

# Louisiana Legislative Fiscal Office



## FISCAL HIGHLIGHTS

Fiscal Year 2018-2019

Presented to:

The Honorable John A. Alario,  
President of the Senate  
The Honorable Taylor Barras,  
Speaker of the House of Representatives  
and Honorable Members of the Louisiana Legislature

Presented by:

Legislative Fiscal Office  
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## 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 Senate.

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

**Fiscal Information** - 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 by the requesting legislator.

**Budget Analysis** - To analyze budgets prepared by the executive branch and make presentations and 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 legislative committees 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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Louisiana Legislative Fiscal Office

## **Section I**

# **EXECUTIVE SUMMARY**

Fiscal Year 2018-2019

## EXECUTIVE SUMMARY

### REVENUE

The Revenue Estimating Conference (REC) met on 6/26/18 to incorporate enacted legislative actions from the 2018 Regular Session as well as the 2nd and 3rd Extraordinary Sessions into the forecast for FY 19 and beyond. Total additional general fund financing recognized for FY 19 was \$549.9 M, and between \$508.5 M and \$511.6 M for each of FY 20 through FY 22. Tables 1 & 2 below list the major tax and non-tax revenue generating bills in the 2018 Regular, 2nd & 3rd Extraordinary Sessions (ES), with the annual revenue estimate associated with each major measure for FY 19 - FY 23.

<b>Table 1</b>						
<b>Summary of Major Tax Revenue Bills 2018 RS, 2nd &amp; 3rd ES (in millions)</b>						
		<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
Act 1 3rd ES	Continue additional sales tax at 0.45% levy	\$466.0	\$502.0	\$502.0	\$502.0	\$502.0
Act 6 2nd ES	Continue limitation on credit for tax paid in other states	\$33.6	\$33.6	\$33.6	\$33.6	\$33.6
Act 6 2nd ES	Increase state earned income tax credit	\$0.0	(\$21.0)	(\$21.0)	(\$21.0)	(\$21.0)
Act 11 2nd ES	Provides an exception incentive application filing	\$0.0	\$0.0	(\$3.1)	(\$0.5)	(\$0.5)
Act 272 RS	Fee increase on emergency ground service providers	\$6.1	\$6.1	\$6.1	\$6.1	\$6.1
Act 91 RS	Waiver of certain fees in denied solar credit cases	(\$0.04)	\$0.0	\$0.0	\$0.0	\$0.0
Act 10 2nd ES	Redirects Deepwater Settlement funds for FY 19	\$53.3	\$0.0	\$0.0	\$0.0	\$0.0
Total Additional Tax Revenue Generated		\$559.0	\$520.7	\$517.6	\$520.2	\$520.2
Various Dedications Affected By Tax Changes		(\$9.1)	(\$9.1)	(\$9.1)	(\$9.1)	(\$9.1)
<b>Net Additional General Fund Revenue</b>		<b>\$549.9</b>	<b>\$511.6</b>	<b>\$508.5</b>	<b>\$511.1</b>	<b>\$511.1</b>

<b>Table 2</b>						
<b>Summary of Major Act 419 Revenue Bills 2018 RS, 2nd &amp; 3rd ES (in millions)</b>						
		<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
HCR 6 RS	Annual provision of hospital assessments	\$69.5	\$0.0	\$0.0	\$0.0	\$0.0
Act 10 2nd ES	Redirects Deepwater Settlement funds for FY 19	(\$53.3)	\$0.0	\$0.0	\$0.0	\$0.0
Act 10 2nd ES	Transfer Revenue Dept. escrow to Overcollections Fund	\$3.2	\$0.0	\$0.0	\$0.0	\$0.0
Act 105 RS	Transfer escrowed payments to Oilfield Site Restoration Fd.	\$4.5	\$0.0	\$0.0	\$0.0	\$0.0
Act 120 RS	Renew fees and increase Tax Commission fees	\$0.12	\$0.12	\$0.12	\$0.12	\$0.0
Act 541 RS	Increase waste tire fees	\$0.00	\$1.14	\$1.14	\$1.14	\$0.0
Total Additional Act 419 Dedicated Revenue		\$24.0	\$1.3	\$1.3	\$1.3	\$0.0
Act 91 RS	Waiver of certain fees in denied solar credit cases	(\$0.04)	\$0.0	\$0.0	\$0.0	\$0.0
Act 240 RS	Increase and change frequency of mobility impaired tags	\$0.28	\$0.26	\$0.25	\$0.26	\$0.17
Act 9 RS	New annual permit fees for dairy plants	\$0.56	\$0.56	\$0.56	\$0.56	\$0.56
Act 41 RS	Increase saltwater fishing license	\$0.48	\$0.48	\$0.48	\$0.48	\$0.0
Total Additional Act 419 Self-Generated Revenue		\$1.3	\$1.3	\$1.3	\$1.3	\$0.7
<b>Net Additional Act 419 Revenue</b>		<b>\$25.3</b>	<b>\$2.6</b>	<b>\$2.6</b>	<b>\$2.6</b>	<b>\$0.7</b>

The most significant legislative action to be incorporated was the continuation of the additional sales tax levy first enacted in late 2016. Act 1 of the 3rd ES continued that additional levy at a rate of 0.45% for 7 years, from FY 19 through FY 25. This is a rate reduction from the 1% levy amount that expired on 6/30/18. Some modified tax base expansion was also continued with that Act. Resulting general and motor vehicle sales tax collections are expected to be \$466 M in FY 19 and \$502 M in subsequent years. The step-up in collections is due to the fact that a portion of the tax base expansion from the 2016 legislation was scheduled to extend 9 months into FY 19 anyway, and was already included in the baseline forecast.

An individual income tax instrument, Act 6 of the 2nd ES was also enacted. This bill continues a limitation of a credit against individual income taxes for taxes paid to other states for 5 years



through FY 23 and is expected to continue some \$33.6 M of revenue each year. The bill also includes an increase in the state earned income tax credit from the current 3.5% of the federal credit amount to 5%, affecting FY 20 through FY 25. This provision will result in a \$21 M per year increase in the credit. The net effect of the two provisions is a \$33.6 M increase in expected revenue in FY 19, \$12.6 M in FY 20 through FY 23, and then a \$21 M loss to revenue FY 24 and FY 25 as the credit limitation provision expires while the earned income credit provision remains in effect for these two additional years.

A third general fund resource was recognized for use in FY 19 from the Deepwater Horizon settlement funding stream to be received through 2033. Act 10 of the 2nd ES redirected the \$53.3 M FY 19 payment to the state general fund and away from its current statutorily dedicated allocations to the Medicaid Trust Fund for the Elderly (45%), the Budget Stabilization Fund (45%), and the Health Trust Fund (10%).

While the Deepwater Horizon settlement funding amount is a known amount, the sales and income tax amounts are uncertain in all years. These are estimates based on tax returns that vary from year to year, and actual collections resulting from these legislative changes will be different from the incorporated estimated amounts.

### BUDGET OVERVIEW

The FY 19 general operating budget realizes an overall increase of \$387,415,055 over the FY 18 Existing Operating Budget (EOB) as of 12/1/17 to a total \$29,465,892,507 total means of finance. There is a reduction of \$32,606,597 IAT, offset by increased Federal funds of \$289,220,466, as well as an overall state funds increase of \$130,801,186 (comprised of \$28,809,960 SGF; \$13,045,741 Statutory Dedications and \$88,945,485 SGR).

*Note: The totals cited above do not include \$43,299,052 SGF supplemental appropriations contained in Section 19.B of Act 2 of the 3rd ES (see Table 3 below). These appropriations shall be effective only in the event any official forecast is increased by the REC no later than 12/31/18. Appropriations are further contingent upon a plan to be submitted by the commissioner of administration and approved by the JLCB. However, in no event shall the JLCB approve a plan which exceeds the amount of any appropriation contained in Section 19.B.*

Table 3	
Section 19.B Supplemental Appropriation	
Executive Office - Restoration of executive budget reductions	\$343,000
GOHSEP - Restoration of remaining 24.2% reduction	\$2,000,000
State - Restoration of remaining 24.2% reduction	\$130,206
State - Registrar of Voter step increases	\$480,000
Justice - Restoration of executive budget reductions	\$869,649
Agriculture & Forestry - Partial restoration of remaining 24.2% reduction	\$600,000
Economic Development - Partial restoration of remaining 24.2% reduction	\$500,000
Corrections Services - CSO pay raise, acquisitions	\$16,290,000
Youth Services - Acadiana Center for Youth operating expenses, Raise the Age, major repairs	\$10,800,000
Natural Resources - Restoration of executive budget reductions	\$500,000
Natural Resources - Restoration of executive budget reductions (legacy site remediation)	\$280,000
Local Housing of Adult Offenders - Local Housing Program	\$10,506,197
<b>TOTAL</b>	<b>\$43,299,052</b>

Table 4 below depicts the FY 19 SGF status as of initial appropriation in comparison to the FY 18 EOB. The increase is due primarily to the one-time transfer of \$53.3 M from the Deepwater Horizon settlement funding away from the statutory dedications to the state general fund.

<b>Table 4</b>			
<b>State General Fund Status</b>			
	<b>FY 18 EOB as of 12/1/17 REC 5/26/17</b>	<b>FY 19 Initial Appropriation REC 6/28/18</b>	<b>FY 19 Compared to FY 18 EOB</b>
<b><u>GENERAL FUND REVENUE</u></b>			
Revenue Estimating Conference	\$9,442,200,000	\$9,497,133,333	\$54,933,333
FY17 Revenue Carried forward to FY 18	\$19,157,479	\$0	(\$19,157,479)
FY17 Undesignated Fund Balance (surplus)	\$0	\$62,951,760	\$62,951,760
<b>Total Available General Fund Revenue</b>	<b>\$9,461,357,479</b>	<b>\$9,560,085,093</b>	<b>\$98,727,614</b>
<b><u>SGF APPROPRIATIONS AND REQUIREMENTS</u></b>			
Non-Appropriated Constitutional Requirements			
Debt Service	\$416,182,719	\$422,650,513	\$6,467,794
Interim Emergency Board	\$1,720,862	\$1,720,862	\$0
Revenue Sharing	\$90,000,000	\$90,000,000	\$0
<b>Total Non-Appropriated Constitutional Requirements</b>	<b>\$507,903,581</b>	<b>\$514,371,375</b>	<b>\$6,467,794</b>
Appropriations			
General*	\$8,737,948,098	\$8,766,758,058	\$28,809,960
Ancillary	\$0	\$0	\$0
Judicial	\$151,530,944	\$153,530,944	\$2,000,000
Legislative	\$62,472,956	\$62,472,956	\$0
Capital Outlay	\$1,500,000	\$62,951,760	\$61,451,760
<b>Total Appropriations</b>	<b>\$8,953,451,998</b>	<b>\$9,045,713,718</b>	<b>\$92,261,720</b>
<b>Total Appropriations and Requirements</b>	<b>\$9,461,355,579</b>	<b>\$9,560,085,093</b>	<b>\$98,729,514</b>
<b>General Fund Revenue Less Appropriations and Requirements</b>	<b>\$1,900</b>	<b>\$0</b>	<b>(\$1,900)</b>
* Does not include \$43.3 M supplemental appropriation contained in Section 19.B of Act 2 of the 3rd ES.			

### FY 19 DEPARTMENTAL SUMMARIES

In this section the LFO discusses significant changes within select departments and agencies. See *Section III Major Enhancements and Reductions* and *Section IV Budgetary Overviews* for agency specific details.

## Statewide

Civil Service Pay Raise - In June 2017, the State Civil Service Commission adopted and the Governor approved a "Compensation Redesign" package regarding pay and pay schedules. The major components of the plan consisted of a 2% increase for eligible employees, pay increases for employees below new minimums, market rate adjustments and performance pay. Finally, the plan abolished the existing annual performance/merit adjustment rule. Portions of the plan were implemented in FY 18 (effective January 2018), with full implementation to take effect in FY 19. FY 19 funding for the plan totals \$85.4 M of which \$36.1 M, or 42.2%, is SGF. The SGF adjustments include \$13.5 M (\$30.7 total MOF) to annualize 2% pay raises given in January 2018 and reclassification expenditures from FY 18 and \$22.6 M (\$54.7 M total MOF) for market rate adjustments effective 7/15/18.

## General Government

**Governor's Office of Homeland Security & Emergency Preparedness** – Act 2 of the 2018 2nd ES appropriates a total budget of \$981.5 M, reflecting a total decrease of \$25.75 M, or 2.56%, from EOB (including reductions of \$22.6 M SGF and \$5.1 M IAT while being partially offset by increases of \$1.46 M Statutory Dedications and \$526,567 Federal funds). The governor proposed utilizing approximately \$46 M of additional SGF revenue projections for FY 18 recognized by the REC at its meeting on 12/14/17, to prepay FEMA debt payments due during FY 19 (\$21.2 M) and FY 20 (\$25.1 M). These prepayments would offset the need to utilize SGF for these expenditures during the two subsequent fiscal years, making those SGF revenues available for alternative expenditures. The multiple event disaster repayment plan will be paid off in FY 20 under the existing schedule. Payments related to a separate disaster DR-4277 will continue in FY 21 (\$7.4 M) and FY 22 (\$7.5 M). The total cost share for Disaster Declaration Number DR-4277 (2016 flooding events) has increased by \$4.76 M after the debt repayment agreement was finalized. This payment will be required during FY 20 or FY 21, pending finalization of negotiations with FEMA.

**Note:** Act 59 of the 2018 RS includes a supplemental appropriation of \$21.2 M to prepay the FY 19 FEMA debt payment only. Failure to prepay the FY 20 debt payment in a supplemental appropriation creates a SGF need of \$25.1 M when constructing the FY 20 budget.

Additionally, the adjustments include an across-the-board reduction of discretionary SGF to Schedule 01 - Executive Department in accordance with the department's preamble in Act 2. The preamble directs the commissioner of administration to effectuate a SGF reduction in the Schedule to facilitate a targeted reduction. Act 2 of the 2018 3rd ES restored all but \$2 M of this across-the-board discretionary SGF reduction. This \$2 M is restored in the supplemental appropriation section of Act 2 of the 2018 3rd ES in the event revenues are recognized by the REC during FY 19 and subject to approval of the JLCB. The 3rd ES appropriation includes language specifying that the Department of Military Affairs and Office of Elderly Affairs shall be fully restored prior to any other budget unit within the Executive Department. However, the Division of Administration subsequently allocated the entire \$2 M reduction to GOHSEP. GOHSEP reports that this reduction will reduce funding for the LA Wireless Information Network (LWIN) upgrade, allowing only partial funding to upgrade the mobile tower repeaters and eliminate the WAVE cell phone project. The agency reports this reduction will also impact the support funding provided for response to potential disaster events.

**LA Public Defender Board (LPDB)** – LPDB realizes a 4.35% net increase of \$1.5 M from EOB, including an increase of \$1.5 M in Statutory Dedications and offsetting decreases of approximately \$25,000 each in IAT and SGR. The most significant adjustments are an increase of \$1.3 M in the LA Public Defender Fund for representation of those inmates sentenced to life without parole as a juvenile that may now be eligible for parole as a result of the U.S. Supreme Court decision in *Miller*

*v Alabama*, and an additional \$209,087 from the LA Public Defender Fund for representation in capital cases.

**Department of Veterans Affairs** – Realizes a 3.8% overall increase of \$2.6 M and 1 position from EOB (including increases of \$116,126 SGF, \$431,706 SGR and \$2.5 M Federal while being partially offset by a reduction of \$485,611 IAT). The primary significant adjustment is an increase of \$2.6 M Federal associated with increased direct care staffing costs and the decentralization of pharmacy operations. The net increase of 1 position is a result of 11 new direct care positions at the homes in Jennings (5), Bossier City (2), and Reserve (4), as well as the elimination of 10 positions at the LA War Veterans Home in Jackson corresponding with the elimination of 32 beds to align with new utilization projections. The department receives an overall net federal funds increase for the decentralization of pharmacy operations in the veteran’s homes. Pharmacy operations will be decentralized from the home in Reserve and the homes in Monroe, Jennings, and Bossier City will bring pharmacy services in-house.

**DOTD** – DOTD receives a total budget of \$628.4 M, reflecting a total decrease of \$12.6 M or 2% from EOB (including reductions of \$466,100 SGR, \$10.7 M Statutory Dedications and \$7.8 M Federal while being partially offset by an increase of \$6.33 M IAT). Significant adjustments include: an increase of \$2.04 M (\$2.02 M IAT and \$0.25 M Statutory Dedications) for Topographic Mapping; a \$4.3 M IAT increase related to a transfer from the Department of Environmental Quality to replace heavy-duty trucks (available from DEQ as a result of the Volkswagen Clean Air Act Civil Settlement); a \$6.3 M decrease in Statutory Dedications – Transportation Trust Fund - Regular due to lowered forecasts in the REC estimate (see departmental overview for impact); a \$1.6 M decrease in Statutory Dedications – New Orleans Ferry Fund due to sunset (see *Note* below); and elimination of a \$300,000 appropriation from the statutorily dedicated Geaux Pass Transition Fund as the balance is depleted. A line within Act 2 of the 2018 2nd ES directs the department to allocate \$500,000 payable from Statutory Dedications – Transportation Trust Fund in the Engineering & Operations Agency to be used to supplant the lost Geaux Pass Transition Fund expenditures.

*Note: Act 2 included an appropriation of \$1.63 M payable by statutory dedications out of the New Orleans Ferry Fund for operating expenses and security of the Algiers Point/Canal Street ferry in the event HB 31 or SB 19 of the 2018 2nd ES were enacted into law and to the extent such funds are recognized by the REC. Both of these bills failed to pass the legislature. As such, the New Orleans Ferry Fund sunset on 6/30/18 and the \$1.63 M will be available for appropriation by statutory dedications out of the Transportation Trust Fund – Regular.*

**DPS&C - Corrections Services** – The DPS&C Corrections Services FY 19 budget totals \$566.5 M, reflecting a net increase above the EOB of \$12.1 M (including increases of \$9.2 M SGF, \$1.9 M SGR, and \$960,000 Statutory Dedications - Adult Probation & Parole Officer Retirement Fund). The authorized positions increase to 4,889 from 4,748. The significant adjustments in the department’s overall funding include the following:

- \$5,400,000 SGF increase provides partial funding for a Correctional Security Officer pay raise across the department (see *Note* below).
- \$1,022,000 SGF increase provides funding for replacement acquisitions and major repairs for Allen Correctional Center.
- \$2,595,093 TOTAL (\$960,000 Statutory Dedications from the Adult Probation & Parole Officer Retirement Fund, \$885,093 SGF and \$750,000 SGR) provides for a pay increase for probation and parole officers across the department.

*Note: The department has reported that it is \$32.9 M SGF underfunded in FY 19 for items such as: \$8.4 M for acquisitions and major repairs department wide (of which \$2.4 M was via LEAF purchases); \$5.2 M for*

*overtime; \$4 M for correctional officer pay-raise (only \$5.4 M was provided of the \$9.4 M cost); \$3 M for offsite offender medical; and \$1.4 M for an increase for retirees group (health) insurance just to name a few.*

A **supplemental appropriation** contained in Section 19.B of Act 2 of the 2018 3rd ES, contingent on the recognition of additional revenues by the REC, would provide an additional \$4 M SGF to fully fund the balance of the CSO pay raise and an additional \$12.29 M SGF for personal services, acquisitions and major repairs department wide. The Legislative Fiscal Office assumes this \$12.29 M will be applied against the unmet needs in the *Note* above, but the allocation has not yet been determined.

**Other Requirements – Local Housing of Adult Offenders (LHOA)** – The FY 19 budget totals \$168.3 M, a net decrease of \$6.8 M from EOB. The budget provides funding for the following areas:

- Local Housing of Adult Offenders = \$144,076,935
- Transitional Work Program = \$18,366,645
- Local Reentry Services = \$5,900,000
- Criminal Justice Reinvestment Initiative = \$0

*Note: Corrections Services has reported that Local Housing is underfunded for FY 19. The actual underfunded amount has not yet been provided to the Legislative Fiscal Office; however, assuming the housing of state inmates remains at the 7/27/18 facilities report level, there is a projected shortfall of approximately \$11.3 M SGF for FY 19.!*

A **supplemental appropriation** contained in Section 19.B of Act 2 of the 2018 3rd ES, contingent on the recognition of additional revenues by the REC, provides an additional \$10.5 M SGF to house state inmates at the local level.

**DPS&C - Youth Services, Office of Juvenile Justice (OJJ)** – The DPSC – Youth Services budget totals \$123 M, reflecting a decrease of \$0.4 M SGF from EOB. The authorized positions of 944 (exclusive of other charges positions) represent no change. The significant adjustments include: an increase of \$4 M SGF to provide partial funding for Acadiana Center for Youth, a decrease of \$2.2 M SGF associated with non-recurring of funding for acquisitions and major repairs and a decrease of \$1.8 M SGF associated with the department’s preamble reduction in Act 2 of the 2018 3rd ES.

A **supplemental appropriation** contained in Section 19.B of Act 2 of the 2018 3rd ES, contingent on the recognition of additional revenues by the REC, would provide an additional \$10.8 M SGF for the following expenditures:!

- \$8 M – Provides additional funding to enable full operational capacity of the Acadiana Center for Youth, including full staffing and the opening of all 6 dormitories during FY 19.
- \$2 M – Provides funding for Raise the Age to be utilized by the Probation & Parole and Contract Services programs to prepare for transitioning 17 year olds into the Juvenile Justice system during FY 19.
- \$800,000 – Provides funding for major repairs and replacement of equipment in existing facilities statewide.

**Department of Revenue** – Revenue will realize a net funds increase of \$577,657, or 0.57% above EOB (including an increase of \$34.5 M SGR and \$6,417 Statutory Dedications while being offset by a reduction of \$33.9 M SGF). The legislature executed a MOF swap to the Tax Collections Program that reduces SGF by \$30.7 M and increases SGR by an equal amount from prior and current year collections. If this level of SGR fund balances is unavailable in FY 20, Revenue will require an SGF

appropriation to offset lost appropriation authority or will be required to reduce operating capacity accordingly.

**Education**

**The Minimum Foundation Program (MFP):** The FY 19 funding totals \$3,710 B (including \$3.438 B SGF, \$164.3 M Lottery Proceeds Fund and \$107.2 M SELF Fund). This includes an adjustment of \$9.8 M for an anticipated increase of 1,858 students; a reduction of \$7.5 M associated with the elimination of one-time emergency assistance to three parishes impacted by the 2016 floods; and a decrease of \$13.1 M SGF due to increases in statutorily dedicated funds out of the Support Education in LA First Fund (\$3 M) and the Lottery Proceeds Fund (\$10.1 M) based on the most recent estimates from the Revenue Estimating Conference (REC). As a result of revised student enrollment counts, the FY 18 MFP was decreased by \$10 M in the supplemental bill (Act 59 of 2018 RS). This adjustment was annualized for the FY 19 MFP resulting in an additional \$10 M reduction. The FY 19 MFP does not include increases to the base per pupil amount, which remains at \$3,961.

**Department of Education (DOE):** FY 19 funding totals \$1,629.5 B (\$147.3 M SGF, \$264.8 M IAT, \$57.4 M SGF, \$13.6 M Statutory Dedications, and \$1.146 B Federal). This represents a net increase of \$2 M from EOB. Funding for the Student Scholarship for Educational Excellence Program (SSEEP) is increased by \$2.1 M (\$41.8 M). Funding for the state’s early childhood programs remains at a standstill level; the LA 4 Program is \$75.6 M (\$35.2 M SGF and \$40.4 M IAT) and the NCSED is \$6.9 M (SGF). The original source of the IAT is TANF funds from the Department of Children & Family Services (DCFS). For FY 19, total funding for the federal early childhood program is \$120.5 M, which represents an increase of \$39.9 M from EOB as a result of an increase in the federal Child Care Development Fund (Discretionary Fund) allocation. The additional funding will be used to reduce the waiting list for child care seats as well as increase funding for quality initiatives for toddlers and infants.

**Special Schools & Commissions:** FY 19 funding for Board of Elementary & Secondary Education (BESE) and the special schools is appropriated at \$101.6 M, which represents a net increase of \$4.7 M from EOB primarily associated with acquisitions, major repairs and other operating expenses. Thrive Academy received funding to add a 12th grade for an additional 20 students.

Table 5 below reflects total K-12 funding. *See Section IV Budgetary Overviews for additional information on education.*

Table 5 K-12 Education			
	FY 18 EOB (12/1/17)	FY 19 Appropriated	CHANGE
SGF	\$3,646,464,018	\$3,627,057,835	(\$19,406,183)
IAT	\$289,267,850	\$282,610,652	(\$6,657,198)
SGR	\$60,751,479	\$55,444,542	(\$5,306,937)
STAT DED	\$298,924,416	\$310,862,795	\$11,938,379
FEDERAL	\$1,146,490,509	\$1,186,616,945	\$40,126,436
<b>TOTAL</b>	<b>\$5,441,898,272</b>	<b>\$5,462,592,769</b>	<b>\$20,694,497</b>

**Higher Education:** The FY 19 budget is \$2,740.2 B; a total net increase of \$22.8 M from EOB (including \$9.7 M SGF and \$17.1 M SGR increases and reductions of \$3.3 M Statutory Dedications and \$885 K IAT).

Significant adjustments include increases to certain institutions outside of the funding formula, including \$3.2 M for the Southern University Board to facilitate and complete accreditation, and \$1.5 M to Grambling State University. Formula funding remains at a standstill level. In accordance with the Board of Regents' goal to increase the portion of total funding allocated to institutions utilizing outcomes metrics, the FY 19 Formula is allocated 63% pro-rata or base funding share, 17% cost share and 20% outcomes share.

**TOPS/Go Grants:** TOPS funding for FY 19 totals \$294.6 M (\$236.6 M SGF and \$57.9 M Statutory Dedications) which represents full funding of projected need. GO Grant funding is increased by \$2 M (\$28.4 M).

Table 6 below reflects total Higher Education funding. *See Section IV Budgetary Overviews for institutional funding tables.*

Table 6			
Higher Education (includes TOPS)			
	FY 18 EOB <u>(12/1/17)</u>	FY 19 Appropriated	CHANGE
SGF	\$1,004,971,363	\$1,014,739,827	\$9,768,464
IAT	\$23,645,601	\$22,759,816	(\$885,785)
SGR	\$1,457,186,211	\$1,474,298,447	\$17,112,236
STAT DED	\$151,642,910	\$148,331,426	(\$3,311,484)
FEDERAL	\$79,903,497	\$80,105,297	\$201,800
<b>TOTAL</b>	<b>\$2,717,349,582</b>	<b>\$2,740,234,813</b>	<b>\$22,885,231</b>

## Health

### Medicaid

FY 19 reflects an increase in overall funding in Medicaid by \$430.3 M (3.6%) when compared to the FY 18 EOB of \$11.9 B to a recommended appropriation of \$12.4 B. The net increase in funding is largely the result of increased program funding, utilization and rate increases from FY 18 base funding. Significant increases reflected in the Medicaid budget include funding for annualized cost increases, and both rate and programmatic funding increases to various providers Managed Care Organizations (MCO's). Significant funding increases for FY 19 are reflected below:

- \*\$605.6 M – Managed Care payments
  - \$57.1 M – Nursing Home reimbursement rate rebase
  - \$34.3 M – NOW waiver slots (650 new slots)
  - \$8.5 M – Dental Managed Care utilization increase
  - \$9.3 M – Pharmacy Program fee for service utilization increase
  - \$15.8 M – Federally Qualified Health Clinic and Rural Health Clinic rate increase
  - \$17.8 M – Waiver Program annualizes FY 17 enrollment
  - \$8.2 M – Medicare Buy-In premium increases (Part A, Part B, Part D)
  - \$2.8 M – Rural Hospital inpatient per diem rate increase (rebase)



\*The FY 19 Medicaid budget includes two specific MCO adjustments increasing MCO funding by \$605 M. The net level of additional MCO funding for FY 19 will be based on the ratio of various provider and payment budget adjustments (increases and reductions) that are applied between managed care and fee for service. As an example, \$175.8 M in eligibility reform savings built into the FY 19 Medicaid budget are anticipated to reduce managed care payments to the extent savings materialize. *Based on various Medicaid budget adjustments for FY 19, LDH projects a net increase in managed care payments of approximately \$245 M.*

Significant reductions reflected in the Medicaid budget are a result of estimated program reductions in the Private Providers and Buy-In programs.

- (\$175.8 M) – Medicaid eligibility reforms savings (assumed to be reduced from MCO payments)
- (\$49.7 M) – Balance Private Providers program to updated FY 19 projections
- (\$2.6 M) – Reduce Clawback funding for Medicare Part D funding to updated FY 19 projections

*Note: Approximately \$175.8 M is reduced in Medicaid associated with implementation of eligibility reforms. To the extent eligibility reforms are implemented and materialize in FY 19, managed care payments are anticipated to be reduced related to enrollment. There is no data provided by the department to support a level of savings associated with such reforms.*

**Public/Private Partnership**

Approximately \$1.15 B in total funding is allocated to the public private partnership hospitals, including Lallie Kemp Regional Medical Center, which represents the same level of funding as the partner hospitals’ FY 18 allocation. The total PPP allocation includes both Disproportionate Share Hospital (DSH) and Upper Payment Limit (UPL) supplemental funding.

*Note:* LSU and the Division of Administration have been negotiating with Ochsner Health System to assume management of the public private partnership hospitals in Monroe and Shreveport from the current operator, the Biomedical Research Foundation (BRF). All parties have reached terms on a tentative cooperative endeavor agreement that is scheduled for review by the Joint Legislative Committee on the Budget on 9/18/18.

Table 7 below reflects total funding for the Department of Health. *See Section IV Budgetary Overviews for additional information on health care.*

Table 7			
Health			
	<u>FY 18 EOB (12/1/17)</u>	<u>FY 19 Appropriated</u>	<u>CHANGE</u>
SGF	\$2,415,119,251	\$2,478,211,795	\$63,092,544
IAT	\$306,924,794	\$319,674,708	\$12,749,914
SGR	\$510,154,478	\$538,898,298	\$28,743,820
STAT DED	\$842,350,843	\$890,492,234	\$48,141,391
FEDERAL	\$9,519,368,265	\$9,811,812,570	\$292,444,305
<b>TOTAL</b>	<b>\$13,593,917,631</b>	<b>\$14,039,089,605</b>	<b>\$445,171,974</b>



Louisiana Legislative Fiscal Office

## **Section II**

# **BUDGET COMPARISONS**

Fiscal Year 2018-2019

**TABLE 8  
TOTAL MEANS OF FINANCE BY DEPARTMENT**

DEPARTMENT	Actual FY 17	Budgeted FY 18 (1)	Appropriated FY 19 (2)	Change FY 18 to FY 19	
				Amount	Percent
Executive (a)	\$1,684,492,168	\$2,631,442,030	\$2,525,384,852	(\$106,057,178)	(4.0%)
Veterans Affairs	\$62,180,829	\$68,730,079	\$70,912,036	\$2,181,957	3.2%
State (a)	\$77,710,030	\$78,893,964	\$89,341,324	\$10,447,360	13.2%
Justice (a)	\$56,208,562	\$75,555,655	\$70,027,382	(\$5,528,273)	(7.3%)
Lt. Governor	\$5,792,576	\$7,217,635	\$7,212,197	(\$5,438)	(0.1%)
Treasury	\$9,977,240	\$11,399,347	\$11,639,368	\$240,021	2.1%
Public Service Commission	\$8,485,175	\$9,770,839	\$9,722,536	(\$48,303)	(0.5%)
Agriculture & Forestry (a)	\$69,418,152	\$79,015,903	\$72,570,278	(\$6,445,625)	(8.2%)
Insurance	\$28,746,881	\$31,113,343	\$31,878,205	\$764,862	2.5%
Economic Development (a)	\$40,062,453	\$61,091,451	\$44,234,573	(\$16,856,878)	(27.6%)
Culture, Rec. & Tourism (a)	\$75,610,631	\$95,024,200	\$88,993,547	(\$6,030,653)	(6.3%)
Transp. & Development (a)	\$558,056,076	\$641,058,252	\$628,438,914	(\$12,619,338)	(2.0%)
Corrections Services	\$522,446,772	\$566,495,081	\$566,452,152	(\$42,929)	(0.0%)
Public Safety Services (a)	\$413,462,248	\$478,288,494	\$469,349,530	(\$8,938,964)	(1.9%)
Youth Services	\$110,858,791	\$123,380,326	\$122,972,885	(\$407,441)	(0.3%)
Health (a)	\$11,894,672,980	\$13,767,662,209	\$14,039,089,605	\$271,427,396	2.0%
Children & Family Services (a)	\$584,569,068	\$792,363,444	\$779,223,704	(\$13,139,740)	(1.7%)
Natural Resources (a)	\$44,964,864	\$56,841,717	\$54,582,563	(\$2,259,154)	(4.0%)
Revenue (a)	\$88,054,012	\$110,656,092	\$102,406,220	(\$8,249,872)	(7.5%)
Environmental Quality (a)	\$103,071,768	\$126,860,579	\$136,150,465	\$9,289,886	7.3%
LA Workforce Commission	\$250,201,174	\$290,488,041	\$288,273,138	(\$2,214,903)	(0.8%)
Wildlife & Fisheries (a)	\$124,232,400	\$186,276,414	\$175,347,052	(\$10,929,362)	(5.9%)
Civil Service	\$18,919,004	\$20,415,019	\$21,022,685	\$607,666	3.0%
Retirement Systems (a)	\$0	\$12,261,996	\$0	(\$12,261,996)	(100.0%)
Higher Education (a)	\$2,515,318,052	\$2,744,694,292	\$2,740,234,813	(\$4,459,479)	(0.2%)
Special Schools & Comm. (a)	\$86,081,900	\$99,475,289	\$101,581,936	\$2,106,647	2.1%
Elem. & Secondary Ed (a)	\$5,142,430,595	\$5,339,502,209	\$5,361,010,833	\$21,508,624	0.4%
Health Care Srv. Division	\$59,936,165	\$67,104,044	\$62,243,427	(\$4,860,617)	(7.2%)
Other Requirements (a)	\$746,389,765	\$898,603,486	\$795,596,287	(\$103,007,199)	(11.5%)
<b>General Appropriation Total</b>	<b>\$25,382,350,331</b>	<b>\$29,471,681,430</b>	<b>\$29,465,892,507</b>	<b>(\$5,788,923)</b>	<b>(0.0%)</b>
Ancillary	\$2,006,828,775	\$2,303,949,317	\$2,343,582,618	\$39,633,301	1.7%
Judiciary	\$158,822,194	\$171,164,719	\$173,164,719	\$2,000,000	1.2%
Legislative	\$93,276,460	\$94,846,523	\$95,462,186	\$615,663	0.6%
Capital Outlay - Cash Portion (a)	\$1,396,133,014	\$1,261,068,390	\$1,341,080,643	\$80,012,253	6.3%
<b>Other Approp. Bills' Total</b>	<b>\$3,655,060,443</b>	<b>\$3,831,028,949</b>	<b>\$3,953,290,166</b>	<b>\$122,261,217</b>	<b>3.2%</b>
<b>Non-Approp. Required</b>	<b>\$553,295,299</b>	<b>\$572,709,550</b>	<b>\$569,129,317</b>	<b>(\$3,580,233)</b>	<b>(0.6%)</b>
<b>Grand Total</b>	<b>\$29,590,706,073</b>	<b>\$33,875,419,929</b>	<b>\$33,988,311,990</b>	<b>\$112,892,061</b>	<b>0.3%</b>

(1) Budgeted as of June 30, 2018.

(2) Appropriated in Acts 29, 49, 69 & 79 of 2018 RS; Acts 2, 7 & 9 of 2018 2nd ES; and Act 2 of 2018 3rd ES. Excludes carry-forward BA-7s.

(a) See Endnotes on pages 8 - 10.

**TABLE 9  
TOTAL STATE EFFORT BY DEPARTMENT**

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

DEPARTMENT	Actual FY 17	Budgeted FY 18 (1)	Appropriated FY 19 (2)	Change FY 18 to FY 19	
				Amount	Percent
Executive	\$378,126,271	\$488,616,746	\$425,501,181	(\$63,115,565)	(12.9%)
Veterans Affairs	\$21,870,735	\$22,666,781	\$22,964,613	\$297,832	1.3%
State	\$77,499,039	\$78,672,464	\$89,113,824	\$10,441,360	13.3%
Justice	\$26,222,536	\$41,872,896	\$39,451,774	(\$2,421,122)	(5.8%)
Lt. Governor	\$990,941	\$1,057,280	\$1,051,842	(\$5,438)	(0.5%)
Treasury	\$8,488,564	\$9,712,403	\$9,952,424	\$240,021	2.5%
Public Service Commission	\$8,485,175	\$9,770,839	\$9,722,536	(\$48,303)	(0.5%)
Agriculture & Forestry	\$61,351,777	\$67,744,805	\$61,880,099	(\$5,864,706)	(8.7%)
Insurance	\$28,029,321	\$30,397,337	\$31,160,730	\$763,393	2.5%
Economic Development	\$36,017,455	\$52,364,429	\$41,258,553	(\$11,105,876)	(21.2%)
Culture, Rec. & Tourism	\$65,637,605	\$75,370,256	\$72,926,545	(\$2,443,711)	(3.2%)
Transp. & Development	\$538,400,206	\$599,727,458	\$588,563,509	(\$11,163,949)	(1.9%)
Corrections Services	\$513,337,586	\$548,795,075	\$549,383,517	\$588,442	0.1%
Public Safety Services	\$367,444,542	\$390,807,823	\$383,149,788	(\$7,658,035)	(2.0%)
Youth Services	\$101,293,821	\$110,512,361	\$110,121,130	(\$391,231)	(0.4%)
Health	\$3,681,079,804	\$3,864,130,490	\$3,907,602,327	\$43,471,837	1.1%
Children & Family Services	\$175,952,978	\$205,011,561	\$212,247,076	\$7,235,515	3.5%
Natural Resources	\$29,927,139	\$39,928,256	\$38,506,776	(\$1,421,480)	(3.6%)
Revenue	\$87,834,196	\$110,291,092	\$102,121,220	(\$8,169,872)	(7.4%)
Environmental Quality	\$86,438,922	\$106,033,835	\$116,177,203	\$10,143,368	9.6%
LA Workforce Commission	\$105,896,334	\$118,306,340	\$119,813,048	\$1,506,708	1.3%
Wildlife & Fisheries	\$95,370,623	\$127,954,027	\$120,388,562	(\$7,565,465)	(5.9%)
Civil Service	\$7,875,922	\$8,792,822	\$9,020,024	\$227,202	2.6%
Retirement	\$0	\$12,261,996	\$0	(\$12,261,996)	0.0%
Higher Education	\$2,442,529,485	\$2,641,149,653	\$2,637,369,700	(\$3,779,953)	(0.1%)
Special Schools & Comm.	\$62,534,502	\$71,052,953	\$72,616,470	\$1,563,517	2.2%
Elem. & Secondary Ed	\$3,861,366,830	\$3,928,503,411	\$3,920,748,702	(\$7,754,709)	(0.2%)
Health Care Srvc. Division	\$37,193,841	\$43,919,984	\$39,900,564	(\$4,019,420)	(9.2%)
Other Requirements	\$698,714,024	\$847,378,217	\$746,865,099	(\$100,513,118)	(11.9%)
<b>General Appropriation Total</b>	<b>\$13,605,910,174</b>	<b>\$14,652,803,590</b>	<b>\$14,479,578,836</b>	<b>(\$173,224,754)</b>	<b>(1.2%)</b>
Ancillary	\$1,534,087,119	\$1,657,664,222	\$1,723,404,098	\$65,739,876	4.0%
Judiciary	\$158,822,194	\$161,771,869	\$163,771,869	\$2,000,000	1.2%
Legislative	\$93,276,460	\$94,846,523	\$95,462,186	\$615,663	0.6%
Capital Outlay - Cash Portion	\$1,013,133,194	\$1,154,635,478	\$1,258,554,000	\$103,918,522	9.0%
<b>Other Approp. Bills' Total</b>	<b>\$2,799,318,967</b>	<b>\$3,068,918,092</b>	<b>\$3,241,192,153</b>	<b>\$172,274,061</b>	<b>5.6%</b>
<b>Non-Approp. Required</b>	<b>\$553,295,299</b>	<b>\$572,709,550</b>	<b>\$569,129,317</b>	<b>(\$3,580,233)</b>	<b>(0.6%)</b>
<b>Grand Total</b>	<b>\$16,958,524,440</b>	<b>\$18,294,431,232</b>	<b>\$18,289,900,306</b>	<b>(\$4,530,926)</b>	<b>(0.0%)</b>

(1) Budgeted as of June 30, 2018.

(2) Appropriated in Acts 29, 49, 69 & 79 of 2018 RS; Acts 2, 7 & 9 of 2018 2nd ES; and Act 2 of 2018 3rd ES. Excludes carry-forward BA-7s.

**TABLE 10  
STATE GENERAL FUND BY DEPARTMENT**

<b>DEPARTMENT</b>	<b>Actual FY 17</b>	<b>Budgeted FY 18 (1)</b>	<b>Appropriated FY 19 (2)</b>	<b>Change FY 18 to FY 19</b>	
				<b>Amount</b>	<b>Percent</b>
Executive	\$125,404,330	\$177,560,240	\$131,030,353	(\$46,529,887)	(26.2%)
Veterans Affairs	\$4,995,855	\$5,551,292	\$5,592,418	\$41,126	0.7%
State	\$51,906,517	\$51,658,836	\$55,505,580	\$3,846,744	7.4%
Justice	\$6,813,770	\$19,387,540	\$15,913,855	(\$3,473,685)	(17.9%)
Lt. Governor	\$990,941	\$1,047,280	\$1,041,842	(\$5,438)	(0.5%)
Treasury	\$0	\$0	\$0	\$0	0.0%
Public Service Commission	\$0	\$66,396	\$0	(\$66,396)	(0.5%)
Agriculture & Forestry	\$23,662,794	\$25,275,042	\$18,300,151	(\$6,974,891)	(27.6%)
Insurance	\$0	\$0	\$0	\$0	0.0%
Economic Development	\$14,954,842	\$14,373,495	\$19,421,263	\$5,047,768	35.1%
Culture, Rec. & Tourism	\$34,108,179	\$31,558,563	\$32,849,420	\$1,290,857	4.1%
Transp. & Development	\$0	\$0	\$0	\$0	0.0%
Corrections Services	\$476,437,296	\$499,531,746	\$500,091,506	\$559,760	0.1%
Public Safety Services	\$6,601,728	\$19,410,048	\$0	(\$19,410,048)	(100.0%)
Youth Services	\$100,675,723	\$109,587,852	\$109,196,621	(\$391,231)	(0.4%)
Health	\$2,390,817,265	\$2,471,678,365	\$2,478,211,795	\$6,533,430	0.3%
Children & Family Services	\$160,516,303	\$176,961,000	\$193,377,419	\$16,416,419	9.3%
Natural Resources	\$10,068,629	\$9,421,017	\$8,743,801	(\$677,216)	(7.2%)
Revenue	\$12,040,331	\$33,892,165	\$0	(\$33,892,165)	(100.0%)
Environmental Quality	\$0	\$0	\$0	\$0	0.0%
LA Workforce Commission	\$6,530,496	\$7,399,887	\$8,252,219	\$852,332	11.5%
Wildlife & Fisheries	\$0	\$0	\$0	\$0	0.0%
Civil Service	\$4,909,967	\$5,326,196	\$5,343,846	\$17,650	0.3%
Retirement	\$0	\$12,261,996	\$0	(\$12,261,996)	(100.0%)
Higher Education	\$907,215,046	\$1,012,370,964	\$1,014,739,827	\$2,368,863	0.2%
Special Schools & Comm.	\$38,747,769	\$42,675,304	\$45,469,686	\$2,794,382	6.5%
Elem. & Secondary Ed	\$3,535,662,196	\$3,585,515,063	\$3,581,588,149	(\$3,926,914)	(0.1%)
Health Care Srvc. Division	\$24,664,566	\$27,062,061	\$24,427,906	(\$2,634,155)	(9.7%)
Other Requirements	\$479,880,559	\$553,733,677	\$517,660,401	(\$36,073,276)	(6.5%)
<b>General Appropriation Total</b>	<b>\$8,417,605,102</b>	<b>\$8,893,306,025</b>	<b>\$8,766,758,058</b>	<b>(\$126,547,967)</b>	<b>(1.4%)</b>
Ancillary	\$0	\$0	\$0	\$0	0.0%
Judiciary	\$151,530,944	\$151,530,944	\$153,530,944	\$2,000,000	0.0%
Legislative	\$62,472,956	\$62,472,956	\$62,472,956	\$0	0.0%
Capital Outlay - Cash Portion	\$1,720,862	\$19,177,314	\$62,951,760	\$43,774,446	228.3%
<b>Other Approp. Bills' Total</b>	<b>\$215,724,762</b>	<b>\$233,181,214</b>	<b>\$278,955,660</b>	<b>\$45,774,446</b>	<b>19.6%</b>
<b>Non-Approp. Required</b>	<b>\$484,862,553</b>	<b>\$508,509,550</b>	<b>\$514,371,375</b>	<b>\$5,861,825</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$9,118,192,417</b>	<b>\$9,634,996,789</b>	<b>\$9,560,085,093</b>	<b>(\$74,911,696)</b>	<b>(0.8%)</b>

(1) Budgeted as of June 30, 2018.

(2) Appropriated in Acts 29, 49, 69 & 79 of 2018 RS; Acts 2, 7 & 9 of 2018 2nd ES; and Act 2 of 2018 3rd ES. Excludes carry-forward BA-7s.

**TABLE 11  
INTERAGENCY TRANSFERS BY DEPARTMENT**

DEPARTMENT	Actual FY 17	Budgeted FY 18 (1)	Appropriated FY 19 (2)	Change FY 18 to FY 19	
				Amount	Percent
Executive	\$81,236,562	\$82,141,807	\$70,707,654	(\$11,434,153)	(13.9%)
Veterans Affairs	\$1,583,991	\$3,010,433	\$2,349,822	(\$660,611)	(21.9%)
State	\$210,991	\$221,500	\$227,500	\$6,000	2.7%
Justice	\$24,287,009	\$26,167,329	\$23,500,587	(\$2,666,742)	(10.2%)
Lt. Governor	\$462,520	\$672,296	\$672,296	\$0	0.0%
Treasury	\$1,488,676	\$1,686,944	\$1,686,944	\$0	0.0%
Public Service Commission	\$0	\$0	\$0	\$0	0.0%
Agriculture & Forestry	\$1,595,571	\$686,125	\$680,206	(\$5,919)	(0.9%)
Insurance	\$0	\$0	\$0	\$0	0.0%
Economic Development	\$1,107,965	\$680,546	\$0	(\$680,546)	(100.0%)
Culture, Rec. & Tourism	\$5,140,718	\$12,123,852	\$8,528,705	(\$3,595,147)	(29.7%)
Transp. & Development	\$3,922,181	\$8,910,000	\$15,242,612	\$6,332,612	71.1%
Corrections Services	\$8,321,699	\$15,469,309	\$14,837,938	(\$631,371)	(4.1%)
Public Safety Services	\$26,019,771	\$38,286,509	\$38,258,311	(\$28,198)	(0.1%)
Youth Services	\$8,971,201	\$11,959,959	\$11,959,959	\$0	0.0%
Health	\$283,768,736	\$314,473,002	\$319,674,708	\$5,201,706	1.7%
Children & Family Services	\$11,783,308	\$50,095,291	\$26,899,733	(\$23,195,558)	(46.3%)
Natural Resources	\$8,390,842	\$8,448,160	\$8,816,870	\$368,710	4.4%
Revenue	\$219,816	\$365,000	\$285,000	(\$80,000)	(21.9%)
Environmental Quality	\$212,757	\$670,829	\$70,829	(\$600,000)	(89.4%)
LA Workforce Commission	\$4,122,803	\$6,595,050	\$4,559,450	(\$2,035,600)	(30.9%)
Wildlife & Fisheries	\$2,980,111	\$12,289,748	\$12,527,226	\$237,478	1.9%
Civil Service	\$11,043,082	\$11,622,197	\$12,002,661	\$380,464	3.3%
Retirement	\$0	\$0	\$0	\$0	0.0%
Higher Education	\$13,673,426	\$23,641,142	\$22,759,816	(\$881,326)	(3.7%)
Special Schools & Comm.	\$23,547,398	\$28,103,668	\$28,731,884	\$628,216	2.2%
Elem. & Secondary Ed	\$165,496,269	\$264,826,957	\$253,878,768	(\$10,948,189)	(4.1%)
Health Care Svc. Division	\$17,788,112	\$18,383,724	\$17,542,527	(\$841,197)	(4.6%)
Other Requirements	\$43,446,218	\$45,669,009	\$43,174,928	(\$2,494,081)	(5.5%)
<b>General Approp. Total</b>	<b>\$750,821,733</b>	<b>\$987,200,386</b>	<b>\$939,576,934</b>	<b>(\$47,623,452)</b>	<b>(4.8%)</b>
Ancillary	\$472,741,656	\$646,285,095	\$620,178,520	(\$26,106,575)	(4.0%)
Judiciary	\$0	\$9,392,850	\$9,392,850	\$0	0.0%
Legislative	\$0	\$0	\$0	\$0	0.0%
Capital Outlay - Cash Portion	\$249,656,350	\$43,627,912	\$13,184,843	(\$30,443,069)	(69.8%)
<b>Other Approp. Bills' Total</b>	<b>\$722,398,006</b>	<b>\$699,305,857</b>	<b>\$642,756,213</b>	<b>(\$56,549,644)</b>	<b>(8.1%)</b>
<b>Non-Approp. Required</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$1,473,219,739</b>	<b>\$1,686,506,243</b>	<b>\$1,582,333,147</b>	<b>(\$104,173,096)</b>	<b>(6.2%)</b>

(1) Budgeted as of June 30, 2018.

(2) Appropriated in Acts 29, 49, 69 & 79 of 2018 RS; Acts 2, 7 & 9 of 2018 2nd ES; and Act 2 of 2018 3rd ES. Excludes carry-forward BA-7s.

**TABLE 12  
SELF GENERATED REVENUE BY DEPARTMENT**

<b>DEPARTMENT</b>	<b>Actual FY 17</b>	<b>Budgeted FY 18 (1)</b>	<b>Appropriated FY 19 (2)</b>	<b>Change FY 18 to FY 19</b>	
				<b>Amount</b>	<b>Percent</b>
Executive	\$134,970,594	\$159,124,742	\$136,992,561	(\$22,132,181)	(13.9%)
Veterans Affairs	\$16,432,247	\$16,999,961	\$17,256,667	\$256,706	1.5%
State	\$25,582,628	\$26,900,550	\$27,605,679	\$705,129	2.6%
Justice	\$4,294,420	\$6,866,714	\$6,816,714	(\$50,000)	(0.7%)
Lt. Governor	\$0	\$10,000	\$10,000	\$0	0.0%
Treasury	\$8,134,796	\$8,900,948	\$9,140,969	\$240,021	2.7%
Public Service Commission	\$0	\$0	\$0	\$0	0.0%
Agriculture & Forestry	\$6,506,357	\$7,029,476	\$8,404,409	\$1,374,933	19.6%
Insurance	\$26,647,792	\$28,658,984	\$29,342,980	\$683,996	2.4%
Economic Development	\$2,895,075	\$17,868,712	\$5,064,807	(\$12,803,905)	(71.7%)
Culture, Rec. & Tourism	\$24,517,122	\$33,181,020	\$29,152,703	(\$4,028,317)	(12.1%)
Transp. & Development	\$22,769,329	\$28,672,415	\$28,182,415	(\$490,000)	(1.7%)
Corrections Services	\$35,521,228	\$49,209,329	\$48,278,011	(\$931,318)	(1.9%)
Public Safety Services	\$176,173,487	\$179,276,430	\$200,340,673	\$21,064,243	11.7%
Youth Services	\$473,076	\$775,487	\$775,487	\$0	0.0%
Health	\$437,362,503	\$550,100,000	\$538,898,298	(\$11,201,702)	(2.0%)
Children & Family Services	\$10,647,150	\$17,937,760	\$18,392,610	\$454,850	2.5%
Natural Resources	\$167,307	\$318,639	\$318,639	\$0	0.0%
Revenue	\$75,222,816	\$75,855,344	\$101,571,220	\$25,715,876	33.9%
Environmental Quality	\$20,414	\$24,790	\$24,790	\$0	0.0%
LA Workforce Commission	\$102,000	\$272,219	\$272,219	\$0	0.0%
Wildlife & Fisheries	\$195,285	\$2,111,574	\$2,111,574	\$0	0.0%
Civil Service	\$930,192	\$1,232,825	\$1,341,590	\$108,765	8.8%
Retirement	\$0	\$0	\$0	\$0	0.0%
Higher Education	\$1,384,356,305	\$1,477,135,779	\$1,474,298,447	(\$2,837,332)	(0.2%)
Special Schools & Comm.	\$2,262,026	\$3,263,033	\$3,263,033	\$0	0.0%
Elem. & Secondary Ed	\$29,823,015	\$57,488,446	\$52,181,509	(\$5,306,937)	(9.2%)
Health Care Srvc. Division	\$12,149,617	\$15,472,658	\$15,472,658	\$0	0.0%
Other Requirements	\$8,822,298	\$14,413,915	\$14,153,280	(\$260,635)	(1.8%)
<b>General Appropriation Total</b>	<b>\$2,446,979,079</b>	<b>\$2,779,101,750</b>	<b>\$2,769,663,942</b>	<b>(\$9,437,808)</b>	<b>(0.3%)</b>
Ancillary	\$1,432,734,451	\$1,506,664,222	\$1,572,404,098	\$65,739,876	4.4%
Judiciary	\$0	\$0	\$0	\$0	0.0%
Legislative	\$20,803,504	\$22,373,567	\$22,989,230	\$615,663	2.8%
Capital Outlay - Cash Portion	\$92,180,000	\$55,704,484	\$59,922,000	\$4,217,516	7.6%
<b>Other Approp. Bills' Total</b>	<b>\$1,545,717,955</b>	<b>\$1,584,742,273</b>	<b>\$1,655,315,328</b>	<b>\$70,573,055</b>	<b>4.5%</b>
<b>Non-Approp. Required</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$3,992,697,034</b>	<b>\$4,363,844,023</b>	<b>\$4,424,979,270</b>	<b>\$61,135,247</b>	<b>1.4%</b>

(1) Budgeted as of June 30, 2018.

(2) Appropriated in Acts 29, 49, 69 & 79 of 2018 RS; Acts 2, 7 & 9 of 2018 2nd ES; and Act 2 of 2018 3rd ES. Excludes carry-forward BA-7s.

**TABLE 13  
STATUTORY DEDICATIONS BY DEPARTMENT**

DEPARTMENT	Actual FY 17	Budgeted FY 18 (1)	Appropriated FY 19 (2)	Change FY 18 to FY 19	
				Amount	Percent
Executive	\$117,751,347	\$151,931,764	\$157,478,267	\$5,546,503	3.7%
Veterans Affairs	\$442,633	\$115,528	\$115,528	\$0	0.0%
State	\$9,894	\$113,078	\$6,002,565	\$5,889,487	5208.3%
Justice	\$15,114,346	\$15,618,642	\$16,721,205	\$1,102,563	7.1%
Lt. Governor	\$0	\$0	\$0	\$0	0.0%
Treasury	\$353,768	\$811,455	\$811,455	\$0	0.0%
Public Service Commission	\$8,485,175	\$9,704,443	\$9,722,536	\$18,093	0.2%
Agriculture & Forestry	\$31,182,626	\$35,440,287	\$35,175,539	(\$264,748)	(0.7%)
Insurance	\$1,381,529	\$1,738,353	\$1,817,750	\$79,397	4.6%
Economic Development	\$18,167,538	\$20,122,222	\$16,772,483	(\$3,349,739)	(16.6%)
Culture, Rec. & Tourism	\$7,012,304	\$10,630,673	\$10,924,422	\$293,749	2.8%
Transp. & Development	\$515,630,877	\$571,055,043	\$560,381,094	(\$10,673,949)	(1.9%)
Corrections Services	\$1,379,062	\$54,000	\$1,014,000	\$960,000	1777.8%
Public Safety Services	\$184,669,327	\$192,121,345	\$182,809,115	(\$9,312,230)	(4.8%)
Youth Services	\$145,022	\$149,022	\$149,022	\$0	0.0%
Health	\$852,900,036	\$842,352,125	\$890,492,234	\$48,140,109	5.7%
Children & Family Services	\$4,789,525	\$10,112,801	\$477,047	(\$9,635,754)	(95.3%)
Natural Resources	\$19,691,203	\$30,188,600	\$29,444,336	(\$744,264)	(2.5%)
Revenue	\$571,049	\$543,583	\$550,000	\$6,417	1.2%
Environmental Quality	\$86,418,508	\$106,009,045	\$116,152,413	\$10,143,368	9.6%
LA Workforce Commission	\$99,263,838	\$110,634,234	\$111,288,610	\$654,376	0.6%
Wildlife & Fisheries	\$95,175,338	\$125,842,453	\$118,276,988	(\$7,565,465)	(6.0%)
Civil Service	\$2,035,763	\$2,233,801	\$2,334,588	\$100,787	4.5%
Retirement	\$0	\$0	\$0	\$0	0.0%
Higher Education	\$150,958,134	\$151,642,910	\$148,331,426	(\$3,311,484)	(2.2%)
Special Schools & Comm.	\$21,524,707	\$25,114,616	\$23,883,751	(\$1,230,865)	(4.9%)
Elem. & Secondary Ed	\$295,881,619	\$285,499,902	\$286,979,044	\$1,479,142	0.5%
Health Care Srvc. Division	\$379,658	\$1,385,265	\$0	(\$1,385,265)	0.0%
Other Requirements	\$210,011,167	\$279,230,625	\$215,051,418	(\$64,179,207)	(23.0%)
<b>General Appropriation Total</b>	<b>\$2,741,325,993</b>	<b>\$2,980,395,815</b>	<b>\$2,943,156,836</b>	<b>(\$37,238,979)</b>	<b>(1.2%)</b>
Ancillary	\$101,352,668	\$151,000,000	\$151,000,000	\$0	0.0%
Judiciary	\$7,291,250	\$10,240,925	\$10,240,925	\$0	0.0%
Legislative	\$10,000,000	\$10,000,000	\$10,000,000	\$0	0.0%
Capital Outlay - Cash Portion	\$919,232,332	\$1,079,753,680	\$1,135,680,240	\$55,926,560	5.2%
<b>Other Approp. Bills' Total</b>	<b>\$1,037,876,250</b>	<b>\$1,250,994,605</b>	<b>\$1,306,921,165</b>	<b>\$55,926,560</b>	<b>4.5%</b>
<b>Non-Approp. Required</b>	<b>\$68,432,746</b>	<b>\$64,200,000</b>	<b>\$54,757,942</b>	<b>(\$9,442,058)</b>	<b>(14.7%)</b>
<b>Grand Total</b>	<b>\$3,847,634,989</b>	<b>\$4,295,590,420</b>	<b>\$4,304,835,943</b>	<b>\$9,245,523</b>	<b>0.2%</b>

(1) Budgeted as of June 30, 2018.

(2) Appropriated in Acts 29, 49, 69 & 79 of 2018 RS; Acts 2, 7 & 9 of 2018 2nd ES; and Act 2 of 2018 3rd ES. Excludes carry-forward BA-7s.



**TABLE 14  
FEDERAL FUNDS BY DEPARTMENT**

<b>DEPARTMENT</b>	<b>Actual FY 17</b>	<b>Budgeted FY 18 (1)</b>	<b>Appropriated FY 19 (2)</b>	<b>Change FY 18 to FY 19</b>	
				<b>Amount</b>	<b>Percent</b>
Executive	\$1,225,129,335	\$2,060,683,477	\$2,029,176,017	(\$31,507,460)	(1.5%)
Veterans Affairs	\$38,726,103	\$43,052,865	\$45,597,601	\$2,544,736	5.9%
State	\$0	\$0	\$0	\$0	0.0%
Justice	\$5,699,017	\$7,515,430	\$7,075,021	(\$440,409)	(5.9%)
Lt. Governor	\$4,339,115	\$5,488,059	\$5,488,059	\$0	0.0%
Treasury	\$0	\$0	\$0	\$0	0.0%
Public Service Commission	\$0	\$0	\$0	\$0	0.0%
Agriculture & Forestry	\$6,470,804	\$10,584,973	\$10,009,973	(\$575,000)	(5.4%)
Insurance	\$717,560	\$716,006	\$717,475	\$1,469	0.2%
Economic Development	\$2,937,033	\$8,046,476	\$2,976,020	(\$5,070,456)	(63.0%)
Culture, Rec. & Tourism	\$4,832,308	\$7,530,092	\$7,538,297	\$8,205	0.1%
Transp. & Development	\$15,733,689	\$32,420,794	\$24,632,793	(\$7,788,001)	(24.0%)
Corrections Services	\$787,487	\$2,230,697	\$2,230,697	\$0	0.0%
Public Safety Services	\$19,997,935	\$49,194,162	\$47,941,431	(\$1,252,731)	(2.5%)
Youth Services	\$593,769	\$908,006	\$891,796	(\$16,210)	(1.8%)
Health	\$7,929,824,440	\$9,589,058,717	\$9,811,812,570	\$222,753,853	2.3%
Children & Family Services	\$396,832,782	\$537,256,592	\$540,076,895	\$2,820,303	0.5%
Natural Resources	\$6,646,883	\$8,465,301	\$7,258,917	(\$1,206,384)	(14.3%)
Revenue	\$0	\$0	\$0	\$0	0.0%
Environmental Quality	\$16,420,089	\$20,155,915	\$19,902,433	(\$253,482)	(1.3%)
LA Workforce Commission	\$140,182,037	\$165,586,651	\$163,900,640	(\$1,686,011)	(1.0%)
Wildlife & Fisheries	\$25,881,666	\$46,032,639	\$42,431,264	(\$3,601,375)	(7.8%)
Civil Service	\$0	\$0	\$0	\$0	0.0%
Retirement	\$0	\$0	\$0	\$0	0.0%
Higher Education	\$59,115,141	\$79,903,497	\$80,105,297	\$201,800	0.3%
Special Schools & Comm.	\$0	\$318,668	\$233,582	(\$85,086)	(26.7%)
Elem. & Secondary Ed	\$1,115,567,496	\$1,146,171,841	\$1,186,383,363	\$40,211,522	3.5%
Health Care Srvc. Division	\$4,954,212	\$4,800,336	\$4,800,336	\$0	0.0%
Other Requirements	\$4,229,523	\$5,556,260	\$5,556,260	\$0	0.0%
<b>General Appropriation Total</b>	<b>\$11,025,618,424</b>	<b>\$13,831,677,454</b>	<b>\$14,046,736,737</b>	<b>\$215,059,283</b>	<b>1.6%</b>
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	\$133,343,470	\$62,805,000	\$69,341,800	\$6,536,800	10.4%
<b>Other Approp. Bills' Total</b>	<b>\$133,343,470</b>	<b>\$62,805,000</b>	<b>\$69,341,800</b>	<b>\$6,536,800</b>	<b>10.4%</b>
<b>Non-Approp. Required</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$11,158,961,894</b>	<b>\$13,894,482,454</b>	<b>\$14,116,078,537</b>	<b>\$221,596,083</b>	<b>1.6%</b>

(1) Budgeted as of June 30, 2018.

(2) Appropriated in Acts 29, 49, 69 & 79 of 2018 RS; Acts 2, 7 & 9 of 2018 2nd ES; and Act 2 of 2018 3rd ES. Excludes carry-forward BA-7s.



## ENDNOTES

(Tables 8 - 14)

**Executive:** The Executive Department realized a net reduction of \$106,057,178 (4%) in total means of finance. \$52.8 M of the reduction is attributable to FY 18 supplemental appropriations and/or mid-year BA-7s approved after the EOB freeze date of 12/1/17 that were either one-time in nature or that were not recurring in FY 19. The primary significant FY 18 adjustments include: an increase of \$22.4 M to GOHSEP to prepay FY 19 debt payments to FEMA for the state's share cost of multiple disasters and the St. Joseph's water crisis, and \$23 M to GOHSEP to receive reimbursements from the states of Texas, Georgia, and Florida as well as the U.S. Virgin Islands and Puerto Rico to cover expenses incurred by activation of LA's Emergency Assistance Compact.

The Executive Department also realized budget reductions for FY 19 of approximately \$53.25 M. The primary significant FY 19 adjustments include decreases of \$15.8 M in the Coastal Protection & Restoration Authority related to aligning the budget to anticipated expenditures in FY 19; \$25.7 M in GOHSEP associated with reduced FY 19 FEMA debt payments; and \$15.8 M federal funds in the Department of Military Affairs associated primarily with non-recurring federal disaster responses and lead abatement in armories. These reductions were partially offset by an increase of \$7.3 M in the Division of Administration to provide for the LaGov Enterprise Resource project.

**Secretary of State:** The total means of finance increased by \$10.4 M, or 13.2%, and is primarily attributable to enhanced SGF (\$3 M) and Statutory Dedications (\$5.9 M) in order to provide funding for new voting technology and equipment.

**Department of Justice:** The total means of finance decreased by \$5.5 M, or 7.3%, and is primarily attributable to reductions in SGF (\$3.5 M) to non-recur one-time funding of \$2.6 M from FY 18 and a \$1.2 M reduction to the operating budget. A reduction of \$2 M to IAT eliminates excess budget authority.

**Agriculture & Forestry:** The total means of finance decreased by \$6.4 M, or 8.2%, and is primarily attributed to a \$7.8 M decrease associated with non-recurring the bond payment for the Lacassine cane syrup mill and various firefighting equipment (the final payment was made during FY 18) while being partially offset by an increase of \$1.3 M SGR associated with the regulation of the production of medical marijuana.

**LA Department of Economic Development:** Realizes a net reduction of \$16.8 M (27.6%) in total means of finance. The net reduction is primarily due to three major adjustments. First, LED is moving revenues (\$7.2 M SGR) derived from fees associated with expenditure verification of entities receiving entertainment industry tax credits to an off-budget escrow account, as LED only acted as a pass-through entity in this process. Second, federal budget authority decreased by approximately \$5.07 M, primarily as a result of aligning the department's federal budget authority with available resources (\$4.71 M). Lastly, LED non-recurred approximately \$5.58 M (\$576,171 SGF, \$680,546 IAT, \$417,679 SGR, \$3,543,019 Statutory Dedications, \$363,143 Federal) in carryforwards from FY 17 to FY 18.

**Cultural, Recreation & Tourism:** The total means of finance decreased by \$6 M, or 6.3%, primarily attributed to a reduction in IAT (\$3.6 M) and SGR (\$4 M) budget authority in excess of anticipated collections. These reductions were partially offset by an increase of \$1.65 M SGF to the Office of the Secretary to provide for accounting, human resources, and contracts/grants reviewer support positions in lieu of utilizing Tourism promotion funds for those same purposes. *See the CRT departmental overview for additional information on these adjustments.*

**Transportation & Development:** The total means of finance decreased by \$12.6 M, or 2%, primarily attributed to reductions of \$10.7 M Statutory Dedications and \$7.8 M Federal. These reductions were primarily associated with: a \$5 M reduction in statutory dedications to align expenditures with the REC estimate (TTF-Regular and TTF-Federal), a \$1.3 M reduction in Statutory Dedications related to the sunset of the New Orleans Ferry Fund on 6/30/18, a \$300,000 reduction in the Geaux Pass Transition Fund as remaining cash was depleted, and \$8 M Federal associated with non-recurring carry forward funding from FY 17. The reductions in DOTD were partially offset by increases of \$2 M IAT related to consolidation of statewide topographic mapping services into DOTD and \$4.3 M IAT related to a transfer from DEQ as a result of the Volkswagen Clean Air Act Civil Settlement. *See the DOTD departmental overview for additional information on these adjustments.*

**Public Safety Services:** The total means of finance decreased by \$8.9 M or 1.9%. The reduction is primarily attributed to a \$5 M reduction to non-recur funding for a state police training academy pursuant to R.S. 47:1676E(1), which required an annual appropriation of \$5 M from FY 14 to FY 18. Additionally, Public Safety Services received \$4.3 M in FY 18 supplemental appropriations that were not continued into FY 19 (\$2.85 M Statutory Dedications from the Natural Resource Restoration Trust Fund to reimburse CPRA for a restoration project, \$650,000 Federal for commercial driver license program compliance and improvement projects and \$841,116 from the statutorily dedicated LA Fire Marshal Fund to provide aid to local governmental entities).

**LA Department of Health:** The total means of finance increased by \$271.4 M, which is primarily attributed to an overall increase in federal funding in Medical Vendor Payments Program (Medicaid) by \$246 M. The Office of Behavioral Health (OBH) realizes a net funds increase of \$22,408,835 (9.5%) in total means of finance. A majority of the OBH increase, approximately \$20.63 M, is associated with the addition of 233 positions and 60 specialized beds in the Eastern LA Mental Health System in response to citations in an audit by the Center for Medicare & Medicaid Services and settlement of the Cooper/Jackson lawsuit. *For further information, see "Office of Behavioral Health" overview.*

**Children & Family Services:** The total means of finance decreased by \$13.1 M, which is primarily attributed to non-recurring Statutory Dedications (\$9.6 M) for the Integrated Eligibility (IE) project with the LA Department of Health that combines eligibility of SNAP and TANF with Medicaid; and non-recurring a \$5.7 M supplemental appropriation (\$2.7 M SGF and \$3 M Federal) used to pay for contractual obligations associated with the Document Imaging & Content Management (DICM) System.

**Natural Resources:** The total means of finance decreased by \$2.3 M, or 4%, which is primarily attributed to SGF across-the-board-reductions (\$674 K), a decrease in operating agreement and lease fee deposits in Statutory Dedications (\$744 K), and a reduction in Federal funds for completed federal grant projects (\$1.2 M).

**Revenue:** The total means of finance decreased \$8.25 M, or 7.5%, which is primarily attributed to an FY 18 mid-year BA-7 approved after the EOB freeze date of 12/1/17 that increased SGR by \$8.7 M for designated software and technology licensing and maintenance, hardware replacement and physical security enhancements at the LaSalle Building. These funds were not included in the FY 19 appropriation.

**Environmental Quality:** The total means of finance increased by \$9.3 M, or 7.3%, due to enhanced Statutory Dedications as a result of consent decrees with Volkswagen Corporation (\$8.6 M) and Exxon Mobile (\$1.5 M).

**Wildlife & Fisheries:** The total means of finance decreased by \$10.9 M, or 5.9%, as a result of reductions in Statutory Dedications (\$7.6 M) in order to align expenditures with projected revenues, and a reduction in Federal funds (\$3.6 M) to reflect the actual projected expenditures.

**Retirement Systems:** The total means of finance decreased by \$12.3 M, which is attributed to non-recurring a supplemental SGF appropriation to LASERS (\$3.7 M) and TRSL (\$8.6 M). This one-time appropriation was used to reduce the systems' unfunded accrued liability (UAL).

**Higher Education:** The total means of finance decreased by approximately \$4.5 M. The increase in SGF (\$2.4 M) is associated with normal growth in the number of TOPS awards. The decrease in Statutory Dedications (\$3.3 M) is based on the most recent REC forecast and the decrease in SGR (\$2.8 M) aligns budget authority with institutions' projected revenue collections.

**Special Schools & Commissions:** The total means of finance increase of \$2.1 M is associated with increased SGF (\$2.8 M) for schools' acquisitions and major repairs, operating expenses, and increased enrollment at THRIVE Academy. Increased IAT (\$628 K) is due to Medicaid funding to the Special Education Center. A reduction in Statutory Dedications (\$1.2 M) is the result of lower revenue forecasts for the 8(g) Fund.

**Elementary & Secondary Education:** The total means of finance increased by \$21.5 M associated primarily with increased Federal funds (\$40 M) from the Child Care Development Block Grant allocation. This was offset with a net decrease in SGF (\$3.9 M) associated with reductions to the State Activities (\$1.5 M), Subgrantee Assistance (\$692 K), Non-Public Education Assistance (\$1.5 M), and the Special School District (\$880 K), and increased funding for the Student Scholarship for Educational Excellence Program (\$2.1 M) and the MFP (\$894 K). Other reductions to IAT (\$10.9 M) and SGR (\$5.3 M) are associated primarily with the transfer of the Instructional Program of the Recovery School District (RSD) to the Orleans Parish School Board pursuant to Act 91 of 2016. Statutory Dedications increased by \$1.4 M based on the most recent REC forecast.

**Other Requirements:** The total means of finance decreased \$103 M, or 11.5%. \$76.3 M of the reduction is attributable to FY 18 supplemental appropriations approved after the EOB freeze date of 12/1/17 that were either one-time in nature, not recurring in FY 19, or not funded in FY 19. The primary significant FY 18 adjustments include increases of: \$9.5 M to meet supplemental funding requirements for Local Housing of State Adult Offenders; \$18.1 M to provide for LED Debt Service commitments; and \$42 M SGF to Judgments to pay settlements deemed obligations by the state. Other Requirements also realized budget reductions for FY 19 of approximately \$20.7 M. The primary significant FY 19 adjustments include decreases of: \$6.8 M from Local Housing of State Adult Offenders and \$24.1 M from LED Debt Service.

**Capital Outlay-Cash Portion:** The total means of finance increased by approximately \$80 M, which is primarily attributed to reductions of \$30.4 M in IAT; and an increase of \$43.8 M in SGF, \$4.2 M in SGR, \$55.9 M in Statutory Dedications, and \$6.5 M in Federal.

## ONE-TIME MONEY FOR FY 19

Pursuant to House Rule 7.19, the Legislative Fiscal Office (LFO) submitted a report to the House of Representatives, which indicated whether the appropriation bill appropriated one-time money within *Act 2 (HB 1 – General Appropriations)* of the 2018 2nd Extraordinary Session (ES2) and *Act 2 (HB 1 – Supplemental Appropriations)* of the 2018 3rd Extraordinary Session (ES3). **Based upon the contents of the aforementioned act, there is no (\$0) one-time money as defined in House Rule 7.19 for FY 19.**

### HR 7.19 One-Time Money List

Pursuant to HR 7.19(C)(2), appropriations from one-time money for ordinary recurring expenses may not exceed the projected growth of the state general fund from the fiscal year for which the appropriation is proposed and the subsequent fiscal year according to the most recent official forecast. The threshold calculation is the difference between the official SGF revenue forecast adopted by the Revenue Estimating Conference on 4/12/18, for FY 19 of \$8,947.2 M and for FY 20 of \$9,093.9 M, which equates to an increase of \$146.7 in SGF revenue. The amount of one-time funds, as defined by HR 7.19, allowed to be appropriated for FY 19 expenditure is \$146.7 M. **There is no (\$0) one-time money as defined in House Rule 7.19 in Act 2 of 2018 ES2 or Act 2 of the 2018 ES3.**

### FY 20 Replacement Financing Decision List

Although HR 7.19 contains a definition of “one-time money,” the rule itself is not indicative of the financing decisions that will have to be made in FY 20 relative to the current structure of the FY 19 enacted operating budget. Due to this issue, the LFO is not only providing the HR 7.19 list to comply with the House Rule, we are also providing details of significant potential FY 20 financing replacements that will have to be made as a result of the enacted FY 19 budget. A total of \$53.3 M in statutorily dedicated funds was transferred to the state general fund pursuant to the authority granted in Article 7, Section 10(F)(2)(b); of this the amount of \$45.9 M was used for purposes other than those specified in the enabling dedication. These revenues will not be available for transfer in FY 20 unless the same constitutional trigger is met and the legislature effectuates similar transfers. As such, agencies utilizing these revenues will either require offsets from other means of finance or will be required to reduce expenditures.

The following table (Table 15), presented to the House of Representatives pursuant to HR 7.19, provides a summary of these resources utilized over the past 8 fiscal years.

TABLE 15		
	HR 7.19 Defined One-Time Resources	Replacement Financing Need for Next FY
FY 12 Budget	\$315.8 M	\$547.6 M
FY 13 Budget	\$272.5 M	\$443.5 M
FY 14 Budget	\$86.5 M	\$582.6 M
FY 15 Budget	\$50.5 M	\$1,182.2 M
FY 16 Budget	\$0.0 M	\$541.8 M
FY 17 Budget	\$0.0 M	\$34.5 M
FY 18 Budget	\$0.0 M	\$0.0 M
FY 19 Budget	\$0.0 M	\$45.9 M
<i>Source: Prior year Division of Administration (DOA) Continuation Budget documents and LFO Fiscal Highlights documents.</i>		

**TABLE 16**  
**NUMBER OF POSITIONS BY DEPARTMENT**  
(Exclusive of Other Charges Positions)

DEPARTMENT	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	Budgeted FY 18	Approp. FY 19 (f)	Change FY 18 to FY 19
Executive	2,187	2,146	2,311	2,262	2,182	2,777	2,011	1,880	1,923	1,972	1,990	18
Veterans Affairs	809	816	825	830	835	839	840	838	840	842	843	1
State	342	337	335	317	317	315	313	313	313	314	311	(3)
Justice	521	507	503	480	474	472	467	479	489	483	482	(1)
Lt. Governor	28	25	11	8	8	7	7	7	7	7	7	0
Treasury	66	63	61	59	58	57	54	54	54	54	54	0
Public Service Commission	94	103	97	97	97	97	97	97	99	99	97	(2)
Agriculture & Forestry	785	710	685	644	625	582	555	553	563	563	566	3
Insurance	281	274	267	265	263	258	243	225	225	222	222	0
Economic Development	131	131	128	124	122	116	113	110	113	113	113	0
Culture, Rec., & Tourism	787	770	694	630	633	633	616	616	616	581	572	(9)
Transp. & Development	4,837	4,704	4,524	4,494	4,322	4,233	4,220	4,194	4,253	4,258	4,260	2
Corrections Services	6,124	5,985	5,761	5,284	4,853	4,740	4,716	4,684	4,723	4,748	4,889	141
Public Safety Services	2,889	2,812	2,862	2,675	2,681	2,522	2,452	2,414	2,514	2,572	2,583	11
Youth Services	1,275	1,187	1,111	1,056	990	986	877	996	1,001	944	944	0
Health (a)	11,634	11,322	9,247	8,458	6,718	5,776	5,613	5,502	5,732	5,794	6,061	267
Children & Family Services	5,057	4,595	4,389	4,082	3,960	3,617	3,481	3,409	3,447	3,445	3,506	61
Natural Resources	510	508	380	380	367	361	335	324	331	321	308	(13)
Revenue	877	819	820	802	792	738	715	700	713	712	712	0
Environmental Quality	933	933	847	805	762	701	681	677	684	698	702	4
LA Workforce Commission	1,063	1,263	1,219	1,191	1,155	993	938	917	929	925	921	(4)
Wildlife & Fisheries	800	783	775	775	777	773	753	773	779	779	779	0
Civil Service	187	189	212	212	213	163	161	169	171	171	172	1
Retirement Systems (b)	357	357	356	356	340	339	336	308	327	327	325	(2)
Higher Education (c)	35,231	34,082	34,697	27,703	24,866	20,472	19,972	19,483	0	0	0	(2)
Special Schools & Comm.	868	806	774	750	748	730	730	724	746	767	765	(2)
Dept. of Education	747	739	682	654	596	534	516	481	489	446	445	(1)
Health Care Srvc Division (d) (e)	0	0	7,215	6,929	6,329	331	331	331	0	0	0	0
<b>Approp. Bill Total (f)</b>	<b>79,420</b>	<b>76,966</b>	<b>81,788</b>	<b>72,322</b>	<b>66,083</b>	<b>54,162</b>	<b>52,143</b>	<b>51,258</b>	<b>32,081</b>	<b>32,157</b>	<b>32,629</b>	<b>548</b>
Ancillary Bill (g)	956	801	815	711	516	418	1,148	1,506	1,154	1,156	1,188	32
<b>Total with Ancillary</b>	<b>80,376</b>	<b>77,767</b>	<b>82,603</b>	<b>73,033</b>	<b>66,599</b>	<b>54,580</b>	<b>53,291</b>	<b>52,764</b>	<b>33,235</b>	<b>33,313</b>	<b>33,817</b>	<b>582</b>

(a) Beginning in FY 11 position reductions are primarily associated with the privatization of services through the Office of Behavioral Health, Office of Public Health, and Office for Citizens with Developmental Disabilities.  
(b) Funding for Retirement Systems operating budgets are no longer appropriated. Figures reflect positions budgeted as reported by the systems.  
(c) Per Act 17 (HB 1) of 2016 total authorized positions of 19,483 were moved off budget. 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.  
(d) FY 11 is the first year all MOF & T.O. within HCSD were included in Executive Budget & General Appropriations Bill (GAB).  
(e) 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).  
(f) Act 2 (HB 1) of 2018 2nd ES includes the number of Other Charges positions within each Schedule #, however the numbers listed here are exclusive of those positions (1,828).  
(g) FY 16 included the creation of a new ancillary state agency, Office of State Human Capital Management, to centralize HR functions within one agency; however, this was decentralized in FY 17.

<b>TABLE 17</b>	
<b>Capital Outlay Appropriation (Act 29 of 2018 RS)</b>	
<b>Means of Finance Category</b>	<b>Appropriated Less Vetoed Items</b>
<b>Cash Section</b>	
State General Fund (Direct)	\$62,951,760
Interagency Transfers	\$13,184,843
Self-Generated Revenues	\$59,922,000
<b>Statutory Dedications</b>	
Coastal Protection & Restoration Fund	\$93,000,000
Conservation Fund	\$7,500,000
Natural Resources Trust Fund	\$211,522,500
Rockefeller Wildlife Refuge Trust & Protection Fund	\$7,100,000
Russell Sage Fund #2	\$4,014,000
Shreveport Riverfront & Convention Center & Independence Stadium Fund	\$38,000
State Hwy Improvement Fund	\$25,600,000
Transportation Trust Fund - Regular	\$145,346,089
Transportation Trust Fund - Federal	\$641,559,651
<b>Total Statutory Dedications</b>	<b>\$1,135,680,240</b>
Federal Funds	\$69,341,800
Reappropriated Cash	\$1,441,932
Reappropriated Interest Earnings	\$674,960
Revenue Bonds	\$281,990,000
<b>TOTAL CASH SECTION</b>	<b>\$1,625,187,535</b>
<b>General Obligation Bond Section</b>	
Priority 1	\$654,682,000
Priority 2	\$129,470,400
Priority 3	\$0
Priority 4	\$0
Priority 5	\$1,167,894,997
<b>TOTAL GENERAL OBLIGATION BONDS</b>	<b>\$1,952,047,397</b>
<b>Bonds NRP/RBP</b>	<b>\$1,247,887</b>
<b>Act 29 of 2018 RS</b>	<b>\$3,578,482,819</b>

**TABLE 18**  
**Capital Outlay Bill**  
**Three-Year Comparison**

	Act 16 of 2016 ES2 FY 17	Act 4 of 2017 ES2 FY 18	Act 29 of 2018 RS FY 19	Difference FY 18 to 19
<b>Cash Section</b>				
State General Fund (Direct)	\$0	\$1,500,000	\$62,951,760	\$61,451,760
Interagency Transfer	\$199,673,500	\$41,377,106	\$13,184,843	(\$28,192,263)
Self-Generated Revenues	\$71,615,000	\$48,574,970	\$59,922,000	\$11,347,030
Transportation Trust Fund	\$166,879,446	\$168,265,658	\$145,346,089	(\$22,919,569)
Other Statutory Dedication	\$205,286,862	\$273,636,057	\$348,774,500	\$75,138,443
Federal (Includes TTF-Federal)	\$679,078,494	\$700,474,670	\$710,901,451	\$10,426,781
Reappropriated Cash	\$9,355,201	\$0	\$980,832	\$980,832
Reappropriated Interest Earnings	\$217,769	\$0	\$1,136,060	\$1,136,060
Revenue Bonds	\$282,561,400	\$266,625,000	\$281,990,000	\$15,365,000
<b>TOTAL CASH SECTION</b>	<b>\$1,614,667,672</b>	<b>\$1,500,453,461</b>	<b>\$1,625,187,535</b>	<b>\$124,734,074</b>
<b>General Obligation (GO) Bond Section</b>				
Priority 1	\$1,370,000,105	\$916,584,155	\$654,682,000	(\$261,902,155)
Priority 2	\$232,163,700	\$112,874,898	\$129,470,400	\$16,595,502
Priority 3	\$0	\$0	\$0	\$0
Priority 4	\$0	\$0	\$0	\$0
Priority 5	\$1,248,347,867	\$1,234,954,285	\$1,167,894,997	(\$67,059,288)
<b>TOTAL GO BOND SECTION</b>	<b>\$2,850,511,672</b>	<b>\$2,264,413,338</b>	<b>\$1,952,047,397</b>	<b>(\$312,365,941)</b>
<b>NRP/RBP *</b>	<b>\$12,187,520</b>	<b>\$99,830</b>	<b>\$1,247,887</b>	<b>\$1,148,057</b>
<b>Total Capital Outlay Bill Less Vetoes</b>	<b>\$4,477,366,864</b>	<b>\$3,764,966,629</b>	<b>\$3,578,482,819</b>	<b>(\$186,483,810)</b>
<b>Notes:</b>				
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.				