

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1a

AGENCY: Administration

ANALYST: Rebecca Robinson

<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:	\$227,648	Management & Finance	\$0	0
Self-Generated Revenue:	\$0	Adult Services	\$227,648	0
Statutory Dedications:	\$0	Board of Pardons & Parole	\$0	0
Federal Funds:	\$0			
Total	<u>\$227,648</u>	Total	<u>\$227,648</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

Administration's CARES appropriation for FY 21 was \$13.9 M and this BA-7 increases the budget authority for the Adult Services Program by \$227,648 to pay for medical expenses for offenders.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1b

AGENCY: LA State Penitentiary

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration	\$0	0
Interagency Transfers:	(\$2,114,319)	Incarceration	(\$2,114,319)	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>(\$2,114,319)</u>	Total	<u>(\$2,114,319)</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

LA State Penitentiary's CARES appropriation for FY 21 was \$62.6 M and this BA-7 reduces budget authority in the Incarceration Program by \$2,114,310 to reflect anticipated, authorized expenditures.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1c

AGENCY: Raymond Laborde Correctional Center

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration	\$0	0
Interagency Transfers:	\$359,801	Incarceration	\$359,801	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$359,801</u>	Total	<u>\$359,801</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

Raymond Laborde Correctional Center's CARES appropriation for FY 21 was \$13 M and this BA-7 increases the budget authority for the Incarceration program by \$359,801 to pay for food, medical supplies, and offender clothing.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1d

AGENCY: LA Correctional Institute for Women

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration	\$0	0
Interagency Transfers:	(\$11,873)	Incarceration	(\$11,873)	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>(\$11,873)</u>	Total	<u>(\$11,873)</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

LA Correctional Institute for Women's CARES appropriation for FY 21 was \$9.7 M and this BA-7 reduces the budget authority for the Incarceration program by \$11,873 to reflect anticipated, authorized expenditures.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1e

AGENCY: Allen Correctional Center

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration	(\$270,514)	0
Interagency Transfers:	(\$270,514)	Purchase of Correctional Services	\$0	0
Self-Generated Revenue:	\$0	Incarceration	\$0	0
Statutory Dedications:	\$0	Canteen	\$0	0
Federal Funds:	\$0			
Total	<u>(\$270,514)</u>	Total	<u>(\$270,514)</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

Allen Correctional Center's CARES appropriation for FY 21 was \$5.8 M and this BA-7 reduces the budget authority for the Administration Program by \$270,514 to reflect anticipated, authorized expenditures.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1f

AGENCY: Dixon Correctional Center

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration	\$0	0
Interagency Transfers:	\$596,260	Incarceration	\$596,260	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$596,260</u>	Total	<u>\$596,260</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

Dixon Correctional Center's CARES appropriation for FY 21 was \$17.5 M and this BA-7 increases the budget authority for the Incarceration Program by \$596,260 to pay for food, medical supplies, and offender clothing.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1g

AGENCY: Elayn Hunt Correctional Center

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration	(\$148,000)	0
Interagency Transfers:	(\$328,534)	Incarceration	(\$180,534)	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>(\$328,534)</u>	Total	<u>(\$328,534)</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Recovery funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

Elayn Hunt Correctional Center's CARES appropriation for FY 21 was \$23.6M and this BA-7 reduces the budget authority by \$328,534 (\$148,000 from the Administration Program and \$180,534 from the Incarceration Program) to reflect anticipated, authorized expenditures.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1h

AGENCY: David Wade Correctional Center

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration	\$49,029	0
Interagency Transfers:	\$49,029	Incarceration	\$0	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$49,029</u>	Total	<u>\$49,029</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

David Wade Correctional Center's CARES appropriation for FY 21 was \$11.5 M and this BA-7 increases the budget authority for the Administration Program by \$49,029 to pay for utilities.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1i

AGENCY: Adult Probation & Parole

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration & Support	\$0	0
Interagency Transfers:	\$854,888	Field Services	\$854,888	0
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$854,888</u>	Total	<u>\$854,888</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

Adult Probation and Parole's CARES appropriation for FY 21 was \$31.1 M and this BA-7 increases the budget authority for the Field Services Program by \$854,888 to pay rent on office space.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: DPSC Corrections Services

AGENDA NO.: 1j

AGENCY: B. B. "Sixty" Rayburn Correctional Center

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration	\$0	0
Interagency Transfers:	\$637,614	Incarceration	\$637,614	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$637,614</u>	Total	<u>\$637,614</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to realign the budget authority of the Department of Corrections' (DOC) institutions to pay for Coronavirus Aid, Relief, & Economic Security Act funds (CARES) eligible expenditures prior to December 30, 2020 (per federal guidelines, funds must be expended by December 30, 2020). The IAT transfers are federal CARES funds from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP). The DOC was budgeted a total of \$200.1 M which was allocated to institutions based on projected expenditures. BA-7s 1a through 1j realign funds among DOC institutions to reflect actual eligible expenditures.

B.B. "Sixty" Rayburn Correctional Center's CARES appropriation for FY 21 was \$10.8M and this BA-7 increases the budget authority for the Incarceration Program by \$637,614 to pay for food, medical supplies, and offender clothing.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: Other Requirements

AGENDA NO.: 1k

AGENCY: Local Housing of State Adult Offenders

ANALYST: Rebecca Robinson

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Local Housing of State Adult Offenders	(\$19,195,242)	0
Interagency Transfers:	(\$22,772,300)	Transitional Work	(\$3,577,058)	0
Self-Generated Revenue:	\$0	Local Reentry Services	\$0	0
Statutory Dedications:	\$0	Criminal Justice Reinvestment Initiative	\$0	0
Federal Funds:	\$0			
Total	<u>(\$22,772,300)</u>	Total	<u>(\$22,772,300)</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to reduce Coronavirus Aid, Relief, & Economic Security Act (CARES) funding in Other Requirements/Local Housing of State Adult Offenders. The CARES Act funds are from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), and federal guidelines require that the funds must be expended by December 30, 2020 on eligible expenditures. Local Housing of State Adult Offenders' initial budget authority of CARES funding was \$88.5 M. The department had less CARES eligible expenditures and this BA-7 reduces the budget authority to reflect actual expenditures. This BA-7 will reduce the Local Housing of State Adult Offenders Program by \$19.2 M and the Transitional Work Program by \$3.58 M.

Agenda item #11 is a companion BA-7 and reflects the use of these funds in the Department of Health, Office of Behavioral Health to provide for CARES eligible expenditures.

II. IMPACT ON FUTURE FISCAL YEARS

This BA-7 will not have an impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: Health

AGENDA NO.: 11

AGENCY: Behavioral Health

ANALYST: Shawn Hotstream

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration & Support	\$4,671,882	0
Interagency Transfers:	\$23,359,408	Behavioral Health Community	\$0	0
Self-Generated Revenue:	\$0	Hospital Based Treatment	\$18,687,526	0
Statutory Dedications:	\$0	Auxiliary Account	\$0	0
Federal Funds:	\$0			
Total	<u>\$23,359,408</u>	Total	<u>\$23,359,408</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 is to increase Interagency Transfer budget authority in the amount of \$23,359,408 in the Office of Behavioral Health in order to receive FY 21 Coronavirus Aid Relief, and Economic Security (CARES) Act revenues not projected to be utilized in Local Housing of State Adult Offenders (\$22,772,300) and FY 20 CARES ACT in GOHSEP not utilized during FY 20 (\$587,108). This BA-7 is a companion to BA-7 1K (Local Housing of State Adult Offenders). As a result of receipt of federal CARES ACT revenues for eligible expenditures, the Office of Behavioral Health will place a like amount (\$23.1 M) of State General Fund currently appropriated in their budget in FY 21 into the Unallotted Program.

Information provided by the Louisiana Department of Health indicates these revenues will be used to cover costs associated with salary and related benefits expenditures in the Hospital Based Treatment program and Behavioral Health Administration and Community Oversight program identified by the Division of Administration Internal Audit Team as eligible for reimbursement under the CARES ACT. Payroll expenditures presumed eligible for reimbursement under the CARES ACT cover the time period of September 21, 2020 to November 29, 2020. The DOA is proposing the use of these funds based on guidance from the Treasury indicating that funding can be used to “meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.”

II. IMPACT ON FUTURE FISCAL YEARS

In the event the revenues moved to the Unallotted program are not appropriated and spent by the end of FY 21, funds would revert to the State General Fund.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: Wildlife & Fisheries

AGENDA NO.: 2

AGENCY: Office of Fisheries

ANALYST: Carter Albert

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Fisheries	\$70,000	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$70,000			
Federal Funds:	\$0			
Total	<u>\$70,000</u>	Total	<u>\$70,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 is to increase budget authority in the statutorily dedicated Crab Promotion and Marketing Account fund in the amount of \$70,000. This fund was created during the 2005 Regular Legislative Session for the development of markets for crabs and the creation of marketing strategies for the development and market expansion for crabs harvested from Louisiana waters. The source of revenue to this fund is from annual fees from the purchase of crab trap gear licenses. The current fund balance is \$295,347 as of 12/9/20.

The funds will be budgeted accordingly in order to complete the fourth surveillance audit and reassessment for the Louisiana commercial blue crab fishery. This is to retain Responsible Fisheries Management (RFM) Certification for the blue crab fishery.

The \$70,000 in funding, plus the necessary amount currently appropriated in the fund (\$9,116), will be budgeted as follows:

- Contracting and announcement (\$712)
- Site visit planning (\$1,424)
- Surveillance Draft Report (\$9,968)
- Client Draft Report (\$14,240)
- Remote site visit (\$8,544)
- Final surveillance Report (\$9,968)
- Scoring and completion of Client Report (\$24,208)
- Peer Review Report and Team's responses to Peer Reviewers' comments (\$6,848)
- Final Report and Certification Decision (\$3,204)

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
Approved By JLCB**

DEPARTMENT: Ancillary

AGENDA NO.: 3

AGENCY: Risk Management

ANALYST: Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Risk Management	\$50,000,000	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$50,000,000			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$50,000,000</u>	Total	<u>\$50,000,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of the BA-7 request is to increase SGR by \$50 M within the Office of Risk Management (ORM) for insurance advance payments from commercial insurance carriers related to property loss sustained to state-owned facilities during Hurricane Laura. ORM purchases commercial property insurance coverage to supplement the self-insurance fund and cover insured property losses that exceed self-insured retention. ORM has approximately 1,200 claims as a result of Hurricane Laura. The estimated damages to state-owned facilities from Hurricane Laura are estimated to exceed \$200 M.

As of 12/10/2020, ORM has already received a \$30 M advance from commercial insurers. The remaining \$20 M advance is expected to be received by mid-December 2020. ORM will use the \$50 M advancement to start repair to facilities and structures on projects identified as priority projects as follows: McNeese State University, SOWELA Technical Community College, the 3rd Circuit Court of Appeals, and three prisons within the Department of Corrections (Allen and Winn Correctional Centers as well as Dixon Correctional Institute).

The expenditures associated with this BA-7 request are budgeted in the Other Charges category to pay contractors and vendors for completed repairs to state-owned facilities.

II. IMPACT ON FUTURE FISCAL YEARS

In their FY 21-22 Budget Request, ORM requested \$70 M in SGR budget authority for anticipated insurance proceeds from commercial insurers for property loss claims associated with Hurricanes Laura and Delta. Therefore, the Legislative Fiscal Office anticipates this BA-7 request will be annualized in the FY 22 budget.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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