80,800 represents funding for approximately 7.5 months of the FY 17 fiscal year.

- \$20,200 - LA War Veterans Home in Jackson
- \$20,200 - Northwest LA War Veterans Home in Bossier City
- \$20,200 - Southeast LA War Veterans Home in Reserve
- \$20,200 - Northeast LA War Veterans Home in Monroe
- \$80,800 - Total IAT for Internal Auditor position

Net MOF Swap of SGR and Federal Funds (\$586,299 = \$715,035 Federal - \$128,736 SGR)

The increase in Federal funding of \$715,035 at Southwest 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. Southwest is a 156 bed facility. The average census of veterans who are 70% service-connected disabled at Southwest veterans home has increased from 20 to 26. Once a veteran becomes 70% service-connected disabled, the USVA per diem increases from \$106.10 (basic rate) to \$326.50 (70% service-connected rate), an increase of \$220.40. Federal revenue is based on an average increase of 6 veterans who are 70% service-connected disabled that is \$715,035 (\$326.50 x 6 x 365).

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 \$128,736.

Federal Fund Balance (\$332,901)

Since September 2015, the average number of veterans with a 70% service-connected disabled at Southwest veterans home has been increasing. As a result, Southwest has accumulated a Federal fund balance of \$332,901 to carryover from FY 15. The carryover funds will be used for one-time expenditures, i.e. major repairs.

The agency intends to use the additional revenue as follows:

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
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Operating Services (\$10,000) - Expenses for lab, x-ray and other services.

Supplies (\$18,000) - Medication, medical supplies, and food.

Professional Services (\$30,000) - Expenses for therapy services.

Interagency Transfers (\$30,000) - Prescription medication provided by Southeast.

Acquisitions (\$27,745) - Purchase of Fuel Purification System to maintain the quality of diesel fuel stored for generators.

Major Repairs (\$803,455) - Purchase and installation of 124 HVAC attic units for patient rooms and 74 HVAC hallway units (\$695,455), two tankless water heaters (\$78,000), and repair of an outside condenser and inside evaporator for two walk-in coolers and a walk-in freezer (\$30,000).

II. IMPACT ON FUTURE FISCAL YEARS

Information provided by the Southwest veteran home indicates that the average census for veterans who are 70% service-connected disabled will continue to be at least 26 in FY 18 and future fiscal years. All revenue will be expended on operation of the veterans home and services to veterans.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST
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DEPARTMENT: Veterans Affairs

AGENDA NO.: 3

AGENCY: Southeast 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	Southeast LA War Veterans Home	\$805,733	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$805,733			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$805,733</u>	Total	<u>\$805,733</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase SGR budget authority by \$805,733 at the Southeast LA Veterans Home located in Reserve. The source of SGR is insurance co-payments, pension, private pay, room rental, monthly fees, and other pay from veterans towards the cost of their care. Southeast has accumulated a SGR fund balance of \$805,733 from the prior four fiscal years. The fund balance will be used for one-time expenditures including acquisitions and major repairs.

Southeast LA Veterans Home (Reserve)
SGR Fund Balance
FY 12 - \$514,411
FY 13 - \$125,482
FY 14 - \$107,870
FY 15 - <u>\$ 57,970</u>
Total \$805,733

The agency intends to use the fund balance as follows:

Acquisitions (\$445,733) - Purchase two walk-in coolers and a walk-in freezer (\$80,000); purchase a multi-temperature tray delivery cart (\$10,513); purchase a Powerstream Gas convention steamer with cabinet base (\$14,109); upgrade the fire alarm system (\$8,249); replacement and upgrade of 63 computers and wireless access points (\$103,842); purchase 78 hospital beds and mattresses (\$163,020); purchase ten air mattresses (\$16,000); and purchase an eight passenger bus with two wheelchair lifts from ENC Advantage (\$50,000).

Major Repairs (\$360,000) - Painting the interior of the facility.

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
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DEPARTMENT: Culture, Recreation & Tourism

AGENDA NO.: 4

AGENCY: Tourism

ANALYST: Monique Appeaning

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

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase SGR expenditure authority in the amount of \$1,000,000 in FY 17 for the Department of Culture, Recreation & Tourism's Office of Tourism, Marketing Program. This BA-7 request seeks to budget increased SGR from a recognized fund balance of \$3.81 M carried forward from FY 16.

With the additional budget authority, the Marketing Program intends to supplement current year advertising and marketing campaigns designed to enhance awareness of tourism opportunities in LA. This BA-7 request will increase the operating services (ad campaigns) and professional services (sponsorships) expenditure categories in the Marketing Program by \$500,000 each.

Operating Services - \$500,000

Dick Clark's New Year's Rockin' Eve - \$150,000

Partnership with the LA Seafood Promotion & Marketing Board, Allstate Sugar Bowl, New Orleans Tourism Marketing Corp., and the New Orleans Convention and Visitors Bureau to broadcast live from Champions Square to the nation on December 31. LA and New Orleans will be featured on live cut-ins during the national broadcast from New York and will also showcase two other destinations from around LA.

Promotion of Louisiana Fishing and creation of the Louisiana BASS Trail - \$150,000

Partnership with the LA Office of State Parks to launch the initial Louisiana BASS Trail, designed to incentivize visitors to fish multiple LA lakes and to cross promote with the LA State Parks that are located on these bodies of water. A printed BASSport will be created and available online, at all state parks and at all LA Welcome Centers with a brief introduction to the program and a stamp area for each lake to confirm visitation. Prizes will be awarded to those completing the BASSport. Participating lakes are Lake Bistineau, Lake Bruin, Lake Claiborne, Lake D'arbonne, Poverty Point Reservoir, Toledo Bend and Caney Lake. The LA Office of Tourism will make a digital media buy in the spring with a focus on the LA Fishing microsite, which is a component of Louisiana Travel.

Germany Tour Operator Advertising - \$100,000

Provides for an increased advertising allotment to Wiechmann, the existing official tourism representative firm in Germany. The monies will be used exclusively to market, promote and incentivize tour operators in the German market for visitors to LA using the new direct flight on Condor Air from Frankfurt to New Orleans that begins on 5/3/2017.

IPW 2017 Reception - Washington, DC - \$50,000

The LA Department of Tourism will partner with the New Orleans Convention and Visitor's Bureau to host a reception in Washington, DC for selected tour operators and media attending IPW 2017. The event allows organizations to work with clients and potential clients to bring international business to the state.

Attakapas, The Story of the Cajun People - Quebec City/Public Broadcasting - \$50,000

The LA Office of Tourism will partner and help sponsor this production of LA artist Zachary Richard. On 2/3/2017, LA Public Broadcasting (LPB) will tape the live production of Attakapas from the Raising Cane's River Center (formerly the Baton Rouge River Center). LPB will then add interviews, behind the scenes footage and edit the production for a one-hour show that will air statewide during the spring. LPB will also seek to promote the production to other public broadcasting entities around the country. Zachary Richard will then take the production to Quebec City for a live production for a mid-July

**LEGISLATIVE FISCAL OFFICE
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performance during the Network of Francophone and Francophile Cities Conference. The Office of Tourism and statewide partners will plan a sales mission to Quebec City and Montreal to coincide with the performance in order to promote visitation to the state.

Professional Services - \$500,000

Expedia - \$55,000

Provides for a repeat six-week digital campaign to run solely through the Expedia online portfolio (Travelocity.com, Expedia.com, Orbitz.com).

Winter Bridge Campaign - \$110,000

Provides funding for a pay-per-inquiry campaign running on selected national cable networks (ESPN, Food Network, Home & Garden TV, The Outdoor Channel, SEC Network, The Sportsman Channel, Travel Channel and The Weather Channel).

American Automobile Association (AAA) Texas Journey - \$30,000

Provides for two full-page ads in the Texas version of the AAA magazine.

Twelfth Night Campaign - \$60,000

Provides for a digital campaign throughout the southeast region advertising Mardi Gras season beginning on January 6 and continuing for two weeks.

Garden & Gun - \$170,000

Provides for three two-page spreads in the Garden & Gun magazine, focusing on outdoor experts and guides.

Hoffman Media - \$75,000

Provides for a multi-publication program including a seven-page section in Hoffman's publications (Louisiana Cookin', Taste of the South, Cooking with Paula Dean, and Southern Lady). Provides sponsorship of eight newsletters to run once per month in May and June in all four of the previously listed publications.

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: DPSC Public Safety Services

AGENDA NO.: 5

AGENCY: State Police

ANALYST: Zachary Rau

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Traffic Enforcement	\$6,000,000	0
Interagency Transfers:	\$0	Criminal Investigation	\$0	0
Self-Generated Revenue:	\$6,000,000	Operational Support	\$0	0
Statutory Dedications:	\$0	Gaming Enforcement	\$0	0
Federal Funds:	\$0			
Total	<u>\$6,000,000</u>	Total	<u>\$6,000,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase SGR authority for the Dept. of Public Safety (DPS), Office of State Police (OSP) by \$6 M, increasing budgeted SGR authority from approximately \$87.55 M to \$93.55 M. DPS is receiving the funds from the City of New Orleans as payment for law enforcement services in Orleans Parish.

DPS has been providing law enforcement services for the City of New Orleans since FY 16. The source of the revenues is a .2495% sales and use tax levied on items and services in an area designated as the French Quarter Economic Development District. DPS invoices the City of New Orleans monthly for law enforcement services, who then reimburses the department for any costs incurred. The Revenue Estimating Conference (REC) recognized the increased SGR collections associated with DPS providing services in Orleans Parish during its 11/10/2016 meeting. DPS has not received budget authority to draw down revenues associated with law enforcement services in Orleans Parish. DPS had previously been funding law enforcement services in Orleans Parish utilizing its existing appropriation and budget authority.

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.