LOUISIANA LEGISLATIVE FISCAL OFFICE

Analysis of HB1 Original

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Executive Summary

EXECUTIVE SUMMARY

FY 19 Revenue

The Revenue Estimating Conference (REC) met on 12/14/2017 and increased overall state tax revenue forecasts for the current fiscal year (FY18) by $152.9 M and the ensuing fiscal year (FY19) by $233.5 M relative to the forecast in place from 5/16/2017 forecast. The revenue forecast upgrades are largely the effect of expected stronger collections of general sales tax, corporate taxes, and severance taxes. These increases are partially offset by downgrades to the personal income tax, royalty receipts, vehicle sales tax, motor fuels tax, and premium taxes. Various other receipts make positive and negative contributions to the revisions in different years, as well. Modest net decreases in dedications enhance the extent of the net upgrades from the perspective of the general fund, with the sum of all revisions reflected in the general fund bottom line revisions. However, a significant fall in forecasts from FY 18 to FY 19 of $993.6 M still exists, and largely reflects the expiration of a temporary 1% of sales tax rate and base broadening at the end of FY 18.

Out-year forecasts have to be taken with considerable caution. Oil and natural gas prices are currently forecast to be slightly higher than currently, but are highly uncertain and dependent on a producing country agreement to restrain production, and may not adequately reflect the responsiveness of U.S. shale producers. In addition, while the U.S. economy has begun to exhibit strengthening in metrics such as employment, growth in wages and inflation have yet to pick up in a sustained way. The world economy has also shown improvement, and the state economy has now exhibited positive employment growth since mid-2017, although the responsiveness of state tax receipts has been modest.

FY 19 Expenditures

The FY 19 Executive Budget decreases $2,806,072,754 from the FY 18 Existing Operating Budget (EOB) as of 12/1/2017. The total decrease is comprised of $860,055,579 SGF; $71,870,223 IAT; $92,462,352 SGR; $178,639,114 Statutory Dedications; and $1,603,045,486 in Federal funds.

Pursuant to the LA Constitution, Article 7, Section 11.A, appropriations from the state general fund and dedicated funds shall not exceed the official forecast of the REC. The reduction in funds available for appropriation is due primarily to the expiration of temporary revenue generating measures expiring on 6/30/2018. Accordingly, the recommended budget contains significant reductions to the state's general operating budget.

In constructing the executive budget recommendation, as per standard practice, the DOA made adjustments against the EOB as of 12/1/2017 to modify expenditure authority for identified needs. Consideration was given to constitutional obligations, cuts from prior years including workforce reductions, and minimizing service delivery impacts to citizens. Additionally, new major expenditures required reductions to ongoing services *(see Table 1 below)*. Unlike budget development from prior years, no pro rata reductions were applied to agencies on a statewide basis. Instead, any such reductions were applied on a limited or selective basis.

TABLE 1

New Major Expenditures (SGF Only)

Agency	Expenditure	Amount (in millions)
Statewide	Civil Service Pay Plan	$36.1
Secretary of State	New election system equipment	$3.0
	Election expenses	$1.6
	Registrar of Voter personnel costs	$0.2
Corrections Services	Allen Correctional Facility personnel costs to shift from private management contract to state run facility	$0.6
Health	MCO adjustment (PMPM payment)	$156.5
	ELMHS Cooper Jackson settlement agreement	$10.1
Children & Family Services	Integrated Eligibility IT project	$13.6
	Child Welfare Reporting System IT project	$6.9
	State Central Registry (Act 348 of 2017)	$6.0
Education	Minimum Foundation Program (MFP)	$9.8
Economic Development	Debt Service	$16.3
TOTAL		**$260.7**

FY 19 Departmental Overviews

Programmatic and activity-level impacts are still under review by state agencies and the LFO does not have a comprehensive picture of the impact of all Executive Budget recommendations, but will discuss significant issues as well as those which have been shared by specific agencies.

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. Executive Budget funding for the plan totals $85.4 M; $36.1 M or 42.2% of which 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 7/15/2018. See Issues *"Compensation Redesign for State Classified Employees"* on Page 28.

GENERAL GOVERNMENT OVERVIEW

Governor's Office of Homeland Security & Emergency Preparedness – The FY 19 Executive Budget recommends a total budget of $983.5 M, reflecting a total decrease of $23.7 M (including reductions of $20.1 M SGF and $5.1 M IAT and offset by increases of $1 M Statutory Dedications – State Emergency Response Fund and $526,567 Federal funds). Significant adjustments include non-recurring one-time or expiring expenditures totaling $8.68 M ($3.54 M SGF, and $5.14 M IAT) related to restocking disaster emergency supplies, interoperability build out of the National Public Safety Broadband Network, and FEMA debt payments and state cost share of Public Assistance expenditures related to the 2016 flood events; providing $4.7 M SGF for replacement of communications hardware, conversion of deployable trailers to repeater packages, purchase of software and mobile device licenses and acquisition of one server; providing $1.025 M ($25,000 SGF and $1 M Statutory Dedications – State Emergency Response Fund) to support potential non-federally declared disasters and emergency response efforts; providing $3.45 M for the 4th FEMA debt repayment related to multiple disasters and hazard mitigation audits; reducing $4 M SGF for the 2nd of 5 installment payments to FEMA for the state's cost share of the August 2016 flood event; and, elimination of $21.2 M in outstanding FEMA debt payments for FY 19 (see below).

The Commissioner of Administration testified before the Joint Legislative Committee on the Budget at its meeting on 1/22/2018, that the governor will seek to utilize approximately $46 M of excess funds recognized for FY 18 by the REC in December 2017 to prepay FEMA debt payments for FY 19 and FY 20. If the legislature agrees to this plan, debt payments from the SGF in those fiscal years will decrease accordingly and offset the need to make additional SGF reductions in other areas of state government. To the extent this use of excess funds is not approved, the legislature will have to restore $21.2 M SGF to GOHSEP's FY 19 operating budget for FEMA debt payments.

LA Public Defender Board (LPDB) – LPDB realizes a 3.7% net increase of $1.29 M from the EOB as of 12/1/2017, including an increase of $1.3 M in Statutory Dedications and offsetting decreases in IAT ($25 K) and SGR ($25 K). The most significant adjustment is an increase of $1.34 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*. See Issues *"FY 19 Funding and Operations Outlook"* on Page 19.

Department of Veterans Affairs – Realizes a 3.8% overall increase of $2.6 M and 1 position from the EOB as of 12/1/2017, of which $2.5 M is federal funds 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. Also included in the Executive Budget is an overall net federal 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 – The FY 19 Executive Budget recommends a total budget of $630.4 M, reflecting a total decrease of $10.63 M (including reductions of $490,000 SGR, $4.37 M Statutory Dedications and $7.79 M Federal while offset by an increase of $2.02 M IAT). Significant adjustments include an increase of $2.04 M ($2.02 M IAT and $0.25 M Statutory Dedications) for Topographic Mapping (see below); elimination of a $300,000 Statutory Dedication appropriation from the Geaux Pass Transition Fund as the balance is depleted, these funds were used to provide for enhanced grass cutting and maintenance around the Crescent City Connection Bridge; and elimination of a $1.63 M Statutory Dedication appropriation from the New Orleans Ferry Fund, which will reduce the level of funding for the Algiers/Canal Street and Lower Algiers/Chalmette ferries operated by the New Orleans Regional Transit Authority (NORTA) - $4 M of Transportation Trust Fund – Regular will continue supporting operation of the Chalmette ferry.

Topographic Mapping: The FY 19 Executive Budget completes consolidation of statewide topographic mapping functions and governmental services under DOTD operations. The budget recommends a total increase of $4.1 M (including $1.1 SGF, $2.02 M IAT, $39,746 SGR, $795,599 Statutory Dedications and $111,687 Federal) and 2 positions. Removing the double-counted IAT from the overall increase, participating agencies were provided with approximately $2 M to transfer to DOTD for statewide topographic mapping expenditures. DOTD's total projected expenditures for topographic mapping services in FY 19 are approximately $3.3 M. The positions added are a pilot and IT GIS Support Analyst. Agencies utilizing the consolidated mapping services include: Division of Administration, Office of Community Development, Coastal Protection & Restoration Authority, Governor's Office of Homeland Security & Emergency Preparedness, Military Affairs, Agriculture & Forestry, Economic Development, Culture Recreation & Tourism, Office of State Police, Department of Health, Children & Family Services, Natural Resources, Environmental Quality, Wildlife & Fisheries, and Education.

DPS&C - Corrections Services – Corrections Services realizes a 0.34% increase of $1.6 M SGF in the FY 19 Executive Budget above the 12/1/2017 SGF base of $490.9 M. The department realizes a net total funds increase of $4.5 M, or a 0.81%, above the base of $554.4 M, including the aforementioned SGF increase. Significant adjustments include: $2.6 M for a pay increase for Probation & Parole Agents ($885,093 SGF, $750,000 SGR, and $960,000 Statutory Dedication – Adult Probation & Parole Officer Retirement Fund); a $2.7 M SGF decrease as a result of lowering the per diem rate by $5 from $24.83 to $19.83 at Winn Correctional Center; and a $813,883 M total increase for Allen Correctional Center to operate as a state facility (including an increase of $1.06 M SGR offset by a decrease of $247,710 SGF) along with a corresponding increase of 150 positions. The Executive Budget also converts 20 job appointments to classified positions for medical/case management purposes associated with the timely release of offenders and eliminates 30 positions department wide for a total net increase of 140 positions. See Overviews *"Department of Public Safety & Corrections Services"* on Page 3.

DPS&C - Public Safety Services – Public Safety Services realizes a 1.08% net decrease of $5.1 M from the EOB base as of 12/1/2017, including decreases of $19.4 M SGF, $6.1 M Statutory Dedications, and $602 K Federal along with an offsetting increase of $21.1 M SGR. The FY 19 Executive Budget recommendation includes elimination of all SGF in DPS. Of the $19.4 M SGF reduction, $14.4M is a MOF substitution for SGR mostly derived from certificate of title fees. The remaining $5 M reduction is the non-recurring of funding for the state police training academy required by R.S. 47:1676E(1) through FY18. Significant adjustments include a reduction of overtime expenditures in the Office of State Police ($7.1 M SGR) and a 3% pay increase for state troopers ($3.7 M SGR).

DPS&C - Youth Services, Office of Juvenile Justice (OJJ) – OJJ realizes a 12.62% decrease of $13.83 M SGF in the FY 19 Executive Budget below the 12/1/2017 SGF base of $109.6 M. The department realizes a net total funds decrease of $13.84 M, or 11.22%, below the 12/1 total funding base of $123.4 M, including the aforementioned SGF decrease. Significant adjustments include: an overall SGF reduction of 10%, totaling $10.8 M, resulting in the closure of 5 regional offices statewide ($1.4 M) and a reduction of 114 authorized positions in field offices ($8.8 M); a reduction in LEAF payments due to early payoff of leases in FY18 ($0.5 M); and non-recurring $4.9 M SGF intended to equip and open the Acadiana Center for Youth. ***Note***: <u>The FY 19 Executive Budget does not provide funds to open the new Acadiana Center for Youth. OJJ 's FY 19 budget request included $14.3 M SGF assuming the facility opens April 2018</u>. See Issues *"Impact of Funding Shortfall"* on Page 23.

Department of Revenue – The Department of Revenue will realize a net funds decrease of $2.9 M, or a 2.9% reduction from EOB, including a reduction of $3.2 M SGF while being partially offset by increases of $0.3 M SGR and $6,400 Statutory Dedications. The SGF appropriation represents a 9.51% reduction to the 12/1/2017 SGF base of $33.9 M.

Significant adjustments include: a reduction of $1.8 M SGR and 22 positions, 4 of which are filled; and a $2.3 M SGF reduction, comprised of a reduction of WAE or temporary personnel (up to 50 during annual peak between March and May), a reduction in State Reciprocal Program participation ($204,000), a reduction of audit consulting services utilized ($198,000), and a reduction of legal representation services utilized ($202,000). The department reports that the proposed reductions are not likely to be absorbed, and to an unknown extent will result in reduced speed of assistance with payments of taxpayer debt, answering technical questions, payment of refunds, processing of payments and returns, and in reduced collections from delinquent taxpayers. The reduction to State Reciprocal Program participation will result in no operational impact, as this debt recovery functionality is being folded into the integrated tax system, the costs of which will be offset by IAT charges from the Office of Technology Services.

Local Housing of Adult Offenders (LHOA) – LHOA realizes a 23.06% decrease of $40.4 M SGF in the FY 19 Executive Budget below the 12/1/2017 SGF base of $175.2 M. Significant adjustments are: a decrease of $29.1 M SGF to lower the per diem rate paid to sheriffs and operators of transitional work programs by $5; a decrease of $10 M SGF to eliminate payments to local sheriffs for parole holds; a decrease of $5 M SGF to decrease the per diem rate paid to sheriffs and operators of work release/transitional housing programs by $5; and an increase of $3.7 M SGF to provide funding for additional offenders participating in transitional work programs based on current projections. See Issues "*Local Housing of Adult Offenders Funding Shortfall*" on Page 47.

District Attorneys and Assistant District Attorneys – The Districts Attorneys and Assistant District Attorneys realize an 82.8% decrease of total appropriation authority, including elimination of all $26.4 M SGF support. The Executive Budget retains $5.45 M in Statutory Dedication funding from the Video Draw Poker Device Fund ($5.4 M) and the Pari-mutuel Live Racing Facility Gaming Control Fund ($50,000). At this funding level each district attorney will receive the full annual base pay ($50,000) as required by the constitution for elected officials, with the remaining funds used to make payments to the assistant district attorneys. Funding for assistant district attorneys will run out in August 2018 at current staffing levels. There is no funding included for victim assistance coordinators included in the Executive Budget.

ELECTED OFFICIALS

Agriculture & Forestry (LDAF) – LDAF realizes a 7.1% net decrease of $5.5 M from the EOB base of 12/1/2017, including a decrease of $6.1 M SGF and $575 K Federal and partially offset by an increase of $1.1 Statutory Dedications. In FY18, LDAF will make the final payments on existing debt service bonds, freeing up $7.8 M of Louisiana Agriculture and Finance Authority (LAFA) funds. These LAFA funds will offset the reduction in SGF by a means of financing substitution.

Justice – The FY 19 Executive Budget recommends a total budget of $68.8 M, reflecting a total decrease of $6.7 M ($3.2 M SGF, $2.6 M IAT, $50,000 SGR, $464,237 Statutory Dedications, and $440,409 Federal funds). Significant adjustments include a 5% SGF reduction ($869,649) and the elimination of excess budget authority in IAT revenues ($2 M). Additionally, there is a reduction of $2.6 M SGF, which was a one time funding offset to the transfer of fund balances from off-budget escrow accounts to the state general fund approved as part of the FY 18 budget.

State – FY 19 recommended budget totals $84 M ($56.2 M SGF, $157 K IAT, $27.6 M SGR, and $113 K Statutory Dedications) reflecting a net increase of $3.1 M. The majority of the increase is associated with elections expenses. This includes $3 M for the department's initiative to replace outdated voting system equipment and $1.6 M to fund increased election expenses associated with the Open Primary/Congressional, Open General/Congressional, and Municipal Primary and General elections.

Treasury – The FY 19 Executive Budget recommends a total budget of $11.3 M ($1.68 M IAT, $8.8 M SGR, and $811,455 Statutory Dedications) reflecting a net decrease of $59,979 M. The decrease in Treasury's budget recommendation is tied to a 5% reduction to expenditures paid from SGR. Unexpended SGR by the Treasury reverts to the SGF at the close of the fiscal year. The Treasury indicates that it is currently working on a plan to absorb the proposed reduction, while examining potential impacts to constitutional and statutory responsibilities. A plan will be provided when available.

HEALTH

The Governor's Executive Budget reduces overall funding in Medicaid by $2.3 B (19.5%) in FY 19, from the 12/1/17 existing operating budget baseline (EOB) of $11.95 B to a recommended appropriation of $9.61 B. The reduction in funding is largely the result of program reductions and eliminations, including a 90% cut in Disproportionate Share Hospital (DSH) payments for uncompensated care costs (UCC) from FY 18 base funding. DSH payments are largely paid to the partner hospitals.

Significant reductions reflected in the Medicaid budget are a result of the Private Provider Program and eligibility group eliminations/reductions, and reductions in DSH funding (UCC Program). Although the FY 19 budget reflects a significant net reduction in overall Medicaid funding, the budget includes various funding increases, including an adjustment that provides $249 M in additional premium payments paid to Managed Care Organizations (MCO's). See Issues *"FY 19 DSH Allocation"* on Page 24.

Public/Private Partnership

The Executive Budget eliminates supplemental funding for the partnership hospitals for FY 19. Approximately $1.15 B in supplemental payments are budgeted for the partnerships in the current year (FY 18). In addition to Title 19 Medicaid claims payments, the Public Private Partnerships have been historically funded with both DSH and Upper Payment Limit (UPL) supplemental payments. Consequences of leaving the partnership hospitals unfunded for FY 19 are uncertain, although reducing all supplemental payments is anticipated to trigger clauses within cooperative endeavor agreements (CEAs) that may lead to termination of the partnerships. A notable effect of termination of the partnerships is a reduction in SGF revenues to the state, as a result of private partners no longer leasing public hospital facilities or equipment. ***The Executive Budget contemplates elimination of all supplemental payments to the partnerships. However, SGF lease revenue from this source is still included in the REC forecast for FY 19***. Based on these assumptions, the REC would have to decrease forecasted revenues to account for any lost lease payments in FY 19 (current REC estimate totals $160.5 M).

Medicaid Payment Liabilities

13th Checkwrite: The Executive Budget does not provide funding for a Medicaid managed care checkwrite payment liability. Only 12 MCO checkwrites are provided in the budget for FY 19. The unfunded payment liability in FY 18 is approximately $683 M total funding ($146.5 M SGF). The cost of the 13th checkwrite if paid in future fiscal years depends on multiple factors, however the payment could be more than projected in FY 18 due to projected trend growth in Medicaid Managed Care for FY 19

Payment Reform: Information provided by the LDH indicates several payment reform initiatives within Medical Vendor Payments are anticipated to be implemented for FY 19. One initiative implements a pool payment methodology for both DSH payments and Supplemental UPL payments. The LFO has not received any additional information indicating the qualifying criteria for hospitals, nor the level of payments that an individual hospital provider may qualify to receive. ***Note:*** It is not anticipated that this initiative can fully be implemented in FY 19 based on the level of DSH funding allocated in the Executive Budget.

EDUCATION

Minimum Foundation Program (MFP) / Department of Education (DOE)

The Minimum Foundation Program (MFP) provides for an equitable distribution of state funds to local school districts. The MFP is the major source of state funding to local schools. For FY 18, the MFP is funded at $3.717 B; $3.458 B in SGF and $258.6 M in Statutory Dedications from the Support Education in LA First Fund ($104.1 M) and Lottery Proceeds Fund ($154.5 M). The FY 19 Executive Budget includes an adjustment of $9.8 M for an anticipated increase of 2,786 students. This is offset by a reduction of $7.4 M in one time expenses associated with the assistance provided to school districts impacted by the floods of August 2016 in the current year. The net increase for the FY 19 MFP is $2.3 M. Additionally, there is a $3 M MOF swap replacing SGF with Statutory Dedications due to an increase in SELF funds ($3 M) based on the most recent REC forecast. The FY 19 recommended funding totals $3.720 B; $3,458.3 M SGF, $154.5 M Lottery Proceeds Fund and $107.2 M SELF Fund.

Department of Education: FY 19 funding totals $1.593 B ($126.7 M SGF, $254 M IAT, $51.1 M SGR, $15.1 M Statutory Dedications and $1,146.1 B Federal funds). This represents a total reduction of $34.3 M, approximately 2%, associated primarily with the elimination of funding for non public schools totaling $16 M ($8.3 M for reimbursement of administrative expenses through the Required Services Program and $7.5 M for supplemental payments for school lunch personnel through the School Lunch Salary Program.) Funding for constitutionally mandated Textbook supplements remains funded at $2.7 M. Additionally, funding for the Recovery School District Instructional Program is being reduced $10 M ($6.9 M IAT and $3.1 M SGR) pursuant to Act 91 which transfers 38 charter schools back to the authority of the Orleans Parish School Board effective 7/1/2018. See Overviews *"Department of Education"* on Page 12.

Higher Education

Higher Education: FY 19 funding is recommended at $2.45 B, reflecting a net decrease of $272 M. Reductions include $272.3 M SGF, $3.4 M Statutory Dedications, and $422 K IAT; other means of financing was increased by $4.1 M ($3.9 M SGR and $201,800 Federal funds).

Significant adjustments include the elimination of all SGF ($233.3 M) for the TOPS Program leaving TOPS funded solely with the statutorily dedicated TOPS Fund ($58 M). Additional SGF reductions include $13 M to GO Grants and $25.7 M to the funding formula as part of the statewide reductions implemented to address the SGF shortfall. This $25.7 M SGF reduction represents an average 3.5% prorated cut for institutions under the Higher Ed funding formula. Statutory dedication reductions ($3.5 M) are based on the most recent REC forecasts. See Overviews *"Higher Education"* on Page 11.

TOPS: Funding for FY 19 totals $58 M ($0 SGF and $58 M Statutory Dedications) or 20% of actual need. Based on this funding level, OSFA estimates that a projected 50,814 recipients will receive approximately 19.5% of the maximum award amount (including stipend amounts for Honors and Performance awards). See Issues *"TOPS Award Allocation and Award Amounts"* on Page 37.

GO Grant: Funding for FY 19 totals $13.4 M, a $13 M reduction (49%) from FY 18 ($26.4M), and represents 21% of actual need to fund all eligible Go Grant recipients ($62.5M). See Issues *"Go Grants Allocation and Award Amounts"* on Page 30.

Statewide Budget Summary

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2017	Current Year EOB 12/1/2017 FY 2018	Next Year HB 1 Original FY 2019	2019 - 2018 Change	Percent Change
GRAND TOTAL - Statewide Budget					
STATE GENERAL FUND (Direct):	**$9,118,192,417**	**$9,461,355,579**	**$8,601,300,000**	**-$860,055,579**	**-9.1%**
STATE GENERAL FUND BY:					
Interagency Transfers	**1,473,219,739**	**1,669,238,582**	**1,597,368,359**	**-71,870,223**	**-4.3%**
Fees & Self-gen Revenues	**3,992,697,034**	**4,258,331,216**	**4,165,868,864**	**-92,462,352**	**-2.2%**
Statutory Dedications	**3,847,634,989**	**4,245,215,405**	**4,066,576,291**	**-178,639,114**	**-4.2%**
Interim Emergency Board	**0**	**0**	**0**	**0**	
FEDERAL FUNDS	**11,158,961,894**	**13,820,229,271**	**12,217,183,785**	**-1,603,045,486**	**-11.6%**
	$29,590,706,073	**$33,454,370,053**	**$30,648,297,299**	**-$2,806,072,754**	**-8.4%**
T.O.	**32,908**	**32,984**	**33,301**	**317**	**1.0%**
Other Charges Positions	**7**	**0**	**0**	**0**	
STATE FUNDS (excludes Federal):	**$18,431,744,179**	**$19,634,140,782**	**$18,431,113,514**	**-$1,203,027,268**	**-6.1%**
General Appropriation Bill					
STATE GENERAL FUND (Direct):	$8,417,605,102	$8,737,948,098	$7,883,624,920	($854,323,178)	(9.8%)
STATE GENERAL FUND BY:					
Interagency Transfers	750,821,733	972,183,531	926,419,883	(45,763,648)	(4.7%)
Fees & Self-gen Revenues	2,446,979,079	2,680,718,457	2,522,516,229	(158,202,228)	(5.9%)
Statutory Dedications	2,741,325,993	2,930,111,095	2,760,914,039	(169,197,056)	(5.8%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	11,025,618,424	13,757,516,271	12,154,470,785	(1,603,045,486)	(11.7%)
	$25,382,350,331	$29,078,477,452	$26,247,945,856	($2,830,531,596)	(9.7%)
T.O.	31,754	31,828	32,113	285	0.9%
Other Charges Positions	7	0	0	0	
01 Executive					
STATE GENERAL FUND (Direct):	$125,404,330	$152,107,148	$127,909,659	-$24,197,489	(15.9%)
STATE GENERAL FUND BY:					
Interagency Transfers	81,236,562	78,957,393	69,382,413	-9,574,980	(12.1%)
Fees & Self-gen Revenues	134,970,594	135,778,210	136,992,561	1,214,351	0.9%
Statutory Dedications	117,751,347	151,162,207	151,936,623	774,416	0.5%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	1,225,129,335	2,060,628,807	2,028,118,619	-32,510,188	(1.6%)
	$1,684,492,168	$2,578,633,765	$2,514,339,875	-$64,293,890	(2.5%)
T.O.	1,923	1,970	1,988	18	0.9%
Other Charges Positions	0	0	0	0	
03 Veterans Affairs					
STATE GENERAL FUND (Direct):	$4,995,855	$5,476,292	$5,592,418	$116,126	2.1%
STATE GENERAL FUND BY:					
Interagency Transfers	1,583,991	2,835,433	2,349,822	-485,611	(17.1%)
Fees & Self-gen Revenues	16,432,247	16,824,961	17,256,667	431,706	2.6%
Statutory Dedications	442,633	115,528	115,528	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	38,726,103	43,052,865	45,597,601	2,544,736	5.9%
	$62,180,829	$68,305,079	$70,912,036	$2,606,957	3.8%
T.O.	840	842	843	1	0.1%
Other Charges Positions	0	0	0	0	

Statewide Budget
Department Budget Summary

		Previous Year Actual FY 2017	Current Year EOB 12/1/2017 FY 2018	Next Year HB 1 Original FY 2019	2019 - 2018 Change	Percent Change
04	**State**					
	STATE GENERAL FUND (Direct):	$51,906,517	$53,158,836	$56,170,048	$3,011,212	5.7%
	STATE GENERAL FUND BY:					
	Interagency Transfers	210,991	221,500	157,500	-64,000	(28.9%)
	Fees & Self-gen Revenues	25,582,628	27,400,550	27,605,679	205,129	0.7%
	Statutory Dedications	9,894	113,078	113,078	0	0.0%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$77,710,030	$80,893,964	$84,046,305	$3,152,341	3.9%
	T.O.	313	314	311	-3	(1.0%)
	Other Charges Positions	0	0	0	0	
04b	**Justice**					
	STATE GENERAL FUND (Direct):	$6,813,770	$19,387,540	$16,210,485	-$3,177,055	(16.4%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	24,287,009	26,167,329	23,500,587	-2,666,742	(10.2%)
	Fees & Self-gen Revenues	4,294,420	6,866,714	6,816,714	-50,000	(0.7%)
	Statutory Dedications	15,114,346	15,618,642	15,154,405	-464,237	(3.0%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	5,699,017	7,515,430	7,075,021	-440,409	(5.9%)
		$56,208,562	$75,555,655	$68,757,212	-$6,798,443	(9.0%)
	T.O.	489	483	482	-1	(0.2%)
	Other Charges Positions	0	0	0	0	
04	**Lieutenant Governor**					
	STATE GENERAL FUND (Direct):	$990,941	$1,047,280	$1,057,187	$9,907	0.9%
	STATE GENERAL FUND BY:					
	Interagency Transfers	462,520	672,296	672,296	0	0.0%
	Fees & Self-gen Revenues	0	10,000	10,000	0	0.0%
	Statutory Dedications	0	0	0	0	
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	4,339,115	5,488,059	5,488,059	0	0.0%
		$5,792,576	$7,217,635	$7,227,542	$9,907	0.1%
	T.O.	7	7	7	0	0.0%
	Other Charges Positions	0	0	0	0	
04	**Treasury**					
	STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
	STATE GENERAL FUND BY:					
	Interagency Transfers	1,488,676	1,686,944	1,686,944	0	0.0%
	Fees & Self-gen Revenues	8,134,796	8,900,948	8,840,969	-59,979	(0.7%)
	Statutory Dedications	353,768	811,455	811,455	0	0.0%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$9,977,240	$11,399,347	$11,339,368	-$59,979	(0.5%)
	T.O.	54	54	54	0	0.0%
	Other Charges Positions	0	0	0	0	
04E	**Public Service Commission**					
	STATE GENERAL FUND (Direct):	$0	$66,396	$0	-$66,396	(100.0%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	0	0	0	0	
	Fees & Self-gen Revenues	0	0	0	0	
	Statutory Dedications	8,485,175	9,704,443	9,722,536	18,093	0.2%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$8,485,175	$9,770,839	$9,722,536	-$48,303	(0.5%)
	T.O.	99	99	97	-2	(2.0%)
	Other Charges Positions	0	0	0	0	

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04F	**Agriculture & Forestry**					
	STATE GENERAL FUND (Direct):	$23,662,794	$25,275,042	$19,165,693	-$6,109,349	(24.2%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	1,595,571	686,125	680,206	-5,919	(0.9%)
	Fees & Self-gen Revenues	6,506,357	7,029,476	7,029,476	0	0.0%
	Statutory Dedications	31,182,626	34,115,006	35,285,896	1,170,890	3.4%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	6,470,804	10,584,973	10,009,973	-575,000	(5.4%)
		$69,418,152	$77,690,622	$72,171,244	-$5,519,378	(7.1%)
	T.O.	563	563	559	-4	(0.7%)
	Other Charges Positions	0	0	0	0	
04	**Insurance**					
	STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
	STATE GENERAL FUND BY:					
	Interagency Transfers	0	0	0	0	
	Fees & Self-gen Revenues	26,647,792	28,658,984	29,342,980	683,996	2.4%
	Statutory Dedications	1,381,529	1,738,353	1,817,750	79,397	4.6%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	717,560	716,006	717,475	1,469	0.2%
		$28,746,881	$31,113,343	$31,878,205	$764,862	2.5%
	T.O.	225	222	222	0	0.0%
	Other Charges Positions	0	0	0	0	
05	**Economic Development**					
	STATE GENERAL FUND (Direct):	$14,954,842	$14,373,495	$18,917,757	$4,544,262	31.6%
	STATE GENERAL FUND BY:					
	Interagency Transfers	1,107,965	680,546	0	-680,546	(100.0%)
	Fees & Self-gen Revenues	2,895,075	17,868,712	5,064,807	-12,803,905	(71.7%)
	Statutory Dedications	18,167,538	20,122,222	16,919,588	-3,202,634	(15.9%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	2,937,033	8,046,476	2,976,020	-5,070,456	(63.0%)
		$40,062,453	$61,091,451	$43,878,172	-$17,213,279	(28.2%)
	T.O.	113	113	113	0	0.0%
	Other Charges Positions	0	0	0	0	
06	**Culture, Recreation & Tourism**					
	STATE GENERAL FUND (Direct):	$34,108,179	$31,480,277	$30,854,454	-$625,823	(2.0%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	5,140,718	12,123,852	8,528,705	-3,595,147	(29.7%)
	Fees & Self-gen Revenues	24,517,122	32,754,468	29,013,203	-3,741,265	(11.4%)
	Statutory Dedications	7,012,304	10,630,673	10,924,422	293,749	2.8%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	4,832,308	7,530,092	7,538,297	8,205	0.1%
		$75,610,631	$94,519,362	$86,859,081	-$7,660,281	(8.1%)
	T.O.	616	581	568	-13	(2.2%)
	Other Charges Positions	0	0	0	0	
07	**Transportation & Development**					
	STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
	STATE GENERAL FUND BY:					
	Interagency Transfers	3,922,181	8,910,000	10,931,766	2,021,766	22.7%
	Fees & Self-gen Revenues	22,769,329	28,672,415	28,182,415	-490,000	(1.7%)
	Statutory Dedications	515,630,877	571,055,043	566,681,094	-4,373,949	(0.8%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	15,733,689	32,420,794	24,632,793	-7,788,001	(24.0%)
		$558,056,076	$641,058,252	$630,428,068	-$10,630,184	(1.7%)
	T.O.	4,253	4,258	4,260	2	0.0%
	Other Charges Positions	0	0	0	0	

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08	**DPSC Corrections Services**					
	STATE GENERAL FUND (Direct):	$476,437,296	$490,875,885	$492,539,719	$1,663,834	0.3%
	STATE GENERAL FUND BY:					
	Interagency Transfers	8,321,699	14,837,938	14,837,938	0	0.0%
	Fees & Self-gen Revenues	35,521,228	46,352,374	48,216,468	1,864,094	4.0%
	Statutory Dedications	1,379,062	54,000	1,014,000	960,000	1777.8%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	787,487	2,230,697	2,230,697	0	0.0%
		$522,446,772	$554,350,894	$558,838,822	$4,487,928	0.8%
	T.O.	4,723	4,748	4,888	140	2.9%
	Other Charges Positions	0	0	0	0	
08	**DPSC Public Safety Services**					
	STATE GENERAL FUND (Direct):	$6,601,728	$19,410,048	$0	-$19,410,048	(100.0%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	26,019,771	38,286,509	38,258,311	-28,198	(0.1%)
	Fees & Self-gen Revenues	176,173,487	179,276,430	200,340,673	21,064,243	11.7%
	Statutory Dedications	184,669,327	188,422,671	182,286,209	-6,136,462	(3.3%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	19,997,935	48,544,162	47,941,431	-602,731	(1.2%)
		$413,462,248	$473,939,820	$468,826,624	-$5,113,196	(1.1%)
	T.O.	2,514	2,572	2,575	3	0.1%
	Other Charges Positions	0	0	0	0	
08	**DPSC Youth Services**					
	STATE GENERAL FUND (Direct):	$100,675,723	$109,587,852	$95,761,584	-$13,826,268	(12.6%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	8,971,201	11,959,959	11,959,959	0	0.0%
	Fees & Self-gen Revenues	473,076	775,487	775,487	0	0.0%
	Statutory Dedications	145,022	149,022	149,022	0	0.0%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	593,769	908,006	891,796	-16,210	(1.8%)
		$110,858,791	$123,380,326	$109,537,848	-$13,842,478	(11.2%)
	T.O.	1,001	944	830	-114	(12.1%)
	Other Charges Positions	7	0	0	0	
09	**Health**					
	STATE GENERAL FUND (Direct):	$2,390,817,265	$2,415,119,251	$1,926,355,053	-$488,764,198	(20.2%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	283,768,736	306,924,794	302,751,637	-4,173,157	(1.4%)
	Fees & Self-gen Revenues	437,362,503	510,154,478	348,095,469	-162,059,009	(31.8%)
	Statutory Dedications	852,900,036	842,350,843	739,238,733	-103,112,110	(12.2%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	7,929,824,440	9,519,368,265	7,958,491,347	-1,560,876,918	(16.4%)
		$11,894,672,980	$13,593,917,631	$11,274,932,239	-$2,318,985,392	(17.1%)
	T.O.	5,732	5,794	6,048	254	4.4%
	Other Charges Positions	0	0	0	0	
10	**Children & Family Services**					
	STATE GENERAL FUND (Direct):	$160,516,303	$174,260,354	$204,684,294	$30,423,940	17.5%
	STATE GENERAL FUND BY:					
	Interagency Transfers	11,783,308	50,095,291	50,195,291	100,000	0.2%
	Fees & Self-gen Revenues	10,647,150	17,937,760	18,392,610	454,850	2.5%
	Statutory Dedications	4,789,525	481,227	477,047	-4,180	(0.9%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	396,832,782	534,190,531	545,750,362	11,559,831	2.2%
		$584,569,068	$776,965,163	$819,499,604	$42,534,441	5.5%
	T.O.	3,447	3,445	3,506	61	1.8%
	Other Charges Positions	0	0	0	0	

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11	**Natural Resources**					
	STATE GENERAL FUND (Direct):	$10,068,629	$9,421,017	$9,417,721	-$3,296	(0.0%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	8,390,842	8,992,160	8,816,870	-175,290	(1.9%)
	Fees & Self-gen Revenues	167,307	318,639	318,639	0	0.0%
	Statutory Dedications	19,691,203	29,764,163	29,451,854	-312,309	(1.0%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	6,646,883	7,765,301	7,375,181	-390,120	(5.0%)
		$44,964,864	$56,261,280	$55,380,265	-$881,015	(1.6%)
	T.O.	331	321	308	-13	(4.0%)
	Other Charges Positions	0	0	0	0	
12	**Revenue**					
	STATE GENERAL FUND (Direct):	$12,040,331	$33,892,165	$30,669,333	-$3,222,832	(9.5%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	219,816	285,000	285,000	0	0.0%
	Fees & Self-gen Revenues	75,222,816	67,107,815	67,403,092	295,277	0.4%
	Statutory Dedications	571,049	543,583	550,000	6,417	1.2%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$88,054,012	$101,828,563	$98,907,425	-$2,921,138	(2.9%)
	T.O.	713	712	690	-22	(3.1%)
	Other Charges Positions	0	0	0	0	
13	**Environmental Quality**					
	STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
	STATE GENERAL FUND BY:					
	Interagency Transfers	212,757	670,829	70,829	-600,000	(89.4%)
	Fees & Self-gen Revenues	20,414	24,790	24,790	0	0.0%
	Statutory Dedications	86,418,508	104,184,518	105,480,722	1,296,204	1.2%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	16,420,089	20,155,915	19,902,433	-253,482	(1.3%)
		$103,071,768	$125,036,052	$125,478,774	$442,722	0.4%
	T.O.	684	698	702	4	0.6%
	Other Charges Positions	0	0	0	0	
14	**Workforce Commission**					
	STATE GENERAL FUND (Direct):	$6,530,496	$7,399,887	$7,399,887	$0	0.0%
	STATE GENERAL FUND BY:					
	Interagency Transfers	4,122,803	6,595,050	6,237,466	-357,584	(5.4%)
	Fees & Self-gen Revenues	102,000	272,219	272,219	0	0.0%
	Statutory Dedications	99,263,838	110,634,234	111,288,610	654,376	0.6%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	140,182,037	165,586,651	160,205,804	-5,380,847	(3.2%)
		$250,201,174	$290,488,041	$285,403,986	-$5,084,055	(1.8%)
	T.O.	929	925	921	-4	(0.4%)
	Other Charges Positions	0	0	0	0	
16	**Wildlife & Fisheries**					
	STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
	STATE GENERAL FUND BY:					
	Interagency Transfers	2,980,111	12,006,202	12,527,226	521,024	4.3%
	Fees & Self-gen Revenues	195,285	2,111,574	2,111,574	0	0.0%
	Statutory Dedications	95,175,338	125,842,453	118,276,988	-7,565,465	(6.0%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	25,881,666	46,032,639	42,431,264	-3,601,375	(7.8%)
		$124,232,400	$185,992,868	$175,347,052	-$10,645,816	(5.7%)
	T.O.	779	779	779	0	0.0%
	Other Charges Positions	0	0	0	0	

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17	**Civil Service**					
	STATE GENERAL FUND (Direct):	$4,909,967	$5,326,196	$5,443,800	$117,604	2.2%
	STATE GENERAL FUND BY:					
	Interagency Transfers	11,043,082	11,622,197	12,002,661	380,464	3.3%
	Fees & Self-gen Revenues	930,192	1,232,825	1,341,590	108,765	8.8%
	Statutory Dedications	2,035,763	2,233,801	2,334,588	100,787	4.5%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$18,919,004	$20,415,019	$21,122,639	$707,620	3.5%
	T.O.	171	171	172	1	0.6%
	Other Charges Positions	0	0	0	0	
19	**Higher Education**					
	STATE GENERAL FUND (Direct):	$907,215,046	$1,004,971,363	$732,716,972	-$272,254,391	(27.1%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	13,673,426	23,645,601	23,223,489	-422,112	(1.8%)
	Fees & Self-gen Revenues	1,384,356,305	1,457,186,211	1,461,114,911	3,928,700	0.3%
	Statutory Dedications	150,958,134	151,642,910	148,170,266	-3,472,644	(2.3%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	59,115,141	79,903,497	80,105,297	201,800	0.3%
		$2,515,318,052	$2,717,349,582	$2,445,330,935	-$272,018,647	(10.0%)
	T.O.	0	0	0	0	
	Other Charges Positions	0	0	0	0	
19	**Special Schools & Comm.**					
	STATE GENERAL FUND (Direct):	$38,747,769	$42,044,885	$42,769,686	$724,801	1.7%
	STATE GENERAL FUND BY:					
	Interagency Transfers	23,547,398	26,067,815	26,285,481	217,666	0.8%
	Fees & Self-gen Revenues	2,262,026	3,263,033	3,263,033	0	0.0%
	Statutory Dedications	21,524,707	25,114,616	23,883,751	-1,230,865	(4.9%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	318,668	233,582	-85,086	(26.7%)
		$86,081,900	$96,809,017	$96,435,533	-$373,484	(0.4%)
	T.O.	746	767	745	-22	(2.9%)
	Other Charges Positions	0	0	0	0	
19	**Education**					
	STATE GENERAL FUND (Direct):	$3,535,662,196	$3,604,419,133	$3,584,999,322	-$19,419,811	(0.5%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	165,496,269	263,200,035	253,932,768	-9,267,267	(3.5%)
	Fees & Self-gen Revenues	29,823,015	57,488,446	51,181,489	-6,306,957	(11.0%)
	Statutory Dedications	295,881,619	273,809,800	276,876,044	3,066,244	1.1%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	1,115,567,496	1,146,171,841	1,146,401,137	229,296	0.0%
		$5,142,430,595	$5,345,089,255	$5,313,390,760	-$31,698,495	(0.6%)
	T.O.	489	446	445	-1	(0.2%)
	Other Charges Positions	0	0	0	0	
19E	**LSU Health Care Services Division**					
	STATE GENERAL FUND (Direct):	$24,664,566	$24,427,906	$24,427,906	$0	0.0%
	STATE GENERAL FUND BY:					
	Interagency Transfers	17,788,112	18,383,724	3,969,790	-14,413,934	(78.4%)
	Fees & Self-gen Revenues	12,149,617	15,472,658	9,355,434	-6,117,224	(39.5%)
	Statutory Dedications	379,658	0	0	0	
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	4,954,212	4,800,336	4,800,336	0	0.0%
		$59,936,165	$63,084,624	$42,553,466	-$20,531,158	(32.5%)
	T.O.	0	0	0	0	
	Other Charges Positions	0	0	0	0	

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20 Other Requirements					
STATE GENERAL FUND (Direct):	$479,880,559	$494,419,850	$450,561,942	-$43,857,908	(8.9%)
STATE GENERAL FUND BY:					
Interagency Transfers	43,446,218	45,669,009	43,174,928	-2,494,081	(5.5%)
Fees & Self-gen Revenues	8,822,298	10,978,280	14,153,280	3,175,000	28.9%
Statutory Dedications	210,011,167	259,696,604	211,953,830	-47,742,774	(18.4%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	4,229,523	5,556,260	5,556,260	0	0.0%
	$746,389,765	$816,320,003	$725,400,240	-$90,919,763	(11.1%)
T.O.	0	0	0	0	
Other Charges Positions	0	0	0	0	
Other Appropriation Bills					
STATE GENERAL FUND (Direct):	$215,724,762	$215,503,900	$203,303,705	($12,200,195)	(5.7%)
STATE GENERAL FUND BY:					
Interagency Transfers	722,398,006	697,055,051	670,948,476	(26,106,575)	(3.7%)
Fees & Self-gen Revenues	1,545,717,955	1,577,612,759	1,643,352,635	65,739,876	4.2%
Statutory Dedications	1,037,876,250	1,250,904,310	1,250,904,310	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	133,343,470	62,713,000	62,713,000	0	0.0%
	$3,655,060,443	$3,803,789,020	$3,831,222,126	$27,433,106	0.7%
T.O.	1,154	1,156	1,188	32	2.8%
Other Charges Positions	0	0	0	0	
21 Ancillary					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	472,741,656	646,285,095	620,178,520	-26,106,575	(4.0%)
Fees & Self-gen Revenues	1,432,734,451	1,506,664,222	1,572,404,098	65,739,876	4.4%
Statutory Dedications	101,352,668	151,000,000	151,000,000	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$2,006,828,775	$2,303,949,317	$2,343,582,618	$39,633,301	1.7%
T.O.	1,154	1,156	1,188	32	2.8%
Other Charges Positions	0	0	0	0	
23 Judiciary					
STATE GENERAL FUND (Direct):	$151,530,944	$151,530,944	$143,954,397	-$7,576,547	(5.0%)
STATE GENERAL FUND BY:					
Interagency Transfers	0	9,392,850	9,392,850	0	0.0%
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	7,291,250	10,240,925	10,240,925	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$158,822,194	$171,164,719	$163,588,172	-$7,576,547	(4.4%)
T.O.	0	0	0	0	
Other Charges Positions	0	0	0	0	
24 Legislature					
STATE GENERAL FUND (Direct):	$62,472,956	$62,472,956	$59,349,308	-$3,123,648	(5.0%)
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	20,803,504	22,373,567	22,373,567	0	0.0%
Statutory Dedications	10,000,000	10,000,000	10,000,000	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$93,276,460	$94,846,523	$91,722,875	-$3,123,648	(3.3%)
T.O.	0	0	0	0	
Other Charges Positions	0	0	0	0	

		Previous Year Actual FY 2017	Current Year EOB 12/1/2017 FY 2018	Next Year HB 1 Original FY 2019	2019 - 2018 Change	Percent Change
26	**Capital Outlay Cash**					
	STATE GENERAL FUND (Direct):	$1,720,862	$1,500,000	$0	-$1,500,000	(100.0%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	249,656,350	41,377,106	41,377,106	0	0.0%
	Fees & Self-gen Revenues	92,180,000	48,574,970	48,574,970	0	0.0%
	Statutory Dedications	919,232,332	1,079,663,385	1,079,663,385	0	0.0%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	133,343,470	62,713,000	62,713,000	0	0.0%
		$1,396,133,014	$1,233,828,461	$1,232,328,461	-$1,500,000	(0.1%)
	T.O.	0	0	0	0	
	Other Charges Positions	0	0	0	0	

Non-Appropriated Requirements

		Previous Year Actual FY 2017	Current Year EOB 12/1/2017 FY 2018	Next Year HB 1 Original FY 2019	2019 - 2018 Change	Percent Change
	STATE GENERAL FUND (Direct):	$484,862,553	$507,903,581	$514,371,375	$6,467,794	1.3%
	STATE GENERAL FUND BY:					
	Interagency Transfers	0	0	0	0	
	Fees & Self-gen Revenues	0	0	0	0	
	Statutory Dedications	68,432,746	64,200,000	54,757,942	(9,442,058)	(14.7%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$553,295,299	$572,103,581	$569,129,317	($2,974,264)	(0.5%)
	T.O.	0	0	0	0	
	Other Charges Positions	0	0	0	0	
22	**Non-Appropriated Requirements**					
	STATE GENERAL FUND (Direct):	$484,862,553	$507,903,581	$514,371,375	$6,467,794	1.3%
	STATE GENERAL FUND BY:					
	Interagency Transfers	0	0	0	0	
	Fees & Self-gen Revenues	0	0	0	0	
	Statutory Dedications	68,432,746	64,200,000	54,757,942	-9,442,058	(14.7%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$553,295,299	$572,103,581	$569,129,317	-$2,974,264	(0.5%)
	T.O.	0	0	0	0	
	Other Charges Positions	0	0	0	0	

Overviews / Issues

FY 19 OVERVIEWS

DEPT/AGY: Transportation & Development (DOTD)

State Gas Tax (Transportation Trust Fund – Regular)

The 16-cent per gallon state gasoline and special fuels tax (TTF – Regular) is a flat, non-indexed tax established in 1984 (when the rate was increased from 8 cents). The state gas tax has a current day purchasing power of approximately 7 cents, diminished over time through inflationary devaluation. Historically, gas tax revenues grew approximately 2.5% annually since 1992 but the rate has slowed substantially over the past decade. Construction and operating cost inflation substantially exceed the growth rate of the gas tax.

In 1984 the average gasoline price per gallon was $0.94 and individuals paid approximately 17% per gallon for road infrastructure with the 16-cent state gas tax. The average price per gallon for regular gasoline in LA as of 2/16/2018 was $2.35. Due to the tax being flat, and not indexed to inflation, the current tax equates to individuals paying approximately 6.8% per gallon for road infrastructure (a decrease of approximately 0.85% over the past year as average gasoline prices have increased from $2.09 per gallon). Had the gas tax been indexed to the Consumer Price Index at inception of its current $0.16 level in 1984, the tax would equal almost $0.38 today.

Federal Highway Trust Fund (Federal Gas Tax)

The federal transportation program is funded by the Fixing America's Surface Transportation Act (FAST Act). FAST Act was the first federal law in over 10 years to provide long-term funding certainty for surface transportation, authorizing monies over federal fiscal years 2016 through 2020 for the department's highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, research, technology and statistics programs. The federal Highway Trust Fund (HTF) is funded with an 18.4-cent per gallon federal gasoline tax and 24.4-cent per gallon federal diesel tax. HTF funds are deposited into a dedication at the Treasury commonly referred to in LA as the TTF-Federal. Like the state gas tax, it has lost ground to inflation since its last increase in 1993.

Benefits and Limitations of an Excise-Based Transportation Funding Mechanism

The federal and state excise taxes on motor fuels is a user-fee, consisting of a per gallon tax rate on the consumption of motor fuels. As an excise tax, it is largely immune to fluctuations and volatility associated with fuel price changes, unlike if transportation funding relied on a sales tax structure. However, in order for transportation funding to grow along with the economy and demand, fuel consumption must increase in congruent manner. As such, transportation funding only increases as the population consumes more fuel. Historically, a burgeoning population and robust development resulted in modest increases of revenues over time. In recent years, however, increased fuel efficiency, economic variables impacting driver behavior, and fluctuations in construction cost inflation have caused the growth rate for transportation funding needs to accelerate more quickly than a slowing growth in excise tax collections.

TIMED Program Bond Debt Service Payments - $147.3 M for FY 19

The TIMED Program was established by Act 16 of the 1989 1st Extraordinary Session and designated 16 specific road/bridge projects to be funded. The original plan called for a designated funding stream in the form of a 4-cent per gallon gas tax on top of the existing 16-cent per gallon state gas tax, providing for a pay-as-you-go construction program. By utilizing a pay-as-you-go-program, the projected completion date for the program was 2031. In 2002, the DOTD set out to accelerate the program by bonding the remainder of the program in an effort to complete construction of all projects by FY 13. Due to rising construction costs and inaccurate cost estimates at the outset of the program, the program will only have sufficient funding to complete 14 of the original 16 road and bridge projects. At the current time, 13 of the 14 funded projects are now complete. Principal construction on the 14th project, a final segment-widening on US 165 (Fort Buhlow Bridge), is complete and approaching its final acceptance date (projected at the end of March).

Currently, the total projected TIMED Program costs are $5.24 B (includes LA 3241 and Florida Avenue Bridge projects), while total revenues for the program will be $4.4 B by the pay-off date of the debt in FY 45. DOTD is in the process of determining the best financing mechanism for completing the final 2 constitutionally required road/bridge projects and reports that it will likely revert to a pay-as-you-go program, breaking those two projects into multiple phases funded through the normal Highway Priority Program.

TIMED Funding Shortfall: Since FY 09, the 4-cent per gallon TIMED gas tax collections have been insufficient to cover the debt service payments for the TIMED Program. Approximately $17.34 M of the 16-cent per gallon state gas tax revenues will be needed to pay TIMED Program debt service payments in FY 19, the 11th consecutive year in which the state gas tax will be used to make the TIMED debt service schedule whole. The portion of the 16-cent gas tax necessary in future years to fund TIMED debt service payments will continue escalating. Based upon estimates by DOTD, the department will use approximately 1.9 cents of the 16-cent per gallon state gas tax at its peak usage in FY 43, which equates to $71.2 M, or approximately 13.7% of the REC's 16-cent per gallon tax estimate for FY 19 of $519.9 M. Table 1 below reports the amount of the 16-cent gas tax used in each fiscal year both in terms of a cents-equivalent portion of the 16-cent tax use for TIMED debt service payments as well as actual dollar expenditures from the 16-cent tax (reported as actual expenditures for FYs 09 through 17 and *estimated for FYs 18 and 19*).

TABLE 1

TTF-Regular Used for TIMED Debt Service		
FY	**Cent equivalent portion of 16-cents used**	**Total TTF-Regular Used/Needed**
09	0.1 cent	$4,112,956
10	1.0 cent	$28,352,363
11	1.2 cents	$36,828,826
12	1.5 cents	$43,053,649
13*	0.3 cent	$8,281,962
14	0.6 cent	$17,571,082
15	0.7 cent	$20,668,973
16	0.6 cent	$20,052,483
17	0.5 cent	*$19,966,239*
18	0.6 cent	*$18,040,030*
19	0.5 cent	*$17,349,515*

****Note:*** *The debt service schedule was revised after debt service refunding in 2013 for part of first and second lien debt; for the variable rate debt, actual debt service paid (7/1/2013 – 1/1/2014) reflected debt service only. Debt service payments beginning in 2014 were based upon an all-inclusive cost (debt service & swaps).*

The continuing use of TTF - Regular funds to pay TIMED debt service impacts DOTD's ability to match federal transportation funds (generally required at 10-20%) in the capital outlay budget and results in decreased funds available for the department's operating budget to monitor, plan, design and maintain the state's transportation infrastructure inventory.

Potential Loss of DOTD's Ability to Capture All Federal Match Available in FY 19

DOTD estimates it could be as much as $12.7 M short of state monies required to match available monies from the federal Highway Trust Fund (HTF) beginning in FY 19. States are apportioned a federal obligation from the federal HTF, which requires varying state and local funds match rates depending upon the type of project undertaken. The general match rate requires a 20% state or local contribution, although different project categories may require a lower match component (i.e. projects on Interstate highways may require only 10%).

Any portion of state allocations nationally that are not fully drawn due to insufficient matching funds then revert to a pool at the end of each federal fiscal year to redistribute to other states that have remaining available state matching funds. Historically, LA captures its entire federal allocation utilizing match revenues generated by the state's TTF, a 4% sales tax on aviation fuels, vehicle license taxes, interest earnings and truck weight permits and fines. LA has been successful in capturing a portion of allocations not utilized nationally by other states during the federal fiscal year closeout process for more than 25 years. Historically, DOTD captured an average additional federal allocation of $33.5 M between FYs 08 and 17 (ranging from a low of $16.8 M in FY 08 to a high of $60.8 M in FY 17).

In the recent past DOTD has been unable to fully meet all available HTF obligation capacity due to recurring mid-year deficits that have resulted in the legislature transferring significant portions of the TTF into the SGF. LA has only been able to secure all available federal HTF revenues because it could supplement and/or supplant TTF revenue with toll credits. Toll credits are a finite, nonrecurring source of match issued to states for previous toll projects for which the state utilized state funding sources in excess of the normal match rate. LA received $140 M in one-time toll credits from the federal government associated with the completion of LA 1. At the beginning of the current fiscal year, DOTD had a remaining toll credit balance of $67.9 M.

The use of a toll credit allows the state to draw down federal obligation on a per dollar basis, but it decreases the overall size of the construction program. For example, if a $50 M construction program were to be completed with a state match from the TTF, the project cost would generally be distributed as $40 M Federal HTF and $10 M TTF under an 80/20 match scenario. Utilizing toll credits, the project cost is distributed as $50 M Federal HTF with no cash state match. In the latter case, if the state had utilized a normal cash match mechanism, it would have allowed the state's highway program to realize an additional $12.5 M of construction and design activity by matching the full $50 M federal allocation and adding an additional $12.5 M capacity with $10 M HTF and $2.5 M TTF at 80/20. So while the use of toll credits prevents the loss of the state's available HTF allocation, it causes the overall program to shrink.

LA may be short approximately $12.7 M in available match (either TTF or toll credits) beginning in FY 19.

Beginning Toll Credit Balance at beginning of FY 18	$67.9 M
Programmed usage of Toll Credits in FY 18	($41.5 M)
Estimated Federal match need for FY 19	($39.1 M)
***Potential Match Deficit at End of FY 19**	**($12.7 M)**

*The above scenario assumes DOTD does not receive a direct state funds appropriation for all federal match needs and instead utilizes the remaining balance of toll credits to draw down federal dollars.

Grant Anticipation Revenue Vehicle (GARVEE) Bonds Initiative

The governor and DOTD have expressed an interest and intent to utilize a debt instrument known as GARVEE Bonds to provide for and accelerate 3 or 4 specific projects through relatively short-term bond instruments spanning a 12-year repayment. GARVEE is a type of anticipation vehicle wherein debt instruments are issued against moneys anticipated from a specific source to advance the upfront funding of a particular need. In the case of transportation finance, the anticipation vehicles' revenue source is a pledge of future Title 23 Federal-aid funding. LA R.S. 48:27 limits debt service to no more than 10% of annual federal funds obligation authority, allowing an issuance of up to $650 M in bonds.

The current proposal would potentially provide funding, if approved, to: I-10 reconstruction and widening in Baton Rouge (approximately $360 M), I-10/Loyola Drive Interchange improvements in Kenner (approximately $90 M), I-20 entrance into Barksdale Air Force Base (approximately $90 M), and Belle Chase bridge and tunnel replacement - with potential public-private partner (approximately $12.5 M). All four projects have received commitments from local governmental entities and planning commissions to provide additional local support.

DEPT/AGY: Public Safety & Corrections (DPS&C) / Corrections Services

Corrections Services realizes a 0.34% increase of $1.6 M SGF in the FY 19 Executive Budget above the 12/1/2017 SGF base of $490.9 M. The department realizes a net total funds increase of $4.5 M, or a 0.81%, above the 12/1 total funding base of $554.4 M, including the aforementioned SGF increase. Significant adjustments include: $2.6 M for a pay increase for Probation & Parole Agents ($885,093 SGF, $750,000 SGR, and $960,000 Statutory Dedication – Adult Probation & Parole Officer Retirement Fund); a $2.7 M SGF decrease as a result of lowering the per diem rate by $5 from $24.83 to $19.83 at Winn Correctional Center; and a $813,883 net increase for Allen Correctional Center to operate as a state facility (including an increase of $1.06 M SGR offset by a decrease of $247,710 SGF) along with a corresponding increase of 150 T.O. positions. The executive budget also converts 20 job appointments to classified T.O. for medical/case management purposes associated with the timely release of offenders and eliminates 30 T.O. positions department wide for a total net increase of 140 T.O. positions.

Notwithstanding the adjustments noted above, Corrections Services reports the total FY 19 recommended appropriation is short of projected need by $31 M SGF. Significant items included on the department's list are: $3 M additional funding for offsite offender medical care; $4.4 M for a restrictive housing pilot program to manage disruptive and violent offenders and to maintain control of the facility by removing the offenders from general population, separating them from other offenders and imposing restrictions on them; $5.2 M for overtime primarily providing 24-hour security at state facilities department wide (existing budget is $1.4 M); and $7.3 M for department wide acquisitions and major repairs at facilities statewide.

DEPT/AGY: Health (LDH) / Human Services Authorities and Districts

In the FY 19 Executive Budget, total funding for the 10 human services districts and authorities increased by $7.37 M, an enhancement of 4.04% from FY 18 EOB. Table 2 on the next page reports total funding adjustments by District while Table 3 reports the total MOF funding distribution for all districts and authorities.

TABLE 2 - Total Funding by District

	FY 18 EOB	FY 19 EB	Change from EOB to EB Dollar	Percent
JPHSA	$18,544,167	$20,161,234	$1,617,067	8.72%
FPHSA	$18,661,195	$20,056,842	$1,395,647	7.48%
CAHSD	$25,863,212	$26,825,703	$962,491	3.72%
MHSD	$26,017,565	$26,397,814	$380,249	1.46%
SCLHSD	$22,173,005	$22,584,584	$411,579	1.86%
NEDHSA	$13,857,726	$14,248,950	$391,224	2.82%
AAHSD	$18,123,370	$19,406,602	$1,283,232	7.08%
ICHSD	$11,161,125	$11,668,046	$506,921	4.54%
CLHSD	$15,000,856	$14,992,140	($8,716)	-0.06%
NLHSD	$13,271,169	$13,703,309	$432,140	3.26%
Total	**$182,673,390**	**$190,045,224**	**$7,371,834**	**4.04%**

TABLE 3 - Total District Funding by MOF

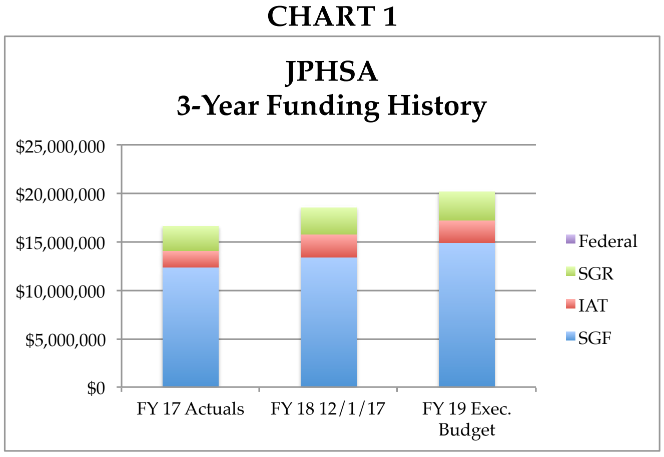
	FY 18 EOB	FY 19 EB	Change from EOB to EB Dollar	Percent
SGF	$120,795,225	$128,570,713	$7,775,488	6.44%
IAT	$41,066,185	$40,491,733	($574,452)	-1.40%
FSGR	$19,056,979	$19,227,777	$170,798	0.90%
Fed	$,755,001	$1,755,001	$0	0%
Total	**$182,673,390**	**$190,045,224**	**$7,371,834**	**4.04%**

The major change in the FY 19 Executive Budget is a $7.78 M increase (6.44%) in SGF that is partially offset by a reduction of approximately $171,000 (-1.40%) in IAT funds from various sources, such as federal grants and allocations from the Tobacco Tax Health Care Fund. A small increase of approximately $171,000 SGR (0.90%) is also present in the FY 19 Executive Budget.

A majority of the net increase in funds across the HSAs and HSDs is associated with funding statewide adjustments in personal services such as the Department of Civil Service classified employees pay plan and adjustments to related benefits, as well as adjustments for payments to ancillary services (Risk Management, Unified Payroll, Civil Service fees, Office of Technology Services fees, Legislative Auditor fees, etc.).

Jefferson Parish Human Services Authority (JPHSA). 3-year funding history of the agency is illustrated in Chart 1 below.

CHART 1

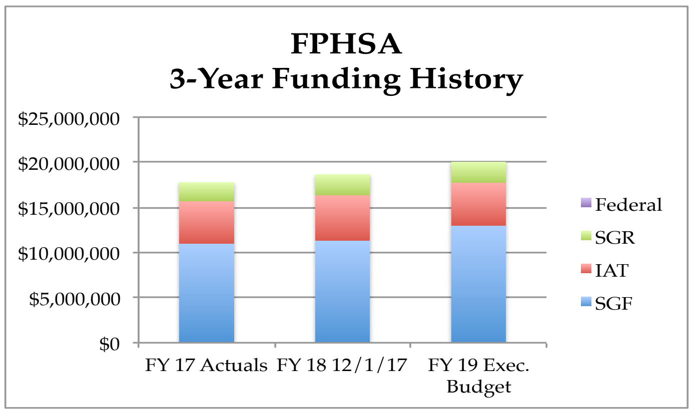


JPHSA has an overall increase of approximately $1.62 M in total funds in the FY 19 Executive Budget. The major change is a net $1.47 M increase in SGF associated with a number of statewide adjustments in personal services and payments for ancillary services. Furthermore, JPHSA has an increase of $150,000 SGR associated with increased client need for acute behavioral health services, as well as the community-based Family Functional Therapy – Child Welfare Program billing for a full year in FY 19 after it began operating mid-FY 18.

Furthermore, JPHSA has approximately $1.13 M SGF associated with personal services expenditures reallocated to the other charges category within their expenditure budget to reflect how the funds have been utilized in previous fiscal years. JPHSA used the aforementioned SGF to fund contracts and necessary operating expenses in lieu of using them to fund personnel.

Florida Parishes Human Services Authority (FPHSA). 3-year funding history of the agency is illustrated in Chart 2 on the next page.

CHART 2

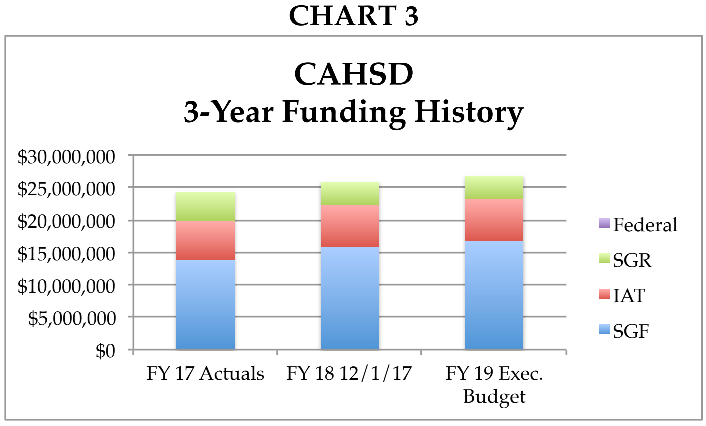


In the FY 19 Executive Budget, FPHSA realizes a net funds increase of $1.40 M. The funding increase is primarily associated with receiving a net SGF enhancement of $1.68 M SGF that is associated with statewide adjustments in personal services, such as the classified employees pay plan, as well as payments for ancillary services. The funds increase is offset by a $300,354 reduction in IAT associated with a decrease in allocations from the Tobacco Tax Health Care Fund and the LA Partnership for Success. The decrease in IAT is based on a fixed amount set via an Interagency Agreement between the FPHSA and the Office of Behavioral Health (OBH) – Addictive Disorders Program.

Additionally, the FPHSA has approximately $1.71 M SGF associated with personal services expenditures reallocated to the other charges category within their expenditure budget to reflect how the funds have been utilized in previous fiscal years. FPHSA used the aforementioned SGF to fund contracts and necessary operating expenses in lieu of using them to fund personnel.

Capital Area Human Services District (CAHSD). 3-year funding history of the agency is illustrated below in Chart 3.

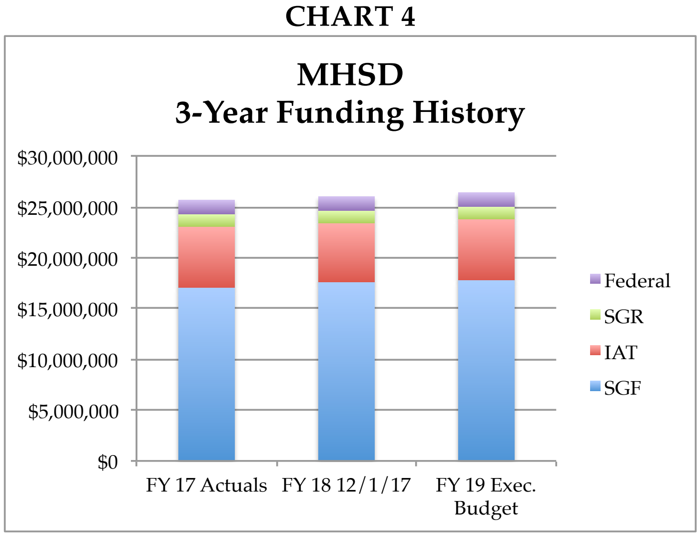
CHART 3



CAHSD has a net funds increase of $962,491 SGF in the FY 19 Executive Budget. The increased resources fund various statewide adjustments for personal services and ancillary services. The CAHSD also has a reallocation of $961,691 SGF from personal services expenditures to other charges expenditures within their expenditure budget to reflect how the funds have been utilized in previous fiscal years. CAHSD used the aforementioned SGF to fund contracts and necessary operating expenses in lieu of using them to fund personnel.

Metropolitan Human Services District (MHSD). 3-year funding history of the agency is illustrated in Chart 4 below.

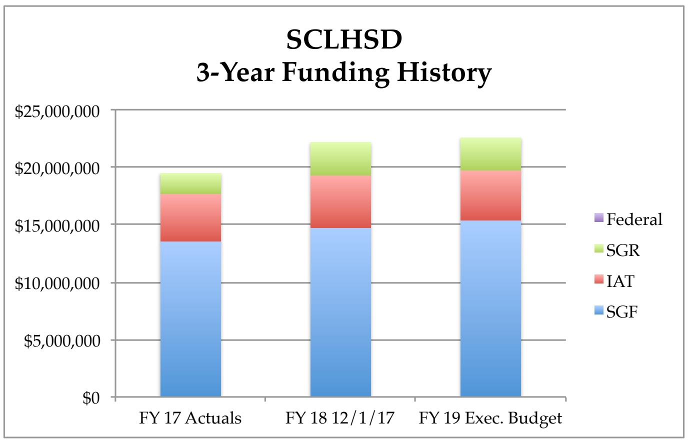
CHART 4



MHSD has a net funds increase of $380,249 ($164,349 SGF and $215,900 IAT) in the FY 19 Executive Budget. A majority of the increase, a $215,900 IAT enhancement, is associated with a federal grant allowing for expansion of services within the Medication Assisted Treatment – Prescription Drug and Opioid Addiction (MAT-PDOA) project in the Greater New Orleans Area. The MAT-PDOA project's overall aim is to support persons with opioid use disorders, and the MHSD intends to increase treatment capacity through enhanced organization and delivery of medical, behavioral, social, and recovery support services. The $164,349 SGF enhancement is associated with statewide adjustments for personal services.

South Central LA Human Services Authority (SCLHSA). 3-year funding history of the agency is illustrated in Chart 5 below.

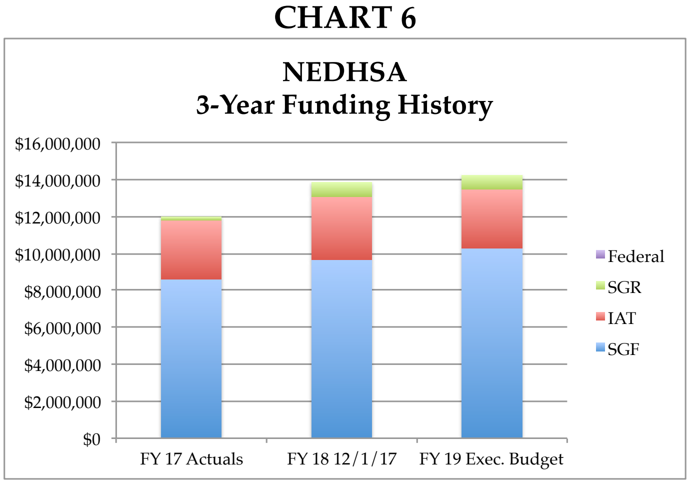
CHART 5



SCLHSD has a net funds increase of $411,579 total. Included in the net funds increase is an additional $634,093 SGF to fund various statewide adjustments in personal services and ancillary services. The SGF increase is offset by a $222,514 IAT reduction associated with reduced allocations from the Tobacco Tax Health Care Fund. SCLHSD also has a reallocation of $961,691 SGF from personal services expenditures to the other charges category within their expenditure budget to reflect how the funds have been utilized in previous fiscal years. SCLHSD used the aforementioned SGF to fund contracts and necessary operating expenses in lieu of using them to fund personnel.

Northeast Delta Human Services Authority (NEDHSA). 3-year funding history of the agency is illustrated in Chart 6 below.

CHART 6

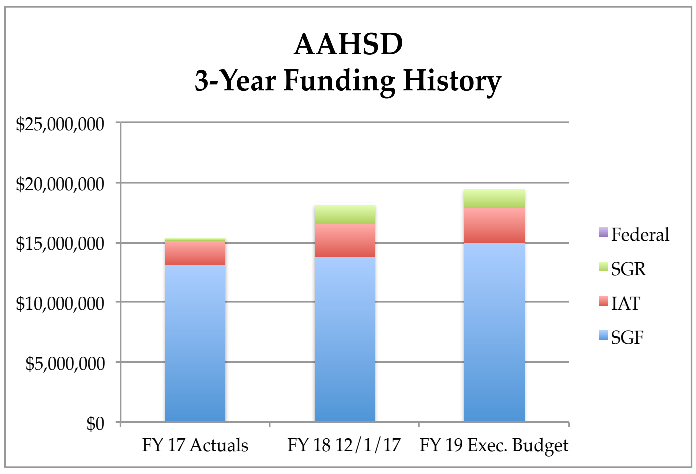


In the FY 19 Executive Budget, NEDHSA has a net funds increase of $391,224. The net increase is comprised of $641,886 SGF, which is primarily due to increased personal services statewide adjustments and a $43,188 technical adjustment transferring funds from the Office of Behavioral Health to NEDHSA for pharmaceutical supplies as a result of the closure of Shamrock Pharmacy on 11/1/2017. The increase in SGF is offset by a reduction of $250,662 IAT derived from the non-recurring of the LA Partnership for Success Grant ($230,000) and a reduced IAT transfer ($20,662) from the Office for Citizens with Developmental Disabilities.

NEDHSA also has a reallocation of $97,172 SGF from personal services expenditures to the other charges category within their expenditure budget to reflect how the funds have been utilized in previous fiscal years. NEDHSA used the aforementioned SGF to fund contracts and necessary operating expenses in lieu of using them to fund personnel.

Acadiana Area Human Services District (AAHSD). 3-year funding history of the agency is illustrated in Chart 7 on the next page.

CHART 7



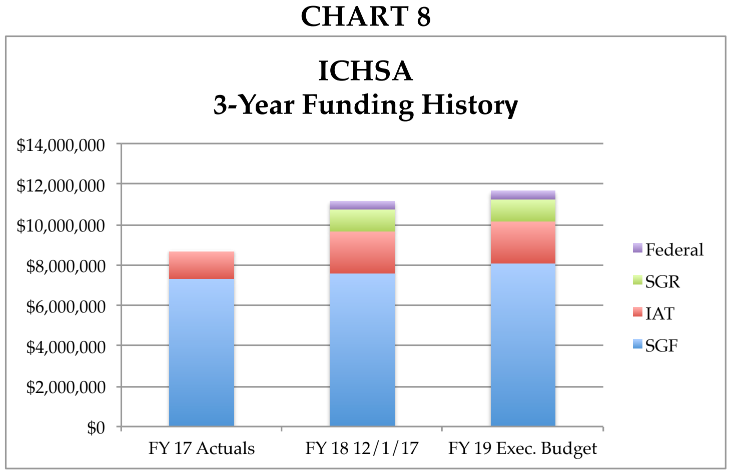
AAHSD has approximately $1.28 M in additional resources in the FY 19 Executive Budget. A majority of the new resources, approximately $1.15 M SGF, is a net increase of funding due to statewide personal services adjustments. A technical adjustment totaling $175,260 SGF transfers funds from the Office of Behavioral Health to AAHSD for pharmaceutical supplies due to the close of Shamrock Pharmacy on 11/1/2017.

Furthermore, AAHSD has an increase of $129,974 IAT from the Office of Behavioral Health – Addictive Disorders Program. Included in the transfer are Mental Health Block Grant (MHBG) resources ($5,712), increased LA Partnership for Success funds ($40,064), and enhanced Opioid State Targeted Response (STR) grant funds ($84,198).

Lastly, AAHSD also has a reallocation of $892,856 SGF from personal services expenditures to the other charges category within their expenditure budget to reflect how the funds have been utilized in previous fiscal years. AAHSD used the aforementioned SGF to fund contracts and necessary operating expenses in lieu of using them to fund personnel.

Imperial Calcasieu Human Services Authority (ICHSA). 3-year funding history of the agency is illustrated in Chart 8 below.

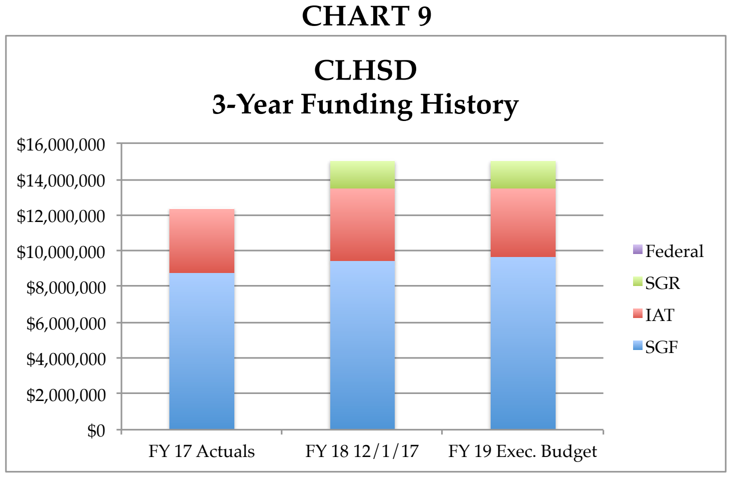
CHART 8



ICHSA has a net funding increase of $506,921 in the FY 19 Executive Budget that is entirely comprised of SGF. The increase is the net result of a number of statewide adjustments for personal and ancillary services.

Central LA Human Services District (CLHSD). 3-year funding history of the agency is illustrated in Chart 9 below.

CHART 9

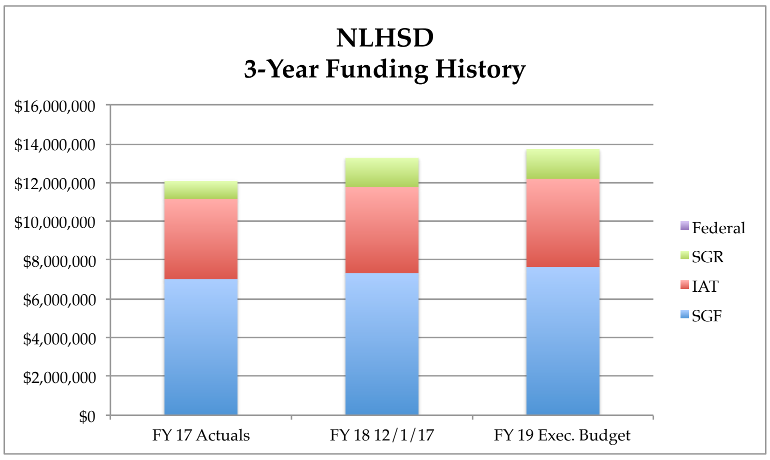


In the FY 19 Executive Budget, CLHSD has a net decrease of $8,716 in total funds. The reduction is the net of a $230,148 SGF enhancement to fund statewide adjustments for personal and ancillary services and a $238,864 IAT reduction due to adjusted allocations of federal grants and Tobacco Tax Health Care Fund resources.

CLHSD also has a reallocation of $134,843 SGF from personal services expenditures to the other charges category within their expenditure budget to reflect how the funds have been utilized in previous fiscal years. CLHSD used the aforementioned SGF to fund contracts and necessary operating expenses in lieu of using them to fund personnel.

Northwest LA Human Services District (NLHSD). 3-year funding history of the agency is illustrated in Chart 10 below.

CHART 10



The NLHSD has a net funds increase of $432,140 in the FY 19 Executive Budget. A majority of this increase is enhanced SGF to fund statewide personal and ancillary services adjustments, as well as an additional $92,068 IAT from the Office of Behavioral Health due to adjusted allocations of federal grants and Tobacco Tax Health Care Fund resources.

NLHSD also has a reallocation of $84,270 SGF from personal services expenditures to the other charges category within their expenditure budget to reflect how the funds have been utilized in previous fiscal years. NLHSD used the aforementioned SGF to fund contracts and necessary operating expenses in lieu of using them to fund personnel.

DEPT/AGY: Health (LDH) / Medical Vendor Payments (MVP)

The Governor's Executive Budget reduces overall funding in Medicaid by $2.3 B (19.2%) in FY 19, from an Existing Operating Budget (EOB) as of 12/1/2017 of $11.95 B to a recommended appropriation of $9.61 B. The reduction in funding is largely the result of program reductions and eliminations, including a 90% cut in Disproportionate Share Hospital (DSH) payments for uncompensated care costs (UCC) from FY 17 base funding. DSH payments are largely paid to the partner hospitals.

FY 19 Medicaid

	EOB	*Executive Budget*	*Difference*
SGF	$1,935,282,553	$1,425,221,419	($510,061,134)
IAT	$24,603,787	$7,745,805	($16,857,982)
Fees/Self Gen	$430,505,205	$267,777,283	($162,727,922)
Stat Ded.	$821,238,138	$715,746,821	($105,491,317)
Federal	$8,739,568,913	$7,202,247,998	($1,537,320,915)
Total	**$11,951,198,596**	**$9,618,739,326**	**($2,332,459,270)**

Significant reductions reflected in the Medicaid budget are a result of private provider program and eligibility group eliminations/reductions, and reductions in DSH funding (UCC program). Significant reductions (state and federal funding) are reflected below:

($769.1 M) – DSH reduction (supports various providers and partner hospitals)
($201.8 M) – Reduction in federal allowable DSH cap
($971.7 M) – Eliminate Long Term Care Special Inc. Level Program Eligibility Group
($160.1 M) – Eliminate Long Term Personal Care Services (LT-PCS) Program
($106.6 M) – Eliminate Provisional Medicaid Eligibility Group
($73.7 M) – Reduce Substance Abuse Services
($50.3 M) – Reduce Mental Health Rehabilitation Services
($30.3 M) – Eliminate Pediatric Day Healthcare (PDHC) Services
($29.3 M) – Eliminate Medically Needy Regular Eligibility Group
($15.7 M) – Eliminate Ambulatory Surgical Center Services
($13.5 M) – Eliminate Support's Waiver

($13.5 M) – Reduce NOW Waiver Services
($13.4 M) – Eliminate Children's Choice Waiver
($3.4 M) – Eliminate Medically Needy Spend Down Program
($3.0 M) – Eliminate nursing home bed hold payments

Although the FY 19 budget reflects a significant net reduction in overall Medicaid funding, the budget includes various funding increases, including an adjustment that provides $249 M in additional premium payments paid to Managed Care Organizations (MCO's). Significant funding increases in FY 19 are reflected below:

$245.6 M – Managed Care Per Member Per Month payment rate increase
$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 – Annualization of FY 17 Waiver Program 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)

Public/Private Partnership

<u>The Executive Budget eliminates supplemental funding for the partnership hospitals for FY 19</u>. Approximately $1.15 B in supplemental payments are budgeted for the partnerships in FY 18. In addition to Title 19 Medicaid claims payments, the Public Private Partnerships have been historically funded with both DSH and Upper Payment Limit (UPL) supplemental payments. See "Public Private Partnerships, Lallie Kemp Medical Center Lack Supplemental Payment Funding in FY 19 Executive Budget" issue write up for additional information.

Consequences of not funding supplemental payments for FY 19 are uncertain, although reducing all supplemental payments is anticipated to trigger clauses within cooperative endeavor agreements (CEAs) that may lead to termination of the partnerships. <u>A notable effect of termination of the partnerships is a reduction in SGF revenues to the state, as a result of private partners no longer leasing public hospital facilities or equipment.</u> <u>***The Executive Budget contemplates elimination of all supplemental payments to the partnerships. However, SGF lease revenue from this source is still included in the REC forecast for FY 19***</u>. Based on these assumptions, the Revenue Estimating Conference would have to decrease forecasted revenues to account for any lost lease payments in FY 19. Based upon the following projected 5-year LFO forecast of lease payments beginning with FY 18, all or a portion of these revenues will likely be lost in FY 19 and in subsequent FYs if the CEAs terminate.

FY 18	***FY 19***	***FY 20***	***FY 21***	***FY 22***
$165,661,775	$168,367,363	$171,150,736	$173,986,418	$176,875,402

Healthy LA MCO Funding

Healthy LA managed care premium payments currently budgeted in FY 18 (at 12/1/2017) totals $7.8 B (not including dental managed care plans). The Executive Budget reflects a specific $245 M funding increase added for managed care premium payments. This adjustment is based on a projected increase in trend (utilization and inflation on services), the carve in of Applied Behavioral Analysis (ABA) services as a new benefit managed by the plans, reimbursing the health plans in the rates the amount of a federal health insurance provider tax (authorized under the ACA), and programmatic changes. However, the net level of managed care premium payments to the health plans for FY 19 will ultimately be based on specific program cuts to overall Medicaid and payment reform initiatives. One aspect of payment reform includes moving $515 M in Full Medicaid Pricing/supplemental payments from the partnership hospitals to a 'High Medicaid" supplemental payment pool. It is assumed a portion of these supplemental payments will continue to be paid to the health plans (directed as pass through funding added to premium payments to various hospital providers).

***Note*:** Statewide weighted average PMPM rates assumed in the FY 19 budget are reflected below:

$470.58 – average rate for expansion population
$363.25 – average rate for non-expansion population

Certain restorations to Medicaid or a change in the premium rates (anticipated in any subsequent rate letters) could materially change the level of premium payment funding for FY 19. The budget is built on premium rates certified by the actuary (Mercer) for a rate period effective 2/1/2017 (adjusted for trend, program changes, and member mix changes). Rates that will be certified in the upcoming rate letters for the time period beginning 2/1/2018 through 1/31/2019 and beginning 2/1/2019 may ultimately vary from the rates assumed and budgeted in the Executive Budget.

Medicaid Payment Liabilities

13th Checkwrite: The Executive Budget does not provide funding for a Medicaid managed care checkwrite payment liability. Only 12 MCO checkwrites are provided in the budget for FY 19. The unfunded payment liability in FY 18 is approximately $683 M total funding ($146.5 M SGF). The cost of the 13th checkwrite if paid in future fiscal years depends on multiple factors, however could be more than projected in FY 18 due to projected trend growth in Medicaid Managed Care for FY 19

Medicaid Pharmacy Disallowance: The Executive Budget does not provide funding for a notice of disallowance in the amount of $26.2 M ($16.7 M Federal) as a result of the state claiming federal reimbursement for expenditures for a state plan amendment (SPA) before the SPA was federally approved by the Centers for Medicare & Medicaid (CMS).

Payment Reform: Information provided by the LDH indicates several payment reform initiatives within Medical Vendor Payments are anticipated to be implemented for FY 19. One initiative implements a pool payment methodology for both DSH payments and Supplemental UPL payments. The LFO has not received any additional information indicating the qualifying criteria for hospitals, nor the level of payments that an individual hospital provider may qualify to receive. ***Note:*** It is not anticipated that this initiative can fully be implemented in FY 19 based on the level of DSH funding allocated in the Executive Budget.

DEPT/AGY: Children & Family Services

TANF Funding Allocation

FY 19 contains total TANF funding of $147.6 M, which is the same level of funding in FY 18. TANF, which is 100% federally funded, is allocated between 3 areas: Core Welfare, Child Welfare, and Initiatives. In FY 19, there is a reallocation of funding within the Core Welfare area. The Integrated Eligibility Project was reduced by $929,021 and cash payments in FITAP/KCSP were increased by $929,021 due to projected recipient growth. Table 4 below reflects total TANF FY 19 funding:

TABLE 4

	FY 18 EOB	FY 19 Exec. Bdgt.	Diff.
CORE WELFARE			
FITAP/KCSP	$20,885,099	$21,814,120	$929,021
STEP	$5,250,000	$5,250,000	$0
Modernization	$0	$0	$0
Integrated Eligibility Project	$1,620,622	$691,601	($929,021)
Administration	$7,500,000	$7,500,000	$0
CHILD WELFARE			0
Child Protection Investigation (CPI)/ Family Services (FS)	$30,497,517	$30,497,517	$0
Emergency Assistance	$16,442,808	$16,442,808	$0
TANF INITIATIVES			0
Literacy:			0
Jobs for America's Graduates (JAG)	$2,655,000	$2,655,000	$0
LA 4	$40,492,803	$40,492,803	$0
Family Stability:			0
CASA	$3,992,850	$3,992,850	$0
Drug Courts	$5,400,000	$5,400,000	$0
Family Violence	$4,500,000	$4,500,000	$0
Homeless	$637,500	$637,500	$0
Nurse Family Partnership	$2,877,075	$2,877,075	$0
Substance Abuse	$2,753,512	$2,753,512	$0
Abortion Alternatives	$1,260,000	$1,260,000	$0
Community Supervisor (OJJ)	$810,000	$810,000	$0
TOTALS	**$147,574,786**	**$147,574,786**	**$0**
SUMMARY			
CORE WELFARE	$35,255,721	$35,255,721	$0
CHILD WELFARE	$46,940,325	$46,940,325	$0
TANF INITIATIVES	$65,378,740	$65,378,740	$0
TOTALS	**$147,574,786**	**$147,574,786**	**$0**

DEPT/AGY: Higher Education (HIED)

The FY 19 recommended budget is summarized in Table 5 below. The total reduction to Higher Education proposed in the Executive Budget is $272.02 M (or 10%) compared to the FY 18 Existing Operating Budget (EOB) as of 12/1/2017. This includes a $272.3 M reduction (27%) to SGF, a $3.5 M reduction (2%) in Statutory Dedications, and $422,112 reduction (2%) to Interagency Transfers.

TABLE 5

HIED FY 18 EOB and FY 19 Excutive Budget				
	FY 18 EOB	FY 19 Exec Bud	$ Change	% Change
State General Fund	$1,004,971,363	$732,716,972	($272,254,391)	-27%
Interagency Transfers	$23,645,601	$23,223,489	($422,112)	-2%
Fees and Self-generated	$1,457,186,211	$1,461,114,911	$3,928,700	0%
Statutory Dedications	$151,642,910	$148,170,266	($3,472,644)	-2%
Federal Funds	$79,903,497	$80,105,297	$201,800	0%
Grand Total	**$2,717,349,582**	**$2,445,330,935**	**($272,018,647)**	**-10%**

There are 3 significant proposed SGF reductions to HIED. TOPS SGF funding ($233.3 M) was eliminated entirely, GO Grants SGF funding was reduced by $13 M, and HIED formula funding is reduced another $25,680,922 that will be allocated across the academic institutions, management boards, and specialized institutions. At the time of this writing, the outcome-based funding formula has not been finalized. The recommended budget does not allocate specific amounts of SGF to individual institutions or systems. Instead, the recommended budget assigns all of the SGF to the Board of Regents (BOR) for allocation after passage of the appropriation bill. Furthermore, the funding formula adopted by the BOR will not allocate funding to institutions and systems on a uniform basis. However, to illustrate the potential impact of this reduction, applying a pro-rata allocation of this $25.6 M based on the institutions' FY 18 SGF results in an average reduction of 3.5% to institutions' SGF budget. Table 6 below demonstrates the impact to each institution if the SGF cut is distributed on a pro rata basis. The calculation backs out the remaining SGF funding for Go Grants ($13,429,108) and START ($1.9 M) before applying this reduction.

Higher Education's interagency transfers are reduced by $422,112. This includes non-recurring BOR carry-forwards from FY 18 ($90,000) for professional services, a SGF means of financing swap ($300,000) to replace funding from the LA Department of Health, and reducing the allocation BOR receives from the Racing Commission ($31,850). The MOF swap is for the Medical & Allied Health Professional Education Scholarships & Loan Program with the Southern Regional Education Board (SREB) Regional Contracting Program allowing qualified students, who are LA residents, to pursue professional health degrees at participating out-of-state universities when an in-state school option is not available. The state of LA contracts with SREB to fund the difference by paying in-state tuition at public institutions and reduced tuition at private institutions.

The majority of Higher Education's SGR increase is for LUMCON ($4 M). This includes $2 M from the Gulf of Mexico Initiative Grant for acting as a consortium for all state universities meeting research award agreements and $2 M for research programming and outreach educational activities for the R/V Pelican (LUMCON's flagship vessel) and R/V Point Sur (research vessel).

TABLE 6

HIED SGF by System & Institution - Prorated SGF Cut					
	EOB Base for Distribution[1]	($25,680,922)	% Chng	FY 19 Recom[2]	% Chng
Board of Regents	$13,072,006	($451,777)	-3.5%	$12,620,229	-5.1%
LA Universities Marine Consortium	$2,277,892	($78,725)	-3.5%	$2,199,167	-3.5%
Office of Student Financial Assistance					
Administration	$3,252,157	($112,397)	-3.5%	$3,139,760	-3.5%
Scholarships/Grants	$1,507,301	($52,093)	-3.5%	$16,784,316	-43.7%
TOPS Tuition	$0	$0	0.0%	$0	0.0%
Total Board of Regents	**$20,109,356**	**($694,992)**	**-93.1%**	**$34,743,472**	**-87.7%**
LA Community & Technical Colleges System					
Baton Rouge CC	$14,432,889	($498,810)	-3.5%	$13,934,079	-3.5%
Bossier Parish CC	$10,847,513	($374,897)	-3.5%	$10,472,616	-3.5%
Central LA Technical CC	$6,056,373	($209,312)	-3.5%	$5,847,061	-3.5%
Delgado CC	$25,533,593	($882,457)	-3.5%	$24,651,136	-3.5%
L.E. Fletcher Technical CC	$3,406,738	($117,739)	-3.5%	$3,288,999	-3.5%
LCTCS Board of Supervisors	$7,099,163	($245,352)	-3.5%	$6,853,811	-3.5%
LCTCSOnline	$1,286,145	($44,450)	-3.5%	$1,241,695	-3.5%
LA Delta CC	$7,344,573	($253,833)	-3.5%	$7,090,740	-3.5%
LA Technical College	$8,322,697	($287,638)	-3.5%	$8,035,059	-3.5%

TABLE 6 (Con't on the next page)

HIED SGF by System & Institution - Prorated SGF Cut	EOB Base for Distribution[1]	($25,680,922)	% Chng	FY 19 Recom[2]	% Chng
Northshore Technical CC	$5,398,002	($186,558)	-3.5%	$5,211,444	-3.5%
Nunez CC	$3,618,662	($125,063)	-3.5%	$3,493,599	-3.5%
River Parishes CC	$3,331,782	($115,148)	-3.5%	$3,216,634	-3.5%
South LA CC	$12,329,806	($426,126)	-3.5%	$11,903,680	-3.5%
SOWELA Technical CC	$7,746,573	($267,726)	-3.5%	$7,478,847	-3.5%
Total LCTCS System	**$116,754,509**	**($4,035,109)**	**-3.5%**	**$112,719,400**	**-3.5%**
LSU System					
LSU Agricultural Center	$67,696,729	($2,339,641)	-3.5%	$65,357,088	-3.5%
LSU A&M College	$115,513,766	($3,992,228)	-3.5%	$111,521,538	-3.5%
LSU Alexandria	$4,847,690	($167,539)	-3.5%	$4,680,151	-3.5%
LSU Eunice	$4,620,901	($159,701)	-3.5%	$4,461,200	-3.5%
LSU Shreveport	$7,615,400	($263,193)	-3.5%	$7,352,207	-3.5%
LSU Health Sciences Center New Orleans	$75,847,984	($2,621,354)	-3.5%	$73,226,630	-3.5%
LSU Health Sciences Center Shreveport	$58,202,700	($2,011,522)	-3.5%	$56,191,178	-3.5%
Pennington Biomedical Research Center	$16,182,659	($559,283)	-3.5%	$15,623,376	-3.5%
Total LSU System	**$350,527,829**	**($12,114,461)**	**-3.5%**	**$338,413,368**	**-3.5%**
SU System					
SU Board of Supervisors	$2,959,185	($102,271)	-3.5%	$2,856,914	-3.5%
SU A&M College	$19,378,311	($669,727)	-3.5%	$18,708,584	-3.5%
SU Law Center	$6,169,908	($213,236)	-3.5%	$5,956,672	-3.5%
SU New Orleans	$5,518,427	($190,720)	-3.5%	$5,327,707	-3.5%
SU Shreveport	$4,016,328	($138,807)	-3.5%	$3,877,521	-3.5%
SU Agr.l Research/Extension Center	$3,448,222	($119,173)	-3.5%	$3,329,049	-3.5%
Total SU System	**$41,490,381**	**($1,433,934)**	**-3.5%**	**$40,056,447**	**-3.5%**
University of LA System					
UL Board of supervisors	$1,025,487	($35,441)	-3.5%	$990,046	-3.5%
Grambling	$12,397,631	($428,470)	-3.5%	$11,969,161	-3.5%
LA Tech	$27,128,500	($937,578)	-3.5%	$26,190,922	-3.5%
McNeese	$16,700,736	($577,188)	-3.5%	$16,123,548	-3.5%
Nicholls	$13,983,559	($483,281)	-3.5%	$13,500,278	-3.5%
Northwestern	$19,797,594	($684,217)	-3.5%	$19,113,377	-3.5%
Southeastern LA	$27,437,909	($948,271)	-3.5%	$26,489,638	-3.5%
UL Lafayette	$45,215,717	($1,562,683)	-3.5%	$43,653,034	-3.5%
UL Monroe	$23,937,086	($827,281)	-3.5%	$23,109,805	-3.5%
University of New Orleans	$26,562,492	($918,016)	-3.5%	$25,644,476	-3.5%
Total UL System	**$214,186,711**	**($7,402,426)**	**-3.5%**	**$206,784,285**	**-3.5%**
Total Postsecondary Education	**$743,068,786**	**($25,680,922)**	**-28.6%**	**$732,716,972**	**-27.1%**

1 FY 18 EOB Base for Distribution backs out funding for START ($1.9 M), Go Grants ($13.4 M), and TOPS ($0). TOPS SGF funding was eliminated in Exec Budget.
2 FY 19 Recommended includes the $1.9 M START funding and $13.4 M Go Grants funding.

Note: This table is an illustrative example demonstrating a 3.5% SGF impact by institution. The Higher Education Funding Formula currently allocates funds based on the following components: a pro-rata or base funding share (65%), cost share (17.5%) and outcomes share (17.5%). The BOR has indicated a goal to increase the portion of total funding allocated to institutions utilizing outcomes metrics, however, the BOR has not yet provided information on any changes to the allocation ratios which may be proposed for FY 19. The BOR will be finalizing their Outcome-based funding formula at the March board meeting. The formula must be submitted to the legislature by March 31st.

Taylor Opportunity Program for Students (TOPS) and GO Grants Funding
TOPS funding for FY 19 totals $58 M ($0 SGF and $58 M Statutory Dedications) or 20% of actual need. Based on this funding level, OSFA estimates that a projected 50,814 recipients will receive approximately 19.5% of the max award amount. GO Grant funding for FY 19 totals $13.4 M in SGF, a $13 M reduction (49%) from FY 18 ($26.4M), and represents 21% of actual need to fund all eligible Go Grant recipients ($62.5M).

See Issues *"TOPS Award Allocation and Award Amount"* on Page 37 and *"GO Grants Allocation and Award Amounts"* on Page 30 for additional information.

DEPT/AGY: Department of Education

The Minimum Foundation Program (MFP) provides for an equitable distribution of state funds to local school districts. The MFP is the major source of state funding to local schools. For FY 18, the MFP is funded at $3.717 B; $3.458 B in SGF and $258.6 M in Statutory Dedications from the Support Education in LA First Fund ($104.1 M) and Lottery Proceeds Fund ($154.5 M). The FY 19 Executive Budget includes an adjustment of $9.8 M for an anticipated increase of 2,786 students. This is offset by a reduction of $7.4 M in one-time expenses associated with the assistance provided to school districts impacted by the floods of August 2016. The net increase for FY 19 is $2.3 M. Additionally, there is a $3 M MOF swap replacing SGF with Statutory Dedications due to an increase in SELF funds ($3 M) based on the most recent Revenue

Estimating Conference (REC) forecast. The FY 19 recommended funding totals $3,720 B; $3,458.3 M SGF, $154.5 M Lottery Proceeds Fund and $107.2 M SELF Fund.

Department of Education (DOE) - FY 19 funding totals $1,593 B ($126.7 M SGF, $254 M IAT, $51.1 M SGR, $15.1 M Statutory Dedications and $1,146.1 B Federal). This represents a total reduction of $34.3 M, less than 1%, associated primarily with the elimination of funding for non public schools totaling $16 M ($8.3 M for reimbursement of administrative expenses through the Required Services Program and $7.5 M for supplemental payments for school lunch personnel through the School Lunch Salary Program.) Funding for constitutionally mandated Textbook supplements remains funded at $2.7 M. Additionally, funding for the Recovery School District Instructional Program is being reduced $10 M pursuant to Act 91 which transfers 38 charter schools back to the authority of the Orleans Parish School Board effective 7/1/2018.

Subgrantee Assistance is funded at a standstill level. Activities funded in this program include the LA4 Program and the Student Scholarship for Educational Excellence Program (SSEEP) (vouchers). *The Cecil J. Picard LA 4 Early Childhood Program* is the primary preschool program in the state, serving approximately 16,300 children. It provides up to 10 hours of early childhood education and before and after activities daily to 4-year-olds from disadvantaged families. The *Nonpublic Schools Early Childhood Development Program (NSECD)* provides low-income families the opportunity to attend state-approved private preschools and childcare centers and serves approximately 1,500 preschool children annually. Current per child funding is $4,580. For FY 19, the LA 4 Program is funded at $77 M ($36.5 M SGF and $40.5 M TANF) and NSECD funding $6.9 M SGF for total LA 4 Program funding of $83.9 M.

SSEEP allows selected students to attend participating non public schools with tuition expenses paid by the state. FY 18 funding is $39.8 M. There were 6,907 students enrolled in the first quarter ending 9/30/2017 for a projected annualized cost of $41.1 M which exceeds the appropriation. FY 19 budget recommends standstill funding of $38.9 M for this program.

Special Schools & Commissions - The FY 19 budget reflects a slight reduction of $373 K and the elimination of 22 vacant positions. Funding for schools are essentially standstill budget, with slight funding reductions of $239 K for LA Educational Television Authority (LETA).

FY 19 ISSUES

DEPT/AGY: **Statewide**
ISSUE: **Louisiana Checkbook/LaGov/LaTrac**

The legislature has filed several bills during the 1st Special Session providing for creation of a "Louisiana Checkbook" as a means to provide enhanced transparency with regard to governmental expenditures. Louisiana Checkbook would replace the existing LaTrac system as the state's online transparency and accountability portal, providing detailed information on all state expenditures.

The core tenets of the requested Louisiana Checkbook include:

- Additional detail on individual expenditures, credit card transactions, additional contracts with more information on scope, salaries of state employees, and details on debt including pensions and capital.

- Expanding the breadth of Louisiana Checkbook beyond the 20 agencies planned for inclusion in the LaGov ERP (Enterprise Resource Planning), including the judicial and legislative branches, boards and commissions, and eventually local governments.

- Enhancing functionality beyond the current LaTrac system to add greater functionality, features such as charts and graphs, exportable data, mobile and tablet operability, and sharing on social media.

The model for state transparency websites sometimes cited as the "gold standard" is OhioCheckbook.com. Ohio Checkbook was conceived and initiated by Ohio Treasurer Josh Mandel and was first published to the web in December 2014. The portal is provided through a contracted web service. The website presents a clean, polished layout and provides users with the ability to extract spending information across Ohio state governmental agencies as well as a growing list of local governmental entities. Ohio currently operates under a consolidated ERP, with most state agencies utilizing the same enterprise resource platform. Ohio officials have reported that approximately 1/3 of local governmental entities in the state utilize the same standard platform, which has facilitated an ever-growing number of local governmental entities opting to display expenditure data on Ohio Checkbook as well.

The Ohio Treasury reportedly expended approximately $814,000 to complete the initial programming and setup requirements for web implementation. ***Note:*** *This cost was programming and legal review necessary to integrate data from Ohio's ERP into its web portal, not the cost of the ERP itself, which was implemented at an earlier date at a cost of approximately $157 M.* Recent media reports in Ohio detail that requested funding for annual operating and maintenance costs of Ohio Checkbook have been in the range of $1.3-$1.4 M annually to host state and local governmental expenditure data, but the Ohio Treasury reports those numbers are a ceiling (in case of additional local government participation) and actual expenditures have been in the range of $800,000. Payments to the contractor since December 2014 have totaled approximately $2.55 M (source Ohiocheckbook.com). While local governmental entities are included, the state of Ohio currently appropriates the operating and maintenance costs for the web portal through its general appropriation and does not recover costs from participating locals.

Nearly 10 years ago, LA was at the forefront of online governmental accountability when it launched LaTrac, the state's transparency and accountability portal providing online access to state expenditures, active and expired contracts, economic incentives and related descriptive data. While the availability of LaTrac places LA at 7th in the most recent rankings of state budget transparency by the U.S. Public Interest Research Group (Ohio is 1st), the functionality and features of the existing system are limited compared to versions introduced more recently by other states, primarily due to LaTrac drawing data from the legacy AFS (Advantage Financial System). The data entered and reported in AFS is not as robust and detailed as that found in the state's newer LaGov ERP system and the information derived therefrom is likewise more limited in scope.

As with the differentiation between data available in agencies using AFS or LaGov, integration of additional state entities will provide varying levels of detail dependent upon the ledger entries and parameters inherent to the disparate systems. While this does not impede implementation of a more robust transparency and accountability web portal, the detail of data available will vary depending on the source agency's system. The same is true in Ohio, where data extracted from entities utilizing the state's consolidated ERP are generally more rich than that extracted from its higher education institutions and local governmental units not utilizing Ohio's ERP.

Unlike Ohio, LA's ERP is not yet integrated at a statewide level across all state agencies (excluding higher education in both cases, which does not plan to utilize the respective state ERPs). LA has previously integrated 6 state entities onto LaGov. The Division of Administration (DOA) has indicated that it plans to move approximately 9 additional departments and agencies onto LaGov in July of 2018 (see *LaGov Completion Roadmap* below). DOA intends a phased implementation for the remaining scheduled entities to be completed in 2021 (higher education, legislature, judiciary, retirement systems, boards and commissions and local governments are not planned for LaGov integration).

The Office of Technology Services (OTS) estimates the cost of the remaining scheduled LaGov rollout at approximately $29.2 M. During presentation of the Executive Budget at the 1/22/2018, meeting of the JLCB, Commissioner Jay Dardenne proposed utilizing approximately $30 M of fund balance generated from excess SGR at the Department of Revenue to fund the multi-year costs of full LaGov implementation (this will require a supplemental appropriation during the 2018 regular legislative session). For informational purposes, the state initiated LaGov in 2008 and has expended $97,948,355 to date (roughly 95% of those expenditures occurred during the initial 3-year project for software and platform acquisition and deployment, statewide system design, and DOTD implementation). As mentioned previously, Ohio expended approximately $157 M on its ERP prior to launching Ohio Checkbook.

OTS has received cost estimates from 2 providers of web-based, governmental transparency and accountability portals regarding potential implementation of a modernized, feature-rich Louisiana Checkbook. Total implementation, maintenance, licensing and training estimates for the first three years of operation range from $600,234 to $715,615. First year expenditure estimates range from $273,745 to $318,482. OTS reports it can potentially modify LaTrac to meet the proposed requirements for less expense (see "*LaTrac Ongoing Upgrades*" on the next page).

The websites provided by current vendors are "software as service," meaning that ongoing maintenance and support payments are required annually. The estimates above would apply to bringing the executive agencies utilizing LaGov and AFS onto Louisiana Checkbook. The LFO assumes that additional one-time implementation costs would be incurred to integrate each additional state entity that utilizes alternative or legacy accounting or enterprise systems, including judicial and legislative, boards and commissions, and local governments. While not specifically enumerated in Speaker Barras's letter, additional state entities that would require independent implementation costs include 3 to 6 distinct enterprise systems within higher education as well as the individual retirement systems (for access to pension debt).

<u>LaGov Completion Roadmap</u>

The following agencies and departments are current LaGov users (excluding budget preparation):

Department of Natural Resources
Department of Environmental Quality
Department of Transportation & Development
Coastal Protection & Restoration Authority
Department of Wildlife & Fisheries
Facility Planning & Control

The DOA's current proposed schedule to bring the remaining planned agencies and departments onto LaGov is as follows (subject to revision):

July 2018
Elected Officials
- Department of Justice
- Public Service Commission
- Lieutenant Governor

Department of Culture, Recreation & Tourism
Department of Economic Development
Department of Civil Service
LA Commission on Law Enforcement
Department of Veterans Affairs
LA State Racing Commission

July 2019
Department of Military Affairs
Department of Public Safety & Corrections – Corrections Services
Department of Public Safety & Corrections – Public Safety Services
Department of Revenue
Special Schools & Commissions
- LA School for the Deaf & Visually Impaired
- LA Special Education Center

LA School for Math, Science & the Arts
LA Educational Television Authority
New Orleans Center for Creative Arts
Office of Student Financial Assistance

July 2020
Office of Elderly Affairs
Elected Officials
Secretary of State
Department of Agriculture & Forestry
Department of Insurance
LA Workforce Commission
Board of Supervisors – University of LA System
Department of Education

July 2021
Division of Administration and related agencies
LA Department of Health
Department of Children & Family Services
Elected Officials
Treasury
Statewide – Budget preparation

LaTrac Ongoing Upgrades

OTS has been developing enhancements to the existing LaTrac system since the close of last year's legislative session utilizing existing staff and budgetary resources. Expanded expenditure detail will be available for LaGov integrated agencies (such as means of finance utilized for specific expenditures), and additional enhanced capabilities will apply to both LaGov and AFS agencies. Some of these new features will roll out during the upcoming Regular Session of the LA Legislature.

Planned LaTrac enhancements include:

- Improved Search Capabilities - Includes improved vendor search capabilities across enhanced expenditure data.
- Improved Navigation - Enhanced "drill down" information and capacity to quickly navigate by year, organization and/or financial categories.
- Quick Lookups for Common Searches and Reports – Includes one-click reporting for common searches such as prison, travel and salaries.
- *Improved Expenditure Detail – Provide check-level detail from the state's two core financial systems, AFS and LaGov.
- *Enhanced Analytics – Includes multi-year trend graphs, charts and ad-hoc comparisons (by year, organization, and expenditure type) in a simple, user-friendly format. Advanced data access tools are being deployed to allow ad hoc data access.
- *Mobile Friendly – Enhancement will include features to ensure the site detects mobile and tablet screen sizes and responds with a mobile-friendly display.

**These items are not projected for completion prior to the end of the regular session.*

DEPT/AGY: Executive / Governor's Office of Elderly Affairs (GOEA)
ISSUE: Parish Councils on Aging & Senior Citizens Centers

In FY 19, GOEA is budgeted to receive $4.8 M to fund senior citizens centers (SCC) throughout LA, which is a $1.5 M reduction from FY 18. The funds are used by the senior citizen centers for operations and services.

The GOEA also receives pass-through funding for the Parish Councils on Aging (PCOA). In FY 19, PCOAs are budgeted to receive $2.4 M in total funding, which is the same level of funding in FY 18. Act 735 of 1979 created a state formula to disburse SGF to support the operation of the PCOAs. Act 344 of 2007 changed the PCOA formula and set the minimum per parish funding amount at $37,500 and the maximum level of $100,000. These funds are discretionary and can be used for administrative costs or services. Table 7 on the next page represents the total funding of each PCOA for FY 19.

***Note:** The GOEA's Program for Parish Councils on Aging acts as a pass-through for local PCOAs to receive funds appropriated by the Legislature. All appropriated funds are passed through to local PCOAs except for $16,026, which is used to fund an annual training hosted by the GOEA for Parish Councils on Aging in accordance with LA R.S. 46:1606(D)(2).*

TABLE 7

Parish Councils on Aging and Senior Citizens Centers Funding					
	FY 19 PCOAs Funds	FY 19 SCC Funds	FY 19 Total Funding	FY 18 Total Funding	Difference
Acadia COA	$37,500	$66,331	$103,831	$114,744	($10,913)
Allen COA	$37,500	$33,537	$71,037	$81,950	($10,913)
Ascension COA	$37,500	$84,503	$122,003	$132,916	($10,913)
Assumption COA	$37,500	$32,827	$70,327	$81,240	($10,913)
Avoyelles COA	$37,500	$52,956	$90,456	$101,369	($10,913)
Beauregard COA	$37,500	$43,731	$81,231	$92,144	($10,913)
Bienville COA	$37,500	$27,771	$65,271	$76,184	($10,913)
Bossier COA	$49,725	$112,490	$162,215	$173,128	($10,913)
Caddo COA	$100,000	$261,830	$361,830	$372,743	($10,913)
Calcasieu COA	$86,255	$188,180	$274,435	$285,348	($10,913)
Caldwell COA	$37,500	$25,000	$62,500	$73,413	($10,913)
Cameron COA	$37,500	$25,000	$62,500	$73,413	($10,913)
Catahoula COA	$37,500	$25,000	$62,500	$73,289	($10,789)
Claiborne COA	$37,500	$29,092	$66,592	$77,505	($10,913)
Concordia COA	$37,500	$31,149	$68,649	$79,562	($10,913)
DeSoto COA	$37,500	$38,209	$75,709	$107,287	($31,578)
E. Baton Rouge COA	$100,000	$375,039	$475,039	$542,159	($67,120)
East Carroll COA	$37,500	$25,000	$62,500	$73,413	($10,913)
East Feliciana COA	$37,500	$30,014	$67,514	$78,427	($10,913)
Evangeline COA	$37,500	$41,788	$79,288	$89,706	($10,418)
Franklin COA	$37,500	$32,977	$70,477	$81,390	($10,913)
Grant COA	$37,500	$29,605	$67,105	$81,562	($14,457)
Iberia COA	$37,500	$74,790	$112,290	$123,203	($10,913)
Iberville COA	$37,500	$39,447	$76,947	$87,860	($10,913)
Jackson COA	$37,500	$28,911	$66,411	$77,324	($10,913)
Jefferson COA	$100,000	$445,818	$545,818	$779,138	($233,320)
Jefferson Davis COA	$37,500	$41,970	$79,470	$90,383	($10,913)
Lafayette COA	$82,825	$181,073	$263,898	$274,811	($10,913)
Lafourche COA	$42,393	$97,297	$139,690	$150,289	($10,599)
LaSalle COA	$37,500	$25,295	$62,795	$73,598	($10,803)
Lincoln COA	$37,500	$47,776	$85,276	$96,189	($10,913)
Livingston COA	$47,535	$107,953	$155,488	$166,291	($10,803)
Madison Vol. COA	$37,500	$25,000	$62,500	$73,413	($10,913)
Morehouse COA	$37,500	$40,566	$78,066	$88,979	($10,913)
Natchitoches COA	$37,500	$48,455	$85,955	$99,279	($13,324)
New Orleans COA	$100,000	$299,944	$399,944	$858,131	($458,187)
Ouachita COA	$66,415	$147,072	$213,487	$297,505	($84,018)
Plaquemines COA	$37,500	$28,367	$65,867	$75,988	($10,121)
Pointe Coupee COA	$37,500	$35,842	$73,342	$84,255	($10,913)
Rapides COA	$62,935	$0	$62,935	$62,935	$0
Rapides Senior Citizens Center	$0	$139,861	$139,861	$150,631	($10,770)
Red River COA	$37,500	$25,000	$62,500	$73,413	($10,913)
Richland Vol. COA	$37,500	$30,791	$68,291	$79,204	($10,913)
Sabine COA	$37,500	$39,623	$77,123	$88,036	($10,913)
St. Bernard COA	$37,500	$34,894	$72,394	$82,282	($9,888)
St. Charles COA	$37,500	$49,802	$87,302	$98,215	($10,913)
St. Helena COA	$37,500	$25,000	$62,500	$73,413	($10,913)
St. James Area AOA	$37,500	$30,506	$68,006	$78,919	($10,913)
St. John COA	$37,500	$46,212	$83,712	$94,625	($10,913)
St. Landry COA	$40,083	$92,511	$132,594	$143,507	($10,913)
St. Martin COA	$37,500	$54,920	$92,420	$103,333	($10,913)
St. Mary COA	$37,500	$61,415	$98,915	$109,828	($10,913)
St. Tammany COA	$100,000	$236,670	$336,670	$347,583	($10,913)
Tangipahoa Vol. COA	$50,728	$114,567	$165,295	$176,208	($10,913)
Tensas COA	$37,500	$25,000	$62,500	$73,413	($10,913)
Terrebonne COA	$45,498	$103,731	$149,229	$160,142	($10,913)
Union COA	$37,500	$36,562	$74,062	$83,642	($9,580)
Vermilion COA	$37,500	$63,674	$101,174	$112,087	($10,913)
Vernon COA	$37,500	$46,264	$83,764	$94,677	($10,913)
Washington COA	$37,500	$60,105	$97,605	$108,518	($10,913)
Webster COA	$37,500	$58,136	$95,636	$106,178	($10,542)
W. Baton Rouge COA	$37,500	$29,160	$66,660	$77,573	($10,913)
West Carroll COA	$37,500	$25,000	$62,500	$72,602	($10,102)
West Feliciana COA	$37,500	$25,000	$62,500	$73,413	($10,913)
Winn Parish COA	$37,500	$25,694	$63,194	$77,650	($14,456)
TOTAL FUNDING	**$2,911,892**	**$4,807,703**	**$7,719,595**	**$9,241,523**	**($1,521,928)**

DEPT/AGY: Executive / Coastal Protection & Resources Authority (CPRA)
ISSUE: Gulf of Mexico Energy Security Act Funding

The President signed the Gulf of Mexico Energy Security Act (GOMESA) on 12/20/2006. The Act significantly enhances U.S. Outer Continental Shelf (OCS) oil and gas leasing activities and revenue sharing in the Gulf of Mexico. The Act created revenue sharing provisions for Alabama, Louisiana, Mississippi, Texas, and their coastal political subdivisions (CPS) and shares leasing revenue with these Gulf area states and the Land & Water Conservation Fund (LWCF). GOMESA funds are only to be used for hurricane protection, coastal conservation, and coastal restoration.

GOMESA revenue sharing has 2 phases of funding. Phase I began in FY 07 and the 4 states and subdivisions share 37.5% of all qualified OCS revenues, including bonus bids, rentals and production royalty, the U.S. Treasury receives 50%, and the LWCF receives 12.5%. See Table 8 for GOMESA funds allocated to each state from Federal FY 09 – FY 16.

TABLE 8

GOMESA FY 09 – FY 16 Allocations					
	FYs 09 - 11	**FYs 12 - 14**	**FY 15**	**FY 16**	**Grand Total**
LA - State Share	$7,269,804	$1,276,333	$653,383	$82,196	$9,281,716
LA - CPS Share	$1,817,451	$319,084	$163,346	$20,518	$2,320,398
Subtotal: LA	**$9,087,255**	**$1,595,417**	**$816,729**	**$102,714**	**$11,602,114**
Other States and CPS	$19,748,492	$3,314,441	$1,624,480	$211,491	$24,898,904
LWCF	$979,316	$2,391,354	$95,097	$342,655	$3,808,422
U.S. Treasury	$5,768,920	$9,565,408	$2,631,945	$3,723,286	$21,689,559
Grand Total	**$35,583,983**	**$16,866,620**	**$5,168,251**	**$4,380,145**	**$61,998,999**

Source: Prepared by Legislative Fiscal Office using the Office of Natural Resources Revenue Statistical Information database.

Phase II began in federal FY 17 and expanded the available revenue sharing to include receipts from Gulf of Mexico leases and has a revenue sharing cap of $500 M per year for the 4 states, their CPS's, and the LWCF through FY 55. (Full FY 17 allocations are not yet available; CPRA receipts totaled $257,250.) As a result, Coastal Protection & Resources Authority (CPRA) was expecting approximately $140 M in state FY 19. However, Federal authorities notified CPRA in October 2017 that the funding associated with the Gulf of Mexico Energy Security Act, or GOMESA, was being reduced, largely due to low oil prices and a downturn in offshore drilling. Based on information CPRA has received from the U.S. Department of Interior, the anticipated revenues are as follows: $47.5 M in FY 19; $108 M in FY 20; and $72 M in FY 21. See Table 9 for the projects CPRA anticipates it will fund using GOMESA dollars.

TABLE 9

GOMESA FY 19 – FY 21 Projects				
	FY 19	**FY 20**	**FY 21**	**3-Year Total**
40 Arpent Canal Levee- Lockport Co. Canal to Butch Hill Station	$100,000	$5,450,000	$0	**$5,550,000**
Hollywood Canal Closure Structure	$72,500	$0	$1,427,500	**$1,500,000**
Reach L	$500,000	$4,000,000	$2,000,000	**$6,500,000**
Little Bayou Bleu	$400,000	$0	$0	**$400,000**
Reach L Mitigation	$200,000	$0	$1,000,000	**$1,200,000**
Rosethorne Basin Phase 1 & 2	$7,000,000	$4,000,000	$0	**$11,000,000**
Grand Isle Beach Stabilization	$8,500,000	$7,000,000	$0	**$15,500,000**
West Shore Lake Pontchartrain	$2,000,000	$2,000,000	$2,000,000	**$6,000,000**
NF-06a.1 Drainage Canal Relocation ROW Acq. (Plaquemines Parish)	$6,000,000	$0	$0	**$6,000,000**
Magnolia Ridge Levee Lift and Road (St. Charles Parish)	$3,500,000	$0	$0	**$3,500,000**
30% E&D- Phases 1-3 (St. James Parish)	$500,000	$500,000	$0	**$1,000,000**
Davis Pond Upper Barataria Risk Reduction	$1,500,000	$1,500,000	$3,000,000	**$6,000,000**
St. Tammany Ring Levee (St. Tammany Parish)	$3,000,000	$3,000,000	$3,000,000	**$9,000,000**
H&H Study (Vermilion Parish)	$600,000	$0	$0	**$600,000**
GOMESA CPRA Allocation	$3,500,000	$3,500,000	$3,500,000	**$10,500,000**
GOMESA OM&M	$7,402,780	$2,564,057	$7,567,118	**$17,533,955**
GOMESA Adaptive Management	$2,735,000	$4,035,000	$4,635,000	**$11,405,000**
Future GOMESA Projects (To be determined)	*$0*	*$70,500,000*	*$44,000,000*	***$114,500,000***
Total Projects	**$47,510,280**	**$108,049,057**	**$72,129,618**	**$227,688,955**

Actual implementation schedules for these projects will be developed after funding agreements are in place. Based on the current revenue projections and to the extent these funds become available in FY 20 and FY 21, CPRA has identified the following *Future GOMESA Projects in* FY 20 and FY 21: Pumping Capacity Improvements (Phase 1), Bayou Chene, 100 year levee lift (Oakville to LaReusitte, Plaquemines Parish), Kellog Pump Station, Sunset levee Upper Barataria Risk Reduction, Goose bayou (Penn Levee), PrB Levee (Iberia Parish), Magnolia Ridge Levee Pipeline and T-Wall (St. Charles Parish), and Levee Reach 1 (Vermillion Parish).

Note: In an effort to direct additional funding to the state's coastal restoration activities, Senator Bill Cassidy proposed changes to GOMESA in an amendment attached to Congress' 2017 tax bill (Tax Cuts and Jobs Act of 2017). The resulting legislation will increase the present GOMESA funding cap of $500 M to $650 M in FY 20 and FY 21. After FY 21, the cap will revert to the current $500 M until FY 55. The increase in the funding cap could potentially increase the allocation to LA and the other eligible states. However, since the revenues generated in FY 17 were significantly below the $500 M cap, it is not known at this time the extent to which additional revenues may be generated to LA.

DEPT/AGY: Executive / LA Public Defender Board
ISSUE: FY 19 Funding & Operations Outlook

Note: Some data are listed in calendar years (CY) rather than fiscal years due to LPDB's data collection and reporting practices.

The LA Public Defender Board (LPDB) has a total recommended appropriation of $35.6 M in the FY 19 Executive Budget, approximately $1.3 M more than its overall FY 18 Existing Operating Budget (EOB) of $34.3 M at the 12/1/2017, budget freeze date. This increase is primarily associated with the inclusion of an additional $1.34 M from the statutorily dedicated LA Public Defender Fund for the 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*.

District Funding Outlook for FY 19
Act 571 of the 2016 Regular Session altered how the LPDB must allocate its resources, providing that the board must disburse at least 65% of funds from the statutorily dedicated LA Public Defender Fund to district defender offices. District offices have been facing financial challenges for the last several fiscal years, in many cases forced to restrict services and place cases on waitlists. The following 14 districts began FY 18 under restriction of services. These are the same districts that began FY 17 under restriction of services.

- 1st District – Caddo
- 8th District – Winn
- 15th District – Acadia, Lafayette, Vermillion
- 16th District – St. Mary, St. Martin, Iberia
- 19th District – E. Baton Rouge
- 20th District – East & West Feliciana
- 23rd District – Ascension, Assumption, St. James
- 25th District – Plaquemines
- 26th District – Bossier, Webster
- 28th District – LaSalle
- 30th District – Vernon
- 33rd District – Allen
- 34th District – St. Bernard
- 41st District – Orleans

The LDPD disburses funds to the district offices each fiscal year based on a formula built on select criteria, primarily a district's caseload, number of employed attorneys, annual expenditures, and its fund balance. State monies are generally the most stable and predictable funding source for district offices. FY 19 is the 3rd year of the 65% disbursement to district offices, and has changed the revenue outlook for district offices significantly. Table 10 below outlines the history of the District Assistance Fund (DAF) and the disbursement of resources to districts, relative to the amount appropriated in the LA Public Defender Fund from FY 15 – 19.

TABLE 10

District Assistance Fund (DAF)			
FY	DAF	LA Public Defender Fund Revenues	Percentage of LA Public Defender Fund
15	$18,509,073	$32,716,959	56.57%
16	$18,521,992	$32,253,817	57.43%
17	$21,235,140	$32,669,446	65.00%
18*	$21,392,092	$32,910,911	65.00%
19^	$22,475,794	$34,603,530	65.00%
** Source: FY 18 Appropriation Letter*			
^ Source: FY 19 Executive Budget			

The 65% disbursement requirement is serving as a remedy to some district offices' financial issues. The recommended disbursement in FY 19 will result in district offices receiving an increase of $1.1 M over EOB, which constitutes a 5% increase and a 21% increase over FY 16 funding levels. Approximately $871,000 of this increase is related to the increase provided for representation of Miller clients as all increases to the LA Public Defender Fund are captured in the DAF formula. At the time of this writing, the LPDB has not determined how to distribute these additional dollars.

Furthermore, the additional disbursement of state funds to district offices allows them to be less reliant on local revenue streams. Typically district offices derive between one-third to one-half of their revenues from state effort, with the balance being made up of revenues derived from court fees associated with traffic tickets issued to motorists within corresponding judicial districts. As a result, districts without major highways and interstates that do not see a large flow of traffic are likely to receive fewer local dollars, while districts with more miles of major roadways will see greater local revenue collections. Moreover, these revenues must stay within the judicial district they are collected in. Table 11 below shows statewide collections for the last 5 calendar years.

TABLE 11

Local Revenue Collections by Calendar Year	
CY	Local Revenue Collections
13	$33,716,461
14	$32,657,581
15	$32,919,337
16	$32,433,708
17	$32,214,833

In the event local revenues do not materialize in amounts sufficient enough to fund a district's expenditures, they must rely on any available fund balances. If there is no fund balance for a district to rely upon, the LPDB must reallocate resources among districts to maintain operations for those without sufficient revenues.

State Services Outlook for FY 19: Presently, the LPDB carries out statewide indigent capital defense services, statewide indigent appellate services associated with non-capital cases, and juvenile delinquency representation services in Orleans Parish. After the 65% disbursement requirement, the LPDB will have a balance of approximately $13.18 M to fund administrative and statewide services, which is an 11% reduction from the FY 16 amount of $14.89 M. Since the change in the funding disbursement requirement, the board has managed administrative costs, limited leadership and investigator training, reduced capital defense contracts, and shifted Sex Offender Assessment Panel (SOAP) representation to the districts.

However, the $13.18 M recommended in the Executive Budget provides an increase over the $12.6 M at FY 18 EOB and allows the board to provide some statewide services that were previously reduced. At the FY 19 recommended funding, the board will offer additional training and provide funding to the districts for Miller client representation.

Miller Client Representation: In 2012, the U.S. Supreme Court in *Miller v Alabama* ruled that mandatory sentences of life with parole are unconstitutional for juvenile offenders. This ruling was expanded in 2016 when the U.S. Supreme Court in *Montgomery v Louisiana* ruled that *Miller v Alabama* must be applied retroactively, and states could either offer resentencing or parole to inmates sentenced to life parole as a minor.

The LPDB estimates that 300 inmates were affected by these rulings, with approximately 96 requiring representation as district attorneys plan to seek new, life without parole sentences. An additional $1.34 M has been provided in the FY 19 recommendation, but the board has not yet determined how these funds will be distributed. At the current recommended funding level, the board estimates representation can be provided for 20 Miller clients in FY 19, and it will take at least 5 years to provide representation for all.

Ongoing Litigation with the Southern Poverty Law Center, American Civil Liberties Union: The LPDB is currently serving as defendant in a lawsuit filed in LA state court by the Southern Poverty Law Center (SPLC), who is acting as the primary plaintiff. Previously the LPDB experienced some difficulty in finding representation due to numerous conflicts among the many named defendants, but a single attorney has since been obtained to represent all named defendants and the matter has entered the discovery phase. At this time the board does not have an estimate for how much the litigation may cost. However, based upon a similar lawsuit filed in the State of New York regarding public defense (*Hurrell-Harring vs. State of New York*), the LPDB estimates that litigation costs may be significant, depending upon the outcome and success of the lawsuit.

Furthermore, an earlier lawsuit filed by the American Civil Liberties Union (ACLU) previously dismissed by a state court has a pending motion for renewal. Litigation costs for this lawsuit are contingent upon renewal of the suit.

DEPT/AGY: **Public Safety & Corrections (DPS&C) / Corrections Services**
ISSUE: **Significant Cost Drivers**

Cost Driver → Offender Healthcare

Healthcare expenditures continue to increase annually in Corrections. This expenditure is a major cost driver for the department. From FY 16 to FY 17, total expenditures grew by $10 M SGF (see Table 12). Within these expenditures, pharmaceutical costs increased by $2 M SGF (see Table 13) and offsite medical care grew by more than $8 M SGF (see Table 14). To address this cost driver, the department requested but was not funded an additional $3 M SGF to provide the growing demand for services in the offender population. This demand is evident in the historical expenditures pattern that reflects increases annually.

TABLE 12 - Correction Services - Health Care Expenditures

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 EOB *
DOC - Headquarters**	$22,610,895	$22,715,498	$31,048,244	$25,766,325
LA State Penitentiary	$18,739,726	$19,424,723	$20,674,788	$24,343,735
Raymond Laborde CC	$2,775,553	$2,741,072	$3,183,374	$3,301,501
LCIW	$4,391,631	$4,498,291	$4,566,431	$4,574,617
Dixon CI	$6,157,181	$6,803,805	$6,288,133	$6,414,522
Elayn Hunt CC	$11,795,996	$13,003,458	$13,243,852	$16,381,588
David Wade CC	$3,071,708	$3,404,613	$3,550,992	$3,128,182
Rayburn CC	$2,212,970	$2,467,400	$2,447,427	$2,286,148
TOTAL	**$71,755,660**	**$75,058,860**	**$85,003,241**	**$86,196,618**

* Existing Operating Budget (EOB) as of 12/1/2017. ** DOC provided an update for FY 15.

Source: Department of Public Safety & Corrections – Corrections Services

TABLE 13 - Correction Services - Pharmaceutical Expenditures

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 EOB
LA State Penitentiary	$3,592,663	$3,681,834	$5,683,184	$7,900,000
Raymond Laborde CC	$0	$20,945	$66,464	$0
LCIW	$2,929	$35,962	$6,418	$2,500
Dixon CI	$23,279	$54,891	$28,326	$25,000
Elayn Hunt CC	$3,255,284	$3,683,957	$3,721,935	$6,635,632
David Wade CC	$1,752	$1,201	$17,266	$0
Rayburn CC	$0	$57,121	$13,238	$0
TOTAL	**$6,875,907**	**$7,535,911**	**$9,536,831**	**$14,563,132**

Source: Department of Public Safety & Corrections – Corrections Services

TABLE 14 - Correction Services - Offsite Medical Expenditures Systemwide

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 EOB
Offsite Medical	$22.6 M	$22.7 M	$31 M	$25.8 M
TOTAL	**$22.6 M**	**$22.7 M**	**$31 M**	**$25.8 M**

Source: Department of Public Safety & Corrections – Corrections Services

FY 18 Issue – Assuming the department will experience the same level of medical care expenditures in FY 18 as FY 17 actuals ($31 M), the agency may require an additional $5.3 M in the current year for healthcare expenditures. ***FY 19 Issue*** – Similarly, medical expenditures for FY 19 may exceed the current recommended appropriation by as much as $6 M.

Also, annual reporting of specific performance indicators by Corrections suggests that additional growth is likely to continue in future fiscal years (see Table 15 on the next page). First, the indicator *number of offenders systemwide over ago 60* increased from 1,628 in FY 13 to 2,280 in FY 17, representing a growth of 40%. Several studies from entities such as The PEW Charitable Trusts and the John D. and Catherine T. MacArthur Foundation indicate that inmates age 55 or older are more expensive to treat medically as a result of having more chronic and terminal illnesses. Table 16 on the next page reflects an increase in the percentage of population with a chronic disease. Second, the indicator *number of diagnostic tests completed off-site* grew from 4,525 in FY 14 to 7,307 by FY 17, representing a 61.48% increase. Third, the indicator *number of off-site specialist visits completed* grew from 9,949 in FY 14 to 14,345 by FY 17, representing a 44.19% increase. These indicators suggest that medical expenditures will continue to grow annually, unless other measures are introduced to mitigate the demand for services with the current offender population.

TABLE 15 - Corrections Systemwide Reporting of Certain Performance Indicators

Indicator Name	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Actual
Number of offenders systemwide over age 60	1,674	1,917	2,109	2,280
Number of diagnostic tests completed off-site	4,525	5,317	6,516	7,307
Number of off-site specialist visits completed	9,949	12,759	14,325	14,345

Source: LA Performance Accountability System (LaPAS)

TABLE 16
Performance Indicator: Percentage of Population With A Chronic Disease

FACILITY NAME	FY 13	FY 14	FY 15	FY 16	FY 17
LA State Penitentiary	76.61	80.42	85.23	96.33	78.53
Raymond Laborde/Avoyelles	43.7	39.59	37.71	39.34	51.49
LA Correctional Institute for Women	59.51	59.08	68.01	73.76	88.07
Winn *	44.71	36.87	38.72	43.36	N/A
Allen *	45.28	44.09	49.18	50.29	N/A
Dixon	46.23	48.85	55.99	62.15	75.01
Hunt	66.68	72.62	68.29	65.91	67.66
David Wade	48.78	46.72	48.91	60.89	66.41
Rayburn	51.17	51.68	42.88	72.95	81.91
Average	**53.63**	**53.32**	**54.99**	**62.78**	**72.73**

Source: LA Performance Accountability System
* Data is not available because the contract changed with the operator of the facility.

Cost Driver → Corrections Security Officer Shortage

Staffing shortages and turnover continue to create operational difficulties for the department. Information reported annually by the department indicates that staffing levels may impact staff safety as well as that of the offender population. The department requested, but was not funded, an increase of $4.4 M SGF and 72 authorized full-time positions to implement a Restrictive Housing Pilot Program. This level of funding would provide $1.1 M and 18 authorized positions each (17 Correctional Officers and 1 Social Worker) at Raymond LaBorde, Dixon, Hunt and Rayburn state facilities. The purpose of the pilot program is to manage disruptive and violent offenders and to maintain control of the facility by removing certain offenders from the general population, separating them from other offenders and imposing restrictions. Information reported in the following performance tables highlight escalating assaults by offenders on staff (see Table 17 below), number of offender sexual offenses (see Table 18 on the next page), and the percentage turnover of corrections security officers (see Table 19 on the next page).

TABLE 17
Performance Indicator: Number of Assaults - Offender on Staff

FACILITY NAME	FY 14	FY 15	FY 16	FY 17
LA State Penitentiary	68	69	156	362
Raymond Laborde/Avoyelles	24	26	23	11
LA Correctional Institute for Women	16	11	16	3
Winn	75	53	59	4
Allen	21	49	92	7
Dixon	19	33	36	21
Hunt	97	131	240	209
David Wade	31	25	32	29
Rayburn	16	22	4	3
Total	**367**	**419**	**658**	**649**

Source: LA Performance Accountability System

Table 17 reflects the number of assaults by offenders on staff. While 8 of the 9 facilities reported a lower number of assaults on staff for FY 17 when compared to FY 16, the number of assaults on staff is significant, particularly at facilities such as LA State Penitentiary and Hunt and overall totals have grown dramatically.

TABLE 18
Performance Indicator: Number of Sexual Offenses

FACILITY NAME	FY 14	FY 15	FY 16	FY 17
LA State Penitentiary	475	709	977	1440
Raymond Laborde/Avoyelles	181	206	241	130
LA Correctional Institute for Women	67	68	79	28
Winn	349	546	445	24
Allen	229	330	429	25
Dixon	159	184	170	170
Hunt	328	410	528	761
David Wade	53	76	59	117
Rayburn	78	71	72	126
Total	**1,919**	**2,600**	**3,000**	**2,821**

Source: LA Performance Accountability System

Table 18 reflects the number of sexual offenses by offenders. While 4 of the 9 facilities reported a lower number for FY 17 when compared to FY 16, the number of sexual offenses is significant, particularly at facilities such as LA State Penitentiary, Raymond Laborde, Dixon, Hunt, David Wade and Rayburn.

TABLE 19
Performance Indicator: Percentage Turnover of Corrections Security Officers

FACILITY NAME	FY 13	FY 14	FY 15	FY 16	FY 17
LA State Penitentiary	27	27	27	34	51
Raymond Laborde/Avoyelles	28	26	28	26	35
LA Correctional Institute for Women	32	36	46	47	45
Winn	N/A	N/A	N/A	N/A	N/A
Allen	N/A	N/A	N/A	N/A	N/A
Dixon	20	29	38	48	49
Hunt	35	37	44	49	36
David Wade	23	26	29	28	42
Rayburn	21	21	26	27	31
Average	**27**	**29**	**34**	**37**	**41**

Source: LA Performance Accountability System
Winn and Allen are not applicable because they do not have state employees

Table 19 reflects percentage turnover of corrections security officers. While 6 of the 9 facilities reported a higher turnover for FY 17 when compared to FY 16, the turnover is significant for each facility. In FY 17, the lowest reported turnover was 31% at Rayburn and the highest reported was 51% at LA State Penitentiary.

DEPT/AGY: **DPS&C – Youth Services / Office of Juvenile Justice (OJJ)**
ISSUE: **Impact of Funding Shortfall**

OJJ realizes a 12.62% decrease of $13.83 M SGF in the FY 19 Executive Budget below the 12/1/2017 SGF base of $109.6 M; and a total means of finance decrease of $13.84 M, or 11.22%, below the base of $123.4 M. An overall SGF reduction of 10%, totaling $10.8 M, includes the following significant adjustments:

- ($1.4 M) – Results in the closure of Tallulah, Natchitoches, Lake Charles, Hammond and Thibodeaux regional offices.
- ($8.8 M) – Results in the reduction of 114 authorized positions in field offices.
- ($4.9 M) – Non-recurs funding associated with Acadiana Center for Youth. ***Note:*** The FY 19 Executive Budget does not provide funds to open the new Acadiana Center for Youth (ACY). OJJ 's FY 19 budget request included $14.3 M SGF assuming the facility opens April 2018.

Requested But Not Funded

- $2 M SGF – Provides for the implementation of Raise the Age. The agency reports that it has no funds to support the inclusion of non-violent offenders in the juvenile justice system for 7/1/2018, per Act 501 of 2016 R.S. OJJ indicated that without additional funding, compounded with the reduction of existing authority and the decision to not fund the opening of ACY, the agency will not have operational capacity to absorb the additional population growth anticipated subsequent to implementation of Raise the Age. In the current fiscal year, there are 24 youth pending secure placement and another 18 pending placement in a non-secure (residential) facility.
- $1.6 M SGF – Provides funding for health services for youth in the Acadiana Facility. The current contract will increase to accommodate medical screenings and medical assessments upon uptake of youth at ACY.

- $12 M SGF – Provides for the operations and opening of ACY. OJJ anticipates an increase in adjudications as a result of Raise the Age. This level of funding would provide for the following:

$5.20 M	Salaries for 124 positions (*Note* – Unfunded positions are already in base budget)
$2.34 M	Related benefits for positions
$0.03 M	Travel related expenses
$0.59 M	Food ($98,550), utilities ($300,000), postage and fuel for vehicles ($186,450)
$0.50 M	Automotive and facility supplies
$0.10 M	Barbering services, pest control, etc. (approx. $8,400/month)
$1.61 M	General operating expenditures, food service contracts and other operating contracts
$1.60 M	Risk management premiums, prison enterprise food and clothing, DPS Fleet maintenance charges, OTM charges, and LWC unemployment payments
$0.05 M	Repairs and maintenance

Note: OJJ received a FY 18 SGF appropriation to cover one-time acquisitions related to outfitting and opening the ACY facility. Items such as golf carts, lawn equipment, vehicles, items needed for education/classrooms, food service items, Medical Suite, etc. are estimated at $2.29 M. OJJ currently expends approximately $500,000 annually for the upkeep of the vacant Acadiana facility. This includes one position, utilities and a private security firm for nights and weekends. This is not funded moving into FY 19.

DEPT/AGY: Health (LDH) / Medical Vendor Payments (MVP)
ISSUE: Federal Medical Assistance Percentage (FMAP) for Title 19 and DSH

Title 19 Claims Payments FMAP:

FY 11: 74.76% federal financial participation (25.24% state match)
FY 12: 69.34% federal financial participation (30.66% state match)
FY 13: 71.38% federal financial participation (28.62% state match)
Note: The FMAP was adjusted down to 66.58% (blended) federal match in FY 13 due to a federal change in the calculation of the Disaster Recovery Rate. Based on the new formula, DHH lost $859 M in federal support during FY 13.
FY 14: 62.96% budgeted federal financial participation (37.04% state match), blended match rate
FY 15: 62.06% budgeted federal financial participation (37.94% state match), blended match rate
FY 16: 62.17% budgeted federal financial participation (37.83% state match), blended match rate
FY 17: 62.26% budgeted federal financial participation (37.74% state match), blended match rate
FY 18: 63.34% budgeted federal financial participation (36.66% state match), blended match rate
FY 19: 64.67% budgeted federal financial participation (36.66% state match), blended match rate

DSH (Disproportionate Share Hospital) Payments FMAP:

FY 11: 63.69% federal financial participation (36.31% state match)
FY 12: 61.09% federal financial participation (38.91% state match)
FY 13: 61.24% federal financial participation (38.76% state match)
FY 14: 60.98% federal financial participation (39.02% state match)
FY 15: 62.05% federal financial participation (37.95% state match)
FY 16: 62.21% federal financial participation (37.79% state match)
FY 17: 62.28% federal financial participation (37.72% state match)
FY 18: 63.69% federal financial participation (36.31% state match)
FY 19: 65.00% federal financial participation (35.00% state match)

Note: *The FMAP changes reflected above are not related to Medicaid Expansion populations.* Budgeted Medicaid expansion FMAP is 93.5% federal financial participation (6.5% SGF).

DEPT/AGY: Health (LDH) / Medical Vendor Payments (MVP)
ISSUE: FY 19 DSH Allocation

The Uncompensated Care Costs (UCC) Program in Medical Vendor Payments provides disproportionate Share Hospital (DSH) payments to qualifying hospitals for certain uncompensated care costs associated with serving uninsured and indigent patients. DSH payments consist of both state and federal matching funds. For FY 19, the federal match for DSH is 65% (35% state match requirement), which is an increase in federal assistance from FY 18 (63.69% federal match, 36.31% state match). The federal government restricts the amount of federal DSH funds annually through the implementation of a federal DSH cap per state. Any additional DSH payments the state may choose to reimburse for UCC costs over the federal cap would require 100% SGF (the state loses the ability to leverage state dollars).

FY 19 Executive Budget provides only $84.5 M in DSH funding for FY 19, down from $914.2 M at FY 18 EOB. A portion of the reduction is associated with anticipated federal DSH reduction mandates as required under the Patient Protection & Affordable Care Act (PPACA). PPACA provided for scheduled DSH reductions to states beginning in 2014. Although reductions have been delayed, the FY 19 Executive Budget reflects an anticipated reduction of approximately $201 M in total payments for FY 19 to account for PPACA DSH reductions.

The LA federal DSH cap for 2019 is estimated to be approximately $610 M (includes PPACA DSH reduction). CMS calculates the DSH ceilings for most states based on projected expenditures adjusted by a Consumer Price Index factor.

2019 DSH Allocation:

The Executive Budget includes $84.5 M in the UCC Program for certain providers ($54,953,196 in federal match). There is no DSH funding for LSU privatization partners. See *"Public Private Partnerships, Lallie Kemp Medical Center Lack Supplemental Payment Funding in FY 19 Executive Budget"* issue write up.

FY 19 DSH funds are allocated as follows:

$84,854,379 Office of Behavioral Health Psyc. Free Standing Units

Note: *DSH funding is eliminated for Public Private Partner hospitals, Low Income & Needy Care Collaboration Agreements (LINCCA), High Medicaid DSH pool providers, Savoy and N.O. East (historical funding through Certified Public Expenditure match), and the Office of Behavioral Health Public/Private CEA agreements.*

DEPT/AGY: Health (LDH) / Medical Vendor Payments (MVP)
ISSUE: Medicaid Disallowance

Medicaid Disallowance: Pharmacy Program

LA Medicaid received a letter on 11/18/2016 indicating a disallowance in the amount of $26,217,954 (total computed) for Medicaid payments "claimed on an unapproved LDH state plan amendment", or SPA. The disallowance, or amount of federal overpayment (to be paid back or eliminated from a future federal draw) equates to $16,703,030.

The letter further cites a 2001 letter sent to all state Medicaid Directors specifically indicating that the Centers for Medicare & Medicaid Services (CMS) will "defer and/or disallow any claims for federal financial participation related to any pending state plan amendments.

Note: Information provided by the LDH indicates the state awaits a final administrative decision. The estimated timeline for such decision is not indicated. LDH's further level of state liability (federal calculation and/or interest on disallowance) will ultimately depend on CMS's formal response, or negotiations to settle the case.

DEPT/AGY: Health (LDH) / Medical Vendors Payments (MVP)
ISSUE: Medicaid Outlook

Medicaid Payment Liabilities

The FY 19 Medicaid budget does not contain funding for 2 separate Medicaid managed care payment liabilities.

13th Checkwrite: First, the Executive Budget does not provide funding for a Medicaid managed care checkwrite payment liability. Only 12 MCO checkwrites are provided in the budget for FY 19. The unfunded payment liability calculated in FY 18 is approximately $683 M total funding ($146.5 M SGF). The cost of the 13th checkwrite if paid in future fiscal years depends on multiple factors, however could be more than projected in FY 18 due to projected trend growth in Medicaid Managed Care for FY 19. In addition, the Executive Budget does not provide funding for a managed care payment liability to dental plans for dental services to eligibles in the Dental Benefit Program. The payment liability, or additional checkwrite represents a 13th checkwrite pushed from FY 17. The amount of this liability is approximately $14,645,522.

The FY 19 Medicaid budget does not contemplate a federal CMS Medicaid disallowance.

Medicaid Pharmacy Disallowance: The Executive Budget does not provide funding for a notice of disallowance in the amount of $26.2 M ($16.7 M Federal) as a result of the state claiming federal reimbursement for expenditures for a state plan amendment (SPA) before the SPA was federally approved by the Centers for Medicare & Medicaid (CMS).

The FY 19 Medicaid budget contains contingent revenue.

Hospital Stabilization Formula: The Executive Budget contains approximately $56 M in contingent statutorily dedicated revenue allocated in Medical Vendor Payments. The budget assumes passage of an annual hospital tax resolution that provides revenues from hospital provider assessments based on a formula. Resolutions must be filed and passed annually by the legislature to generate annual revenue for Medicaid match. Revenue is used to partially fund costs associated with Medicaid expansion and for hospital rate increases.

DEPT/AGY: **Health / Office of Behavioral Health**
ISSUE: **Office of Behavioral Health Realizes Net Increase of 230 T.O. Positions in FY 19 Executive Budget**

The FY 19 Executive Budget includes a net gain of 230 positions for the Office of Behavioral Health (OBH). Included in the net increase of 230 positions is an increase of 233 positions for the Eastern LA Mental Health System (ELMHS), one position for the Community Transition and Diversion – Serious Mental Illness (SMI) Program, one position being transferred from Medical Vendor Administration (MVA) to OBH's administrative function, and the conversion of a job appointment in a T.O. position.

Total funding associated with the 230 net position increase is $17.16 M ($9.11 M SGF and $8.05 M SGR). A majority of the new positions are associated with the Cooper/Jackson lawsuit settlement and citations made by the Center for Medicare & Medicaid Services (CMS) in a February 2017 audit. Furthermore, the FY 19 Executive Budget includes approximately $2.67 M ($1.69 SGF and $986,000 IAT via federal UCC/DSH Medicaid) to fund premium pay for nursing and correctional guard therapeutic (CGT) personnel in ELMHS.

The position increases are offset by a reduction of 6 positions in the Behavioral Health Community program with a total funding reduction of $612,560 ($306,280 SGF and $306,280 Federal), yielding a net funding increase of approximately $16.56 M.

117 Positions Associated with Cooper/Jackson Case Settlement
A majority of the overall increase, 117 positions, is associated with a settlement reached during the Cooper/Jackson lawsuits requiring an increase in the number of civil intermediate and Forensic Supervised Transitional Residence Aftercare (FSTRA) beds in ELMHS. Courts deemed the 2 plaintiffs of the aforementioned suits are mentally incapable to stand trial or not guilty by reason of insanity. Subsequently, the plaintiffs argued that OBH violated their due process rights, the Americans with Disabilities Act (ADA), and the federal Rehabilitation Act of 1973 by not transferring them to ELMHS to receive treatment in an expedient manner due to a lack of available beds.

OBH and the plaintiffs eventually reached a settlement, allowing for dismissal of the suits. Part of the settlement is an increase of beds to service persons with legal statuses of not guilty by reason of insanity (NGBRI), incompetent to proceed trial (PT), and judicial civil (JC), and unable to be restored to competence (648B). Persons holding 648B status are deemed "civil intermediates," as they are no longer under the jurisdiction of the criminal court system.

OBH increased civil intermediate and FSTRA beds in 2 phases. Phase I occurred in FY 17 with the addition of 86 total beds (46 FSTRA, 40 civil intermediate) and 76 personnel to service those beds (39 correctional guards/lieutenants, 16 nurses, 12 psychiatric aides, 3 therapeutic recreation positions, 3 health administration assistants, and 3 custodial personnel). Resources for Phase I totaled approximately $6.57 M IAT transferred from Medical Vendor Payments (MVP) drawn down from federal Medicaid Uncompensated Care (UCC) funds using approximately $3.98 M of OBH's existing SGF in FY 17. The FY 18 budget included an annualization of Phase I, which has total resources of $9.27 M in FY 18 according to OBH staff reports.

Phase II of the ELMHS personnel and bed expansion associated with the Cooper/Jackson settlement is currently funded in the FY 19 Executive Budget, which includes approximately $9.05 M ($4.55 M SGF, $4.50 M IAT derived from federal UCC/DSH Medicaid) resources for an additional 72 beds (52 civil intermediate, 20 FSTRA) and 117 positions for personnel to service the beds. Types of personnel servicing the beds include correctional guard therapeutic personnel, nurses, pharmacy personnel, psychologists, and other clinical and administrative staff. Table 20 on the next page outlines the specific expenditures associated with the $9.05 M in resources.

TABLE 20

Salaries	$4,342,357
Related Benefits	$1,922,460
Travel	$23,692
Operating Services	$164,518
Supplies	$208,866
Professional Services	$235,765
Other Charges	$787,252
Interagency Transfers	$756,413
Acquisitions	$223,664
Major Repairs	$385,000
Total Expenditures	**$9,049,987**

Combined FY 19 total expenditures of Phases I and II are $18.35 M based on projected Phase I expenditures of $9.27 M in FY 18.

116 Positions, Hourly Premium Pay Added in Response to CMS Audit Findings
ELMHS has an additional 116 positions in the FY 19 Executive Budget to fund 24 additional Licensed Practical Nurses (LPNs) and 92 additional Correctional Guard Therapeutic (CGT) personnel with total funding of approximately $7.88 M ($4.34 M SGF and $3.54 M IAT via federal UCC/DSH Medicaid). OBH is adding the 116 positions in response to a February 2017 health audit performed by the Center for Medicare & Medicaid Services (CMS) that cites a lack of adequate nursing and CGT coverage within ELMHS. Furthermore, the FY 19 Executive Budget includes approximately $2.67 M in resources ($1.68 M SGF, approximately $986,000 IAT via federal UCC/DSH Medicaid) to fund $2/hour premium/longevity pay for all CGT and nursing positions.

The 92 CGT positions are a component of OBH's intended remedy of the aforementioned lack of coverage without relying on overtime pay or using WAE staff. Resources associated with the 92 positions total approximately $6.16 M in FY 19 ($3.39 SGF and approximately $2.78 M IAT via federal UCC/DSH Medicaid). Expenditures associated with the 92 positions are entirely within personal services, with salaries totaling approximately $4.30 M and related benefits totaling approximately $1.85 M. The average per-position salary totals $46,793 with related benefits totaling $20,121, yielding a per-position total cost of $66,914.

OBH similarly intends to use the 24 LPN positions to address a reported lack of nursing coverage mentioned in the February 2017 CMS audit. The 24 positions have total associated resources of $1.73 M ($949,000 SGF and $777,000 IAT via federal UCC/DSH Medicaid). Salary expenditures total $1.21 M with associated related benefits totaling $519,000. The average per-position salary is $50,284 with average related benefits totaling $21,622.

The final component of complying with the CMS audit in the FY 19 Executive Budget is adding $2/hour premium pay utilizing total resources of $2.67 M ($1.69 M SGF and $986,000 IAT via federal UCC/DSH Medicaid) for CGT and nursing staff. OBH hopes the premium pay will aid in retention and recruitment of CGT and nursing staff. A majority of the premium pay resources, approximately $2.42 M, are earmarked for CGT personnel, where ELMHS experienced a 155% turnover rate from FY 12 to FY 17. The balance of $250,000 is for all registered nurses (RNs) and LPNs on staff at ELMHS.

Addition of Serious Mental Intervention Position in Response to Department of Justice Findings
The Community Program adds 1 T.O. position for the Community Transition & Diversion – Serious Mental Intervention (SMI) Program in response to findings by the Department of Justice reported in FY 18. The position will serve in an administrative capacity and oversee management of OBH's transition and diversion activities. Total resources associated with the position are $114,398 SGF, and it has a salary of $64,921 with related benefits totaling $49,477.

Two Positions Added to OBH at No Added Expense
The FY 19 Executive Budget adds 2 T.O. positions at no additional cost to OBH. The first is a temporary job appointment created in 2011 to ensure that the hospital switchboard is at the Central LA State Hospital (CLSH) is staffed at all times. OBH has a technical adjustment in the FY 19 Executive Budget moving this position's salary to personal services. The second position is the annualization of the FY 18 BA-7 transferring a position from Medical Vendor Administration to OBH.

DEPT/AGY: Children & Family Services (DCFS)
ISSUE: Modernization Project

In FY 19, the DCFS is continuing their Transformation (Modernization) Project with an appropriation for 2 major information technology (IT) projects – a Comprehensive Child Welfare Information System (CCWIS) and Integrated Eligibility (IE) with LA Department of Health (LDH).

Comprehensive Child Welfare Information System (CCWIS)

In FY 18, DCFS began implementation of the Comprehensive Child Welfare Information System (CCWIS) to replace the current child welfare system designed in the 1980's. The CCWIS will enable the department to track service planning, which will lead to better measurement of outcomes for children impacted by child abuse and neglect. The department anticipates that CCWIS implementation will reduce staff turnover and relieve the unmanageable amount of paperwork associated with the legal, social, medical, educational, and other aspects of child welfare cases. In addition, CCWIS implementation will ultimately reduce data entry errors that result from duplicate data entry in multiple systems. The total cost of the CCWIS implementation is projected at $73,002,660 over 5 years. The project utilizes Title IV-E federal funding, which requires a 50% state match. In the FY 19 Executive Budget, DCFS is budgeted $18.6 M ($9,300,541 SGF and $9,300,541 Federal) to continue the implementation of CCWIS.

Integrated Eligibility (IE) with LDH

The Integrated Eligibility (IE) project will integrate the online application process for Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) with Medicaid eligibility. The IE project is being financed with Medicaid Admin, SNAP, TANF, Overcollections, and SGF dollars. The project will utilize Centers for Medicare & Medicaid (CMS) enhanced Medicaid match, which is approximately 90% federal and 10% state. As of December 2017, the total projected cost of the IE project for DCFS is $87,662,267 over 3 years. As of the FY 19 Executive Budget recommendation, the total funding included in the budget over the 3 years is $124,628,839.

	FY 17 Actual	*FY 18 Budget*	*FY 19 Executive Budget*	*Total Budgeted Funding*
SGF	$0	$4,401,665	$18,014,074	$22,415,739
Overcollections	$360,254	$9,631,574	$0	$9,991,828
IAT from Fed Medicaid admin match	$0	$33,674,723	$33,674,723	$67,349,446
Federal from TANF and SNAP	$0	$12,435,913	$12,435,913	$24,871,826
Total Budget	**$360,254**	**$60,143,875**	**$64,124,710**	**$124,628,839**

	Total Budgeted Funding	*Total Projected Funding Needs*	*Excess Budget Authority*
SGF	$22,415,739	$8,056,278.84	$14,359,460
Overcollections	$9,991,828	$9,991,828	$0
IAT from Fed Medicaid admin match	$67,349,446	$48,543,218	$18,806,228
Federal from TANF and SNAP	$24,871,826	$21,070,943	$3,800,883
Total Budget	**$124,628,839**	**$87,662,267**	**$36,966,572**

When compared to the total projected funding needs of $87.7 M, DCFS has $36.9 M in excess budget authority for this project. A budget adjustment is needed to reconcile the difference. The LFO is working with the agency to determine if the excess authority is contained in the FY 18 existing budget or the FY 19 Executive Budget recommendation.

DEPT/AGY: Civil Service
ISSUE: Compensation Redesign for State Classified Employees

In FY 17 the State Civil Service (SCS) formed a study group with an objective to analyze the State's classified pay schedules, identify problems and recommend solutions. The result was a Compensation Redesign Initiative that purports to fundamentally shift the way classified employees are attracted, paid and retained. Ultimately, the State Civil Service Commission adopted a compensation redesign package including certain amendments to Civil Service Rules regarding pay and all classified pay schedules were revised on 6/7/2017 and subsequently approved by the Governor on 6/26/2017 for phased implementation beginning in FY 18.

The FY 18 General Appropriations Bill (GAB) provided $17.9 M SGF for the 2% base pay increase that was awarded in January 2018 for eligible employees. The FY 19 Executive Budget provides $85.4 M ($36.1 M SGF) for adjustments related to the compensation package, including: annualizing structural changes to the occupational pay schedules and the 2% pay increase awarded on January 2018, as well as providing for new market rate adjustments and potential performance pay adjustments that will be realized during FY 19 (see Table 21 on the next page).

Major components of the compensation redesign package include:

- 2% Increase for Eligible Employees – 1/1/2018 (FY 18)
- Pay Increase for Employees Below New Minimum – 1/2/2018 (FY 18)
- Performance Adjustments (Merit Increases) Abolished – Effective 7/1/2018 (FY 19)
- New Market Adjustment Rule for Eligible Employees – Effective 7/15/2018 (FY 19)
- Performance Pay – Effective (FY 18) and Payout Effective (FY 19)

2% Base Pay Increase: Approximately 38,000 classified state employees were projected to receive a 2 percent base pay increase effective 1/1/2018. Per SCS, this general increase was granted to all eligible classified employees. However, if an employee was at the maximum of their pay range on 1/1/2018, the employee was not eligible for the 2% increase. Some employees received less than 2% if their current salary was within 2% of the maximum pay for the position for which their job was allocated. The FY 18 GAB provided $17.9 M SGF for the portion of the plan implemented during that fiscal year ($2.7 M SGF was for certain unclassified employees).

Pay Increase for Employees Below New Minimums - Revised Occupational Pay Schedules: The state's 6 occupational-based pay schedules were revised to reflect the relevant market on 1/2/2018. Classified employees who earned less than the new minimum within corresponding pay schedules were adjusted upward to equal the new hourly minimum. Approximately 6,200 classified employees were estimated to receive a pay increase under this provision.

Note: *This likely impacted positions with historically high turnover rates (i.e. entry level child welfare specialists, correctional officers, and probation and parole officers.) SCS estimated that in FY 16 turnover and loss of productivity cost the state over $114 M and estimated $110 M in FY 17.*

Performance Adjustments (Merit Increases) Abolished: Per SCS, effective 7/1/2018 (FY 19) the existing annual performance adjustment/merit increases will be abolished. All provisions of the performance adjustment rule shall be suspended for the period of 6/29/2017 through 6/30/2018. During this period of suspension, no employee may gain eligibility for a performance adjustment. <u>However, an appointing authority may pay a previously earned performance adjustment that was not granted due to a layoff avoidance measure from 10/1/2014 to 10/1/2015</u>.

New Market Adjustment Rule: Effective 7/15/2018, eligible classified employees will receive a market adjustment. A market adjustment is an increase to an employee's base pay dependent upon the employee's salary position within his/her pay range. The market adjustment ranges from 2% - 4% based on certain criteria. This is an annual adjustment for eligible employees. Classified employees not eligible are: employees who received Needs Improvement/ Unsuccessful on his/her last official performance evaluation and When Actually Employed (WAE) employees. Table 21 reflects $54.7 M ($22.6 M SGF) for market rate adjustments.

Performance Pay: Per SCS, state agencies may elect to reward employees who receive an overall performance rating of "exceptional" through agency reward and recognition policies beginning with Performance Year 2017-2018 with a performance rating date of 7/1/2018 (FY 19). The maximum award is a one-time 3% payment, not to exceed $2,500, for an employee with an overall "exceptional" on the 7/1/2018 rating.

The FY 19 Executive Budget provides funding for the aforementioned changes totaling $85.4 M ($36.1 M SGF) (See Table 21 on the next page). The budget provides for the following:

- Annualization of the 2% General Increase ($20.9 M)
- Annualization of structural changes to the Occupational Pay Schedules ($9.8 M)
- Market rate changes ($54. 7 M)

TABLE 21

FY 19 Executive Budget Funding for Compensation Redesign	SGF	Total
2% General Increase Annualized Classified	$7,868,908	$18,835,930
2% General Increase Annualized Unclassified	$1,151,093	$2,097,127
	$9,020,001	$20,933,057
Market Rate Classified	$22,452,936	$54,544,328
Market Rate Unclassified	$136,558	$136,558
	$22,589,494	$54,680,886
Structural Annualization Classified	$4,145,292	$8,737,158
Structural Annualization Unclassified	$321,590	$1,057,612
	$4,466,882	$9,794,770
Total	**$36,076,377**	**$85,408,713**

State public servants will experience compensation adjustments as a result of actions of the governor, the State Civil Service Commission and the legislature authorized in FY 17 and subsequently funded in FY 18. The above-mentioned FY 19 Executive Budget funding provides for the level of funding needed for the continued implementation of the new path forward on compensation for classified state employees. An assumed indirect impact of the compensation redesign plan is to experience lower turnover and increase in productivity.

DEPT/AGY: Higher Education (HIED) / Office of Student Financial Assistance (OSFA)
ISSUE: GO Grants Allocation and Award Amounts

The FY 19 funding of $13.4 M (SGF) for the GO Grants represents a 51% reduction from the FY 18 ($26.4 M) Existing Operating Budget (EOB). The recommended amount is $49 M less than the $62.5 M to fully fund all students that are eligible for a GO Grant in FY 19.

TABLE 22

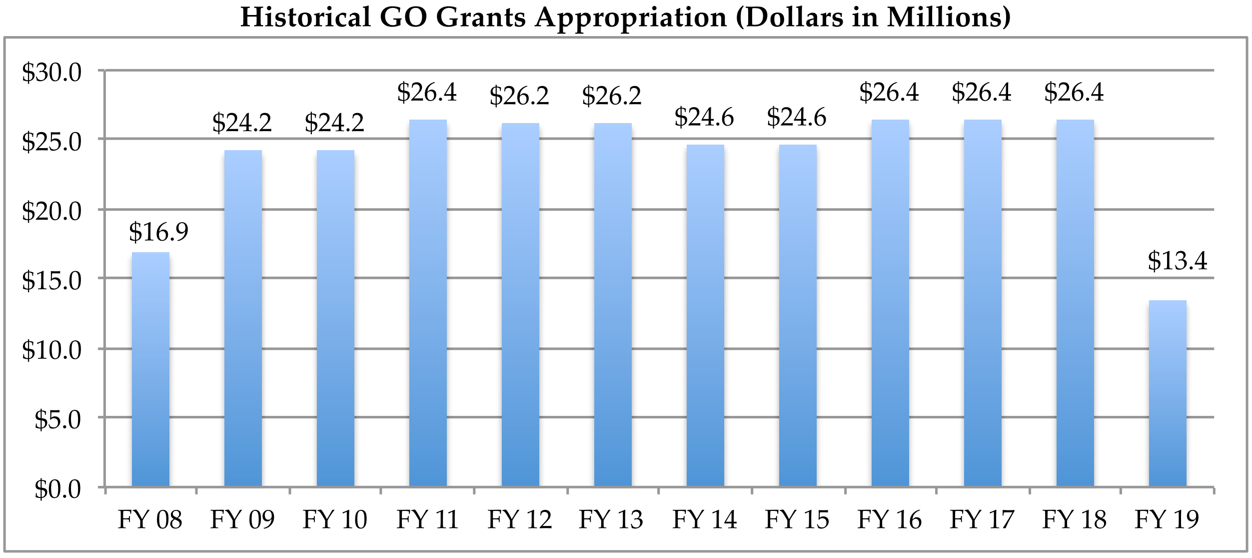
GO GRANTS Allocations - FY 18 EOB Compared to FY 19 Recommended	Actual			Projected		FY 19 over FY 18	
	FY 15	FY 16	FY 17	FY 18	FY 19	$ Diff.	%
LCTC System							
Baton Rouge CC	$579,887	$621,370	$619,600	$619,600	$309,800	($309,800)	-50%
Bossier Parish CC	$236,700	$253,755	$253,785	$253,785	$126,893	($126,892)	-50%
Capitol Area TC	$0	$0	$0	$0	$0	$0	0%
Central LA TCC	$59,039	$64,543	$64,550	$77,094	$38,547	($38,547)	-50%
Delgado	$2,326,453	$2,494,617	$2,494,911	$2,494,911	$1,247,456	($1,247,455)	-50%
L E Fletcher CC	$83,467	$89,482	$89,492	$89,492	$44,746	($44,746)	-50%
LA Delta CC	$229,620	$246,701	$250,030	$250,030	$125,015	($125,015)	-50%
Northshore Tech CC	$33,551	$35,969	$35,973	$35,973	$17,987	($17,986)	-50%
Northwest LA TC	$84,185	$90,248	$91,876	$79,331	$39,667	($39,664)	-50%
Nunez CC	$53,682	$57,382	$57,388	$57,388	$28,694	($28,694)	-50%
River Parishes CC	$51,000	$55,211	$55,217	$55,218	$27,609	($27,609)	-50%
South LA C C	$364,544	$390,250	$390,296	$390,296	$195,148	($195,148)	-50%
South Central LA TC	$48,872	$29,742	$31,500	$31,500	$15,750	($15,750)	-50%
Sowella Tech CC	$206,371	$221,240	$221,266	$221,266	$110,633	($110,633)	-50%
South Central TC	$0	$22,650	$23,250	$23,250	$11,625	($11,625)	-50%
LCTC System Total	**$4,357,371**	**$4,673,160**	**$4,679,134**	**$4,679,134**	**$2,339,570**	**($2,339,564)**	**-50%**
LSU System							
LSU-A	$275,240	$295,072	$295,107	$295,107	$147,554	($147,553)	-50%
LSU-BR	$1,907,429	$2,060,343	$2,063,876	$2,063,886	$1,031,943	($1,031,943)	-50%
LSU-E	$251,232	$269,334	$267,866	$267,866	$133,933	($133,933)	-50%
LSUMC-NO	$123,118	$131,989	$135,305	$135,305	$67,653	($67,652)	-50%
LSUMC-S	$14,805	$18,093	$16,500	$16,500	$8,250	($8,250)	-50%
LSU-S	$843,864	$904,667	$904,774	$904,774	$452,387	($452,387)	-50%
LSU System Total	**$3,415,688**	**$3,679,498**	**$3,683,428**	**$3,683,438**	**$1,841,720**	**($1,841,718)**	**-50%**
Southern System							
Southern-BR	$1,158,944	$1,243,625	$1,246,064	$1,246,397	$623,199	($623,198)	-50%
Southern-NO	$245,285	$265,250	$266,032	$266,032	$133,016	($133,016)	-50%
Southern-S	$198,587	$212,914	$216,240	$216,240	$108,120	($108,120)	-50%
Southern System Total	**$1,602,816**	**$1,721,789**	**$1,728,336**	**$1,728,669**	**$864,335**	**($864,334)**	**-50%**
UL System							
Grambling	$919,314	$985,178	$985,294	$985,294	$492,647	($492,647)	-50%
LA Tech	$1,007,541	$1,080,137	$1,080,265	$1,080,265	$540,133	($540,132)	-50%
McNeese	$1,341,447	$1,438,102	$1,441,572	$1,441,572	$720,786	($720,786)	-50%
Nicholls	$936,683	$1,020,401	$1,023,822	$1,023,822	$511,911	($511,911)	-50%
NW	$1,427,328	$1,528,714	$1,532,194	$1,532,194	$766,097	($766,097)	-50%
SE	$2,656,364	$2,847,763	$2,852,899	$2,852,899	$1,426,450	($1,426,449)	-50%

TABLE 22 (Con't on next page)

GO GRANTS Allocations - FY 18 EOB Compared to FY 19 Recommended							
	Actual			Projected		FY 19 over FY 18	
	FY 15	FY 16	FY 17	FY 18	FY 19	$ Diff.	%
ULL	$2,193,290	$2,344,573	$2,344,849	$2,344,849	$1,172,425	($1,172,424)	-50%
ULM	$1,509,609	$1,618,381	$1,617,400	$1,617,400	$808,700	($808,700)	-50%
UNO	$1,063,357	$1,139,225	$1,135,680	$1,137,630	$568,815	($568,815)	-50%
UL System Total	**$13,054,933**	**$14,002,474**	**$14,013,975**	**$14,015,925**	**$7,007,964**	**($7,007,961)**	**-50%**
Private	**$2,212,015**	**$2,387,384**	**$2,313,692**	**$2,321,942**	**$1,160,973**	**($1,160,969)**	**-50%**
Grand Total	**$24,642,823**	**$26,464,305**	**$26,418,565**	**$26,429,108**	**$13,214,562**	**($13,214,546)**	**-50%**

GO Grants began in FY 08 with $16.9 M in funding. From FY 09 – FY 18, the funding for GO Grants has fluctuated between $24 M and $26 M. See Chart 11 below for trend.

CHART 11
Historical GO Grants Appropriation (Dollars in Millions)



Per the FY 19 Budget Request, OSFA reported in FY 17 there are 54,815 eligible Go Grant students and it would cost approximately $62.5 M to fund all of these students. Each institution has the flexibility to establish their GO Grant policy. Therefore, the number of recipients and the award amounts are dependent on the institutions' policy and their funding allocation. However, OSFA does require the award to be no less than $300 and no more than $3,000, the student must receive a Federal Pell grant, and the student has to have a remaining financial need after deducting their Estimated Family Contribution (EFC) and any other aid. See Table 23 below for breakdown of recipients and average award by institution.

TABLE 23

GO Grants Recipients and Average Award FY 15 - FY 17						
	Number of Recipients			Average Award		
	FY 15	FY 16	FY 17	FY 15	FY 16	FY 17
LCTC System						
Baton Rouge CC	860	3,188	3,159	$674	$195	$196
Bossier Parish CC	429	425	427	$552	$597	$594
Capitol Area TC	0	0	0	$0	$0	$0
Central LA TCC	95	108	99	$621	$598	$652
Delgado	3,704	3,701	3,607	$628	$674	$692
L E Fletcher CC	85	162	142	$982	$552	$630
LA Delta CC	345	402	410	$666	$614	$610
Northshore Tech CC	46	66	62	$729	$545	$580
Northwest LA TC	155	165	172	$543	$547	$534
Nunez CC	65	64	62	$826	$897	$926
River Parishes CC	91	84	92	$560	$657	$600
South LA C C	623	814	283	$585	$479	$1,379
South Central LA TC	96	50	51	$509	$595	$618
Sowella Tech CC	163	189	195	$1,266	$1,171	$1,135
South Central TC	0	46	47	$0	$492	$495
LCTC System Total	**6,757**	**9,464**	**8,808**	**$645**	**$494**	**$531**
LSU System						
LSU-A	328	348	335	$839	$848	$881
LSU-BR	1,950	2,071	2,079	$978	$995	$993

TABLE 23 (Con't on next page)

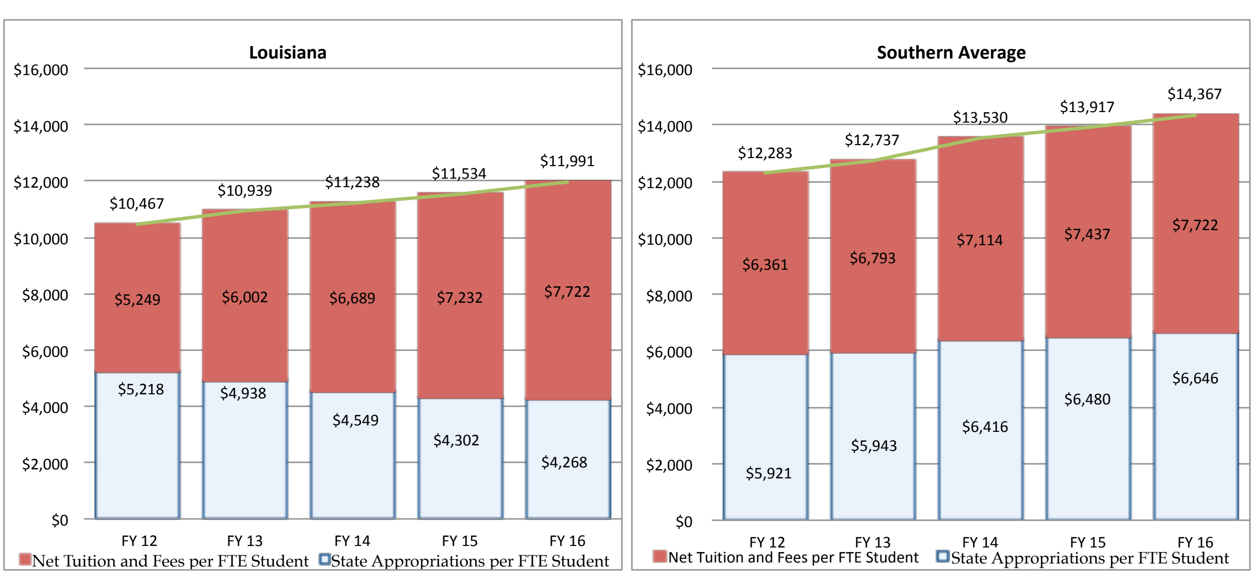
GO Grants Recipients and Average Award FY 15 - FY 17						
	Number of Recipients			Average Award		
	FY 15	FY 16	FY 17	FY 15	FY 16	FY 17
LSU-E	133	142	141	$1,889	$1,897	$1,900
LSUMC-NO	91	67	68	$1,353	$1,970	$1,990
LSUMC-S	8	10	8	$1,851	$1,809	$2,063
LSU-S	464	457	474	$1,819	$1,980	$1,909
LSU System Total	**2,974**	**3,095**	**3,105**	**$1,149**	**$1,189**	**$1,186**
Southern System						
Southern-BR	1,542	1,767	1,610	$752	$704	$774
Southern-NO	220	236	229	$1,115	$1,124	$1,162
Southern-S	295	348	339	$673	$612	$638
Southern System Total	**2,057**	**2,351**	**2,178**	**$779**	**$732**	**$794**
UL System						
Grambling	985	747	773	$933	$1,319	$1,275
LA Tech	1,030	1,094	914	$978	$987	$1,182
McNeese	981	1,032	967	$1,367	$1,394	$1,491
Nicholls	584	648	678	$1,604	$1,575	$1,510
NW	1,677	1,986	1,920	$851	$770	$798
SE	1,847	1,935	1,960	$1,438	$1,472	$1,456
ULL	3,121	2,343	1,624	$703	$1,001	$1,444
ULM	982	1,064	1,081	$1,537	$1,521	$1,496
UNO	905	1,106	1,071	$1,175	$1,030	$1,060
UL System Total	**12,112**	**11,955**	**10,988**	**$1,078**	**$1,171**	**$1,275**
Private	**1,740**	**1,779**	**1,643**	**$1,271**	**$1,342**	**$1,408**
Grand Total	**25,640**	**28,644**	**26,722**	**$961**	**$924**	**$989**

DEPT/AGY: **Higher Education (HIED)**
ISSUE: **LA Higher Education Funding Statewide Comparisons**

Funding Per FTE Student Trends

Public 4-Year Institutions - Compared to FY 12, LA public 4-year institutions' state appropriations per FTE student have decreased by $950 (18% decrease) while the southern average has increased by $724 (12% increase). Compared to FY 12, LA's net tuition and fees per FTE student have significantly increased by $2,473 (47% increase) while the southern average has increased by $1,360 (21% increase). As seen on Chart 12 below, LA Public 4-year institutions total state and student funding per FTE student has increased by $1,523 (54%) and the southern average has increased $2,085 (17%).

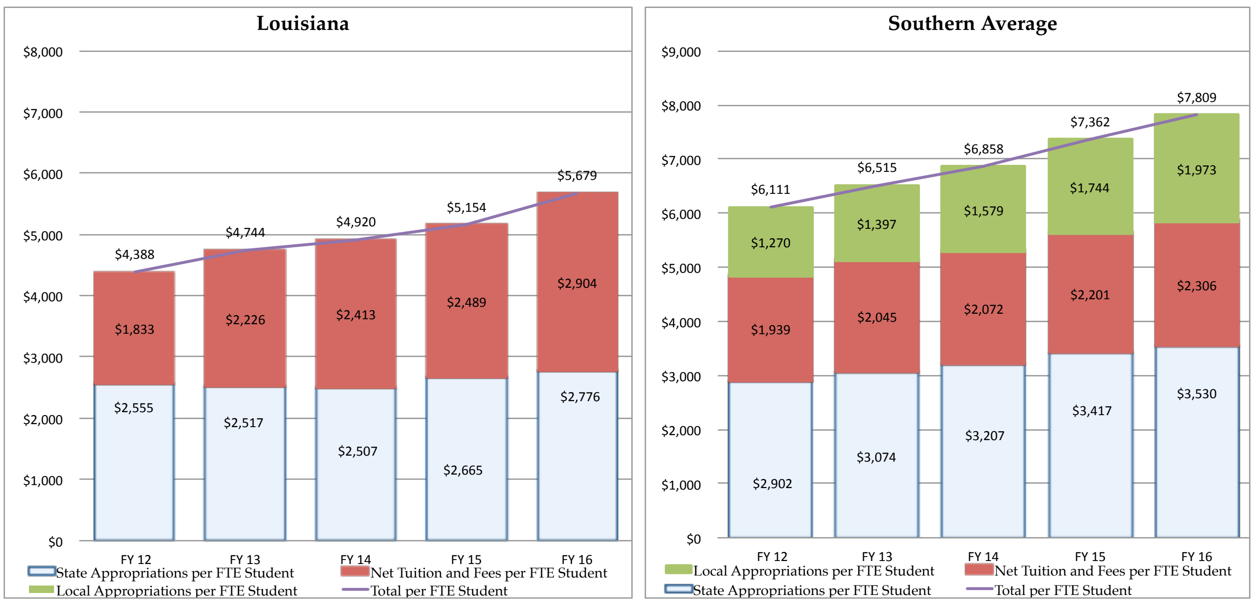
CHART 12
LA & Southern Regional Avg. 4-Year Institutions Funding per FTE Student Comparison



Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center.

Public 2-Year Institutions - LA 2-year institutions net tuition and fees per FTE student has risen drastically since FY 12 while the Southern Region has increased more steadily. Compared to FY 12, LA's state appropriations per FTE student have fluctuated but overall have increased by $221 (9% increase) while the southern average has increased by $628 (22% increase). Compared to FY 12, LA's net tuition and fees per FTE student have significantly increased by $1,070 (58% increase) while the southern average has increased by $367 (19% increase). As shown on Chart 13, there are several institutions in the southern region that receive local support that subsidizes the combined state and tuition revenues. The local support per FTE student has increased by $703 (55% increase).

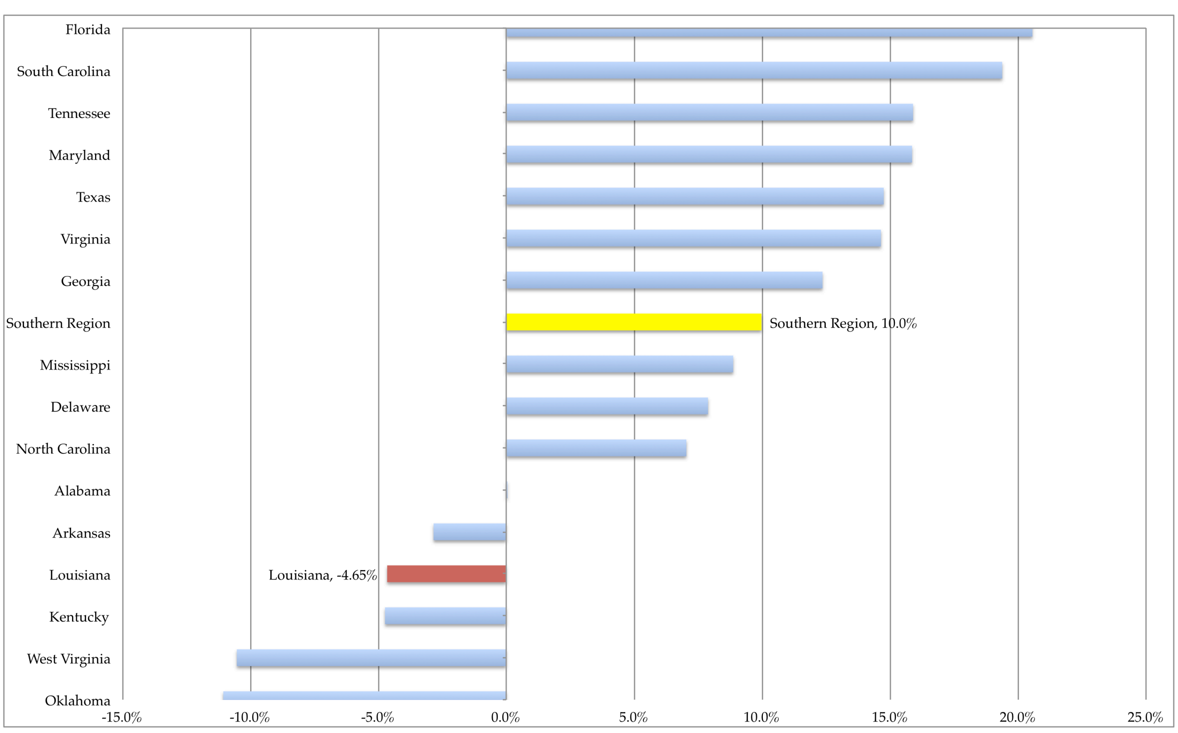
CHART 13
LA and Southern Regional Average 2-Year Institutions Funding per FTE Student Comparison



Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center.

The percentage change since FY 12 in total state support for southern regional states has 5 states, including LA, showing a negative change in state support. LA has the 4th lowest change (4.6%) from FY 12 to FY 16 with Kentucky (4.7%), West Virginia (10.5%), and Oklahoma (11%) being the 3 largest reductions. The overall southern region increased by 10% since FY 12. Comparing all states, the United States total funding has increased by 17%.

CHART 14
Comparison of FY 12 – FY 16 Percentage Change in the State Support for Higher Education



Source: Prepared by the LFO using State Higher Education Executive Officers (SHEEO) data.

Median Tuition and Mandatory Fees Trend

Public 4-Year Institutions - LA 4-year institutions' median full-time undergraduate tuition and mandatory fees of $7,707 ranks 25th out of 50 (where 1st indicates highest amount of tuition) in the country for FY 16 and 8th (out of 16) in the southern region (see Table 24 on the next page).

This is a significant change from FY 12 when LA 4-year institutions' median tuition and fees was $4,875 and ranked 45th in the country and 14th in the southern region. The median LA 4-year tuition and fees have increased 58% since FY 12 representing the largest percentage change not only in the southern region but in the entire country.

TABLE 24

Public, 4-Year Institutions Median Annual Undergraduate Tuition and Mandatory Fees							
	FY 13	**FY 14**	**FY 15**	**FY 16**	**FY 17**	**FY 13 Rank**	**FY 17 Rank**
Alabama	$7,626	$8,190	$8,755	$8,931	$9,260	5	3
Arkansas	$6,281	$6,616	$7,497	$7,846	$8,156	8	7
Delaware	$9,509	$9,724	$9,839	$10,026	$7,532	3	10
Florida	$3,160	$3,204	$3,175	$3,165	$3,143	16	16
Georgia	$5,010	$5,246	$5,352	$5,350	$5,350	13	15
Kentucky	$7,692	$7,956	$8,388	$8,635	$9,126	4	4
Louisiana	**$5,409**	**$6,219**	**$6,708**	**$7,347**	**$7,707**	**14**	**8**
Maryland	$7,550	$7,783	$8,000	$8,407	$8,649	6	5
Mississippi	$5,806	$6,455	$6,582	$6,636	$6,904	10	12
North Carolina	$5,895	$6,192	$6,291	$6,593	$6,857	11	13
Oklahoma	$5,047	$5,351	$5,725	$6,009	$6,540	15	14
South Carolina	$9,842	$10,149	$10,468	$10,785	$11,195	1	2
Tennessee	$7,049	$7,507	$7,876	$8,153	$8,341	7	6
Texas	$6,429	$6,878	$7,247	$7,302	$7,626	9	9
Virginia	$9,620	$9,908	$10,382	$11,130	$11,630	2	1
West Virginia	$5,544	$6,046	$6,361	$6,682	$7,017	12	11
Southern Region Average	***$6,065***	***$6,438***	***$6,613***	***$7,032***	***$7,261***		
$ LA over Southern Avg	**($657)**	**($219)**	**$95**	**$315**	**$446**		
% LA over Southern Avg	**-11%**	**-3%**	**1%**	**4%**	**6%**		

Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center.

Delaware's median annual undergraduate tuition and fees dropped significantly in FY 17. Delaware's only Public, 2-year institution (Delaware Technical Community College-Terry) was reclassified as a 4-year institution in IPEDS and its tuition and fee amount ($3,774) is included in this calculation. Excluding this institution, Delaware's median tuition and fees increases to $10,181 which is the 3rd highest in the southern region and would make LA's rank 9th.

Public 2-Year Institutions - LA 2-year institutions' median full-time undergraduate tuition and mandatory fees of $3,945 ranks 25th (out of 50) in the country for FY 16 and 5th (out of 16) in the southern region (Table 25). This is a significant change from FY 12 when LA 2-year institutions' median tuition and fees was $2,070 and ranked 46th in the country and 15th in the southern region. The median LA 2-year tuition and fees have increased 91% since FY 12 representing the largest percentage change in both the Southern Region and the country.

TABLE 25

Public, 2-Year Institutions Median Annual Undergraduate Tuition and Mandatory Fees							
	FY 13	**FY 14**	**FY 15**	**FY 16**	**FY 17**	**FY 13 Rank**	**FY 17 Rank**
Alabama	$4,140	$4,200	$4,260	$4,320	$4,380	3	4
Arkansas	$2,510	$2,568	$2,688	$2,900	$2,904	14	12
Delaware	$3,242	$3,380	$3,530	$3,215	-	7	-
Florida	$2,750	$2,994	$2,750	$2,750	$2,994	10	11
Georgia	$2,293	$2,545	$2,724	$2,724	$2,757	13	13
Kentucky	$3,360	$3,456	$3,624	$3,624	$3,936	6	7
Louisiana	**$2,873**	**$3,237**	**$3,590**	**$3,945**	**$4,089**	**12**	**5**
Maryland	$5,680	$5,836	$6,000	$6,133	$6,305	1	1
Mississippi	$2,240	$2,350	$2,490	$2,550	$2,740	16	14
North Carolina	$2,282	$2,367	$2,386	$2,396	$2,524	15	15
Oklahoma	$3,036	$3,228	$3,402	$3,423	$3,768	9	9
South Carolina	$4,286	$4,499	$4,714	$4,841	$4,969	2	2
Tennessee	$3,519	$3,621	$3,816	$3,936	$4,047	5	6
Texas	$2,952	$3,088	$3,264	$3,330	$3,388	11	10
Virginia	$3,798	$3,973	$4,170	$4,406	$4,523	4	3
West Virginia	$3,120	$3,354	$3,432	$3,696	$3,864	8	8
Southern Region Average	***$2,955***	***$3,198***	***$3,336***	***$3,590***	***$3,812***		
$ LA over Southern Avg	**($82)**	**$39**	**$254**	**$355**	**$277**		
% LA over Southern Avg	**-3%**	**1%**	**8%**	**10%**	**7%**		

Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center.

Note: Delaware's only Public, 2-year institution (Delaware Technical Community College-Terry) was reclassified as a 4-year institution in IPEDS and its tuition and fee amount ($3,774) is not included in this calculation.

Tuition and Fees as Percent of Household Income - Tuition and fees as a percent of household income is an important indicator since it establishes an equitable comparison between the states showing how tuition relates to household incomes. LA public 4-year institutions' ratio has steadily increased each year and has surpassed the southern average since FY 15. LA public 2-year institutions' ratio passed the southern average in FY 15 and is currently 10%. See Table 26 below for additional information.

TABLE 26

Annual Tuition and Fees as a Percent of Median Household Income												
	4-Year						2-Year					
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
Alabama	17%	18%	17%	21%	20%	20%	10%	10%	9%	10%	10%	9%
Arkansas	15%	16%	17%	17%	18%	18%	6%	6%	7%	6%	7%	6%
Delaware	17%	19%	18%	17%	17%	13%	6%	7%	6%	6%	6%	0%
Florida	7%	7%	7%	7%	6%	6%	6%	6%	6%	6%	6%	6%
Georgia	11%	10%	11%	11%	11%	10%	5%	5%	5%	5%	5%	5%
Kentucky	18%	19%	18%	20%	20%	20%	8%	8%	8%	8%	9%	9%
Louisiana	**12%**	**14%**	**13%**	**16%**	**16%**	**18%**	**6%**	**7%**	**7%**	**8%**	**9%**	**10%**
Maryland	10%	11%	11%	11%	11%	12%	8%	8%	8%	8%	8%	9%
Mississippi	13%	16%	20%	19%	17%	17%	5%	6%	7%	7%	6%	7%
North Carolina	12%	14%	13%	13%	13%	13%	5%	5%	5%	5%	5%	5%
Oklahoma	10%	10%	12%	12%	13%	13%	6%	6%	7%	7%	7%	7%
South Carolina	24%	22%	23%	23%	23%	21%	10%	10%	10%	10%	10%	9%
Tennessee	16%	16%	17%	18%	17%	16%	8%	8%	8%	9%	8%	8%
Texas	13%	12%	13%	13%	13%	13%	6%	6%	6%	6%	6%	6%
Virginia	15%	15%	15%	16%	18%	18%	6%	6%	6%	6%	7%	7%
West Virginia	13%	13%	14%	16%	16%	16%	7%	7%	8%	9%	9%	9%
Southern Average	***12%***	***13%***	***13%***	***14%***	***14%***	***14%***	***6%***	***6%***	***7%***	***7%***	***7%***	***7%***
% LA over Southern Avg	***-1%***	***7%***	***0%***	***17%***	***14%***	***32%***	***4%***	***17%***	***5%***	***24%***	***19%***	***33%***

Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center and U.S. Census Bureau.

Faculty Average Salaries Trend - LA 4-year institutions' average full-time academic salary for all faculty ranks is $69,909 in FY 17. It ranks 16th (out of 16) in the southern region and is $16,209 (23%) less than the southern average. The 2-year average full-time academic salary for all faculty ranks in LA is $45,557 in FY 17. It ranks 15th (out of 15) in the southern region and is $11,839 (26%) less than the southern average (see Table 27 below).

TABLE 27

Average Full-Time Academic Salaries for All Faculty Ranks (excluding medical centers)								
	Public, 4-year Institutions				Public, 2-Year Institutions			
	FY 15	FY 16	FY 17	FY 17 Rank	FY 15	FY 16	FY 17	FY 17 Rank
Alabama	$83,351	$84,682	$85,566	6	$54,185	$54,174	$55,645	4
Arkansas	$70,043	$70,508	$71,890	15	$47,058	$47,751	$47,205	14
Delaware	$103,001	$98,047	$99,150	1	$64,726	N/A	N/A	N/A
Florida	$78,699	$80,404	$82,114	8	$52,709	$53,807	$55,004	5
Georgia	$75,039	$77,642	$79,492	11	$52,058	$52,096	$53,296	9
Kentucky	$77,812	$79,921	$80,517	9	$52,338	$53,201	$53,331	8
Louisiana	**$69,013**	**$69,266**	**$69,909**	**16**	**$45,638**	**$45,594**	**$45,557**	**15**
Maryland	$94,124	$95,640	$97,643	2	$69,895	$72,053	$74,004	1
Mississippi	$74,223	$76,549	$77,394	12	$52,606	$49,156	$54,402	6
North Carolina	$82,951	$84,955	$89,190	5	$52,786	$52,316	$54,295	7
Oklahoma	$73,572	$74,313	$75,534	13	$50,044	$49,849	$49,792	13
South Carolina	$79,757	$80,436	$83,125	7	$51,124	$48,730	$50,040	12
Tennessee	$77,958	$78,264	$79,729	10	$51,340	$52,896	$52,901	10
Texas	$91,815	$94,838	$96,406	3	$59,621	$60,564	$62,980	3
Virginia	$90,522	$93,983	$94,486	4	$61,375	$63,449	$63,137	2
West Virginia	$73,545	$73,090	$75,206	14	$48,507	$50,131	$50,099	11
Southern Average	***$82,423***	***$84,391***	***$86,118***		***$55,564***	***$55,742***	***$57,396***	
$ LA over Southern Avg	**($13,410)**	**($15,125)**	**($16,209)**		**($9,925)**	**($10,148)**	**($11,839)**	
% LA over Southern Avg	**-19%**	**-22%**	**-23%**		**-22%**	**-22%**	**-26%**	

Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center.

LA 4-year institutions' average full-time academic salary for Professors is $97,143 in FY 17. It ranks 16th (out of 16) in the southern region and is $24,344 (25%) less than the southern average. The 2-year average full-time academic salary for Professors in LA is $60,112 in FY 17. It ranks 11th (out of 13) in the southern region and is $11,644 (19%) less than the southern average (see Table 28 on the next page).

TABLE 28

Average Full-Time Academic Salaries for Professors Only (excluding medical centers)								
	Public, 4-year Institutions				Public, 2-Year Institutions			
	FY 15	FY 16	FY 17	FY 17 Rank	FY 15	FY 16	FY 17	FY 17 Rank
Alabama	$119,343	$121,833	$124,095	5	N/A	N/A	N/A	N/A
Arkansas	$103,031	$103,018	$105,318	13	$62,187	$61,803	$62,479	10
Delaware	$142,893	$144,318	$143,027	1	N/A	N/A	N/A	N/A
Florida	$108,687	$109,092	$118,080	7	$67,036	$67,396	$68,148	5
Georgia	$107,566	$111,395	$113,605	8	$60,208	$63,094	$64,812	8
Kentucky	$109,680	$111,448	$111,731	10	$63,345	$63,682	$62,877	9
Louisiana	**$94,022**	**$96,739**	**$97,143**	**16**	**$60,939**	**$59,714**	**$60,112**	**11**
Maryland	$130,919	$133,975	$138,490	2	$85,475	$87,789	$89,891	1
Mississippi	$106,553	$108,883	$111,241	11	N/A	N/A	N/A	N/A
North Carolina	$115,754	$116,889	$123,556	6	N/A	N/A	$57,140	12
Oklahoma	$102,727	$103,679	$104,898	14	$45,503	$46,475	$47,199	13
South Carolina	$110,691	$110,917	$112,936	9	$75,508	$76,271	$78,138	2
Tennessee	$105,269	$106,430	$109,077	12	$64,977	$67,531	$67,443	6
Texas	$127,986	$131,101	$134,861	3	$68,705	$68,341	$70,846	4
Virginia	$128,191	$131,765	$132,597	4	$72,098	$74,024	$73,503	3
West Virginia	$98,068	$97,528	$100,538	15	$63,514	$66,020	$65,565	7
Southern Average	***$115,756***	***$117,865***	***$121,487***		***$69,758***	***$70,279***	***$71,756***	
$ LA over Southern Avg	**($21,733)**	**($21,126)**	**($24,344)**		**($8,819)**	**($10,566)**	**($11,644)**	
% LA over Southern Avg	**-23%**	**-22%**	**-25%**		**-14%**	**-18%**	**-19%**	

Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center.

Non-Instructional Staff Average Salaries Trend - LA 4-year institutions' average full-time salary for non-instructional staff (i.e., not Faculty) is $50,040 in FY 17. It ranks 12th (out of 16) in the southern region and is $5,325 (11%) less than the southern average. The 2-year average full-time salary for non-instructional staff in LA is $45,271 in FY 17. It ranks 8th (out of 15) in the southern region and is $3,355 (7%) less than the southern average (See Table 29 below).

TABLE 29

Average Full Time Salary for All Non-Instructional Staff (excluding medical centers)								
	Public, 4-year Institutions				Public, 2-Year Institutions			
	FY 15	FY 16	FY 17	FY 17 Rank	FY 15	FY 16	FY 17	FY 17 Rank
Alabama	$51,871	$53,221	$54,813	8	$49,546	$49,684	$52,265	3
Arkansas	$44,936	$45,412	$46,045	16	$39,320	$40,546	$40,985	14
Delaware	$58,159	$57,586	$58,184	3	N/A	N/A	N/A	N/A
Florida	$52,014	$53,022	$54,514	9	$41,841	$42,210	$43,106	11
Georgia	$52,239	$53,646	$55,710	6	$44,528	$45,263	$46,185	7
Kentucky	$48,354	$50,014	$51,911	10	$40,663	$41,844	$41,900	12
Louisiana	**$49,066**	**$49,585**	**$50,040**	**12**	**$44,543**	**$45,043**	**$45,271**	**8**
Maryland	$64,010	$65,101	$65,862	1	$59,293	$60,284	$62,501	1
Mississippi	$48,154	$49,706	$50,871	11	$40,897	$39,794	$40,475	15
North Carolina	$53,942	$55,295	$56,979	5	$46,404	$46,704	$47,696	5
Oklahoma	$44,960	$46,037	$46,347	15	$39,326	$40,498	$41,162	13
South Carolina	$53,401	$53,994	$55,188	7	$44,767	$45,219	$46,835	6
Tennessee	$47,540	$48,244	$49,226	13	$41,870	$43,883	$44,012	10
Texas	$56,003	$57,465	$58,563	2	$45,546	$47,769	$48,853	4
Virginia	$55,107	$57,490	$58,181	4	$52,917	$54,907	$54,971	2
West Virginia	$46,969	$47,261	$49,060	14	$44,262	$43,657	$44,924	9
Southern Average	***$52,765***	***$54,078***	***$55,365***		***$46,396***	***$47,582***	***$48,625***	
$ LA over Southern Avg	**($3,699)**	**($4,493)**	**($5,325)**		**($1,852)**	**($2,539)**	**($3,355)**	
% LA over Southern Avg	**-8%**	**-9%**	**-11%**		**-4%**	**-6%**	**-7%**	

Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center.

LA 4-year institutions' average full-time salary for Management staff is $88,742 in FY 17. It ranks 14th (out of 16) in the southern region and is $12,324 (14%) less than the southern average. The 2-year average full-time salary for Management staff in LA is $76,167 in FY 17. It ranks 9th (out of 15) in the southern region and is $3,637 (5%) less than the southern average (See Table 30 below).

TABLE 30

Average Full-Time Salaries for Management Staff (excluding medical centers)								
	Public, 4-year Institutions				Public, 2-Year Institutions			
	FY 15	FY 16	FY 17	FY 17 Rank	FY 15	FY 16	FY 17	FY 17 Rank
Alabama	$102,636	$103,981	$105,748	5	$84,202	$83,853	$88,999	5
Arkansas	$85,406	$85,739	$87,741	15	$72,085	$71,295	$72,645	12
Delaware	$111,248	$110,638	$113,370	2	N/A	N/A	N/A	N/A
Florida	$102,692	$104,154	$105,644	6	$90,689	$92,463	$93,925	2
Georgia	$90,907	$92,275	$94,323	11	$83,306	$83,463	$90,179	4
Kentucky	$95,981	$100,457	$100,446	8	$72,356	$72,769	$71,998	13
Louisiana	**$87,241**	**$87,458**	**$88,742**	**14**	**$72,625**	**$75,854**	**$76,167**	**9**
Maryland	$99,081	$100,347	$103,036	7	$102,856	$103,620	$107,630	1

TABLE 30 (Con't on the next page)

Average Full-Time Salaries for Management Staff (excluding medical centers)								
	Public, 4-year Institutions				Public, 2-Year Institutions			
	FY 15	FY 16	FY 17	FY 17 Rank	FY 15	FY 16	FY 17	FY 17 Rank
Mississippi	$105,616	$108,565	$111,765	3	$71,414	$72,624	$73,500	11
North Carolina	$122,977	$126,747	$131,693	1	$70,152	$69,459	$70,699	14
Oklahoma	$90,847	$92,498	$93,286	12	$65,517	$67,759	$69,472	15
South Carolina	$91,295	$91,314	$95,256	10	$76,629	$78,025	$82,575	7
Tennessee	$89,831	$90,150	$90,380	13	$89,415	$91,752	$92,631	3
Texas	$96,583	$99,002	$99,383	9	$79,438	$81,742	$82,793	6
Virginia	$100,539	$107,528	$108,074	4	$71,109	$73,783	$73,504	10
West Virginia	$73,858	$78,526	$80,879	16	$78,277	$76,037	$78,741	8
Southern Average	**$97,296**	**$99,589**	**$101,066**		**$77,113**	**$78,222**	**$79,804**	
$ LA over Southern Avg	**($10,055)**	**($12,131)**	**($12,324)**		**($4,488)**	**($2,368)**	**($3,637)**	
% LA over Southern Avg	**-12%**	**-14%**	**-14%**		**-6%**	**-3%**	**-5%**	

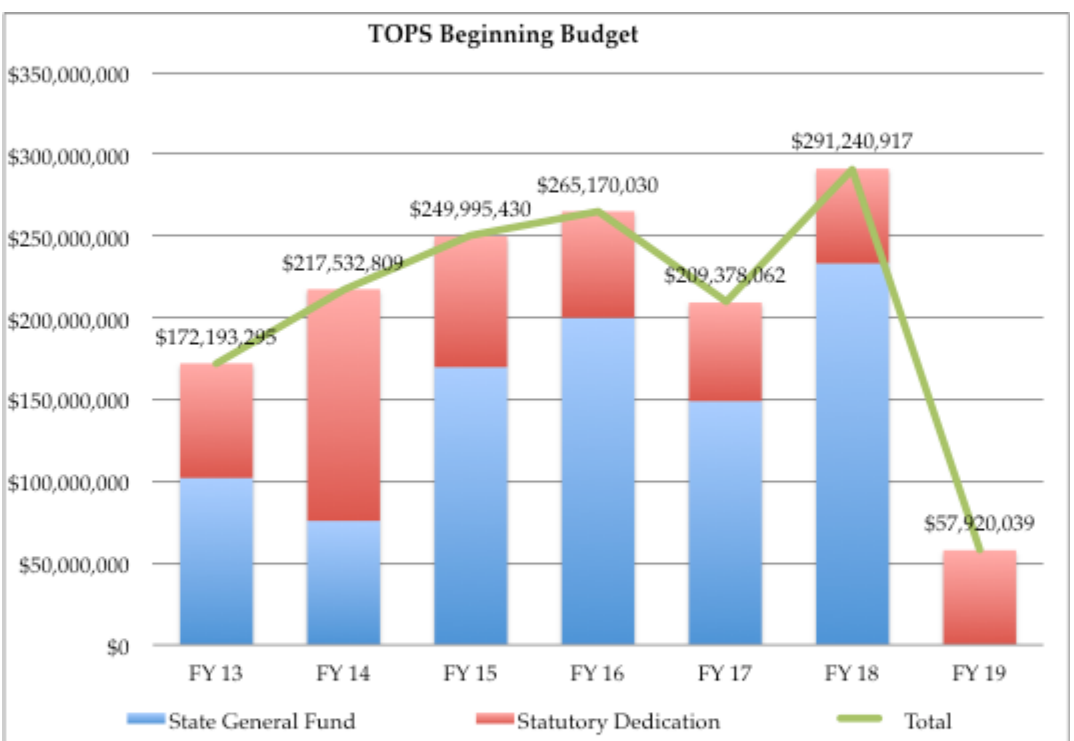
Source: Prepared by the LFO using the Integrated Postsecondary Education Data System (IPEDS) Data Center.

DEPT/AGY: Higher Education (HIED) / Office of Student Financial Assistance (OSFA)
ISSUE: TOPS Award Allocation and Award Amounts

The FY 19 total funding of $57.9 M (Statutory Dedications) for Taylor Opportunity Program for Students (TOPS) represents an 80% reduction from the FY 18 ($291.2 M) Existing Operating Budget (EOB). The recommended amount is $231,139,852 less than the $289,059,891 to fully fund the TOPS need in FY 19.

Historically, the financing for TOPS has included both SGF and Statutory Dedications from the TOPS Fund, however, the recommended budget eliminates the entire SGF amount ($233,342,683) while providing $57.9 M in Statutory Dedications from the TOPS Fund per the most recent Revenue Estimating Conference (REC) forecast. The TOPS Fund monies are derived from the investment earnings from the Tobacco Settlement Agreement of 1998 that along with the Education Excellence Fund and the Health Excellence Fund make up the Millennium Trust Fund.

CHART 15



The total projected need for FY 19 is $289,059,891. This includes $288.1 M for the TOPS awards and $942,962 for the TOPS Tech Early Start. OSFA estimates 50,814 TOPS awards and nearly 4,060 TOPS Tech Early Start awards for FY 19. Table 31 on the next page provides a breakdown of the number of recipients and the total projected need by award type.

TABLE 31

Projected 2018-2019 TOPS Award Amount and Number of Recipients			
	# Recipients	Avg Award	Total $ Need
Opportunity	24,303	$5,136	$124,820,208
Performance	13,126	$5,951	$78,112,826
Honors	11,927	$6,842	$81,604,534
Tech	1,458	$2,416	$3,522,528
National Guard	0	-	$56,833
Total TOPS Award	**50,814**	**$5,670**	**$288,116,929**
TOPS Tech Early Start	4,060	$232	$942,962
Total Need	**54,874**	**$5,268**	**$289,059,891**

At this time, it is estimated that the FY 19 TOPS award will be funded at approximately 19.5% of the max award amount. Per LRS 17:5002 the max award amount is tied to FY 17 tuition (excludes fees) at each institution and in FY 18 the TOPS award amount was equal to the max award amount. Table 32 below provides the projected FY 19 TOPS award amount by institution.

TABLE 32

FY 19 TOPS AWARD COMPARISION					
	Max Award FY 17 Tuition	FY 18 Award	Projected FY 19 Award	Difference from FY 18 $	%
LSU System					
LSU Alexandria	$4,894	$4,894	$954	($3,940)	-81%
LSU Baton Rouge	$7,463	$7,463	$1,455	($6,008)	-81%
LSU Eunice	$2,711	$2,711	$529	($2,182)	-81%
LSU Shreveport	$5,372	$5,372	$1,048	($4,325)	-81%
HSC New Orleans	$7,673	$5,947	$1,160	($4,788)	-81%
HSC Shreveport	$7,183	$7,183	$1,401	($5,782)	-81%
SU System					
SU Baton Rouge	$4,973	$4,973	$970	($4,003)	-81%
SU New Orleans	$4,236	$4,236	$826	($3,410)	-81%
SU Shreveport	$2,618	$2,618	$511	($2,107)	-81%
UL System					
Grambling	$5,140	$5,140	$1,002	($4,137)	-81%
LA Tech	$5,553	$5,553	$1,083	($4,470)	-81%
McNeese	$5,147	$5,147	$1,004	($4,144)	-81%
Nicholls	$4,922	$4,922	$960	($3,962)	-81%
Northwestern	$5,180	$5,180	$1,010	($4,170)	-81%
Southeastern	$5,652	$5,652	$1,102	($4,550)	-81%
UL - Lafayette	$5,407	$5,407	$1,054	($4,353)	-81%
UL - Monroe	$5,788	$5,788	$1,129	($4,659)	-81%
University of New Orleans	$6,090	$6,090	$1,188	($4,903)	-81%
LCTC System					
Baton Rouge CC	$3,086	$3,086	$602	($2,484)	-81%
Bossier Parish CC	$3,214	$3,214	$627	($2,587)	-81%
Central LA TCC	$3,214	$3,214	$627	($2,587)	-81%
Delgado CC	$3,214	$3,214	$627	($2,587)	-81%
L E Fletcher CC	$3,214	$3,214	$627	($2,587)	-81%
LA Delta CC	$3,214	$3,214	$627	($2,587)	-81%
Northshore Tech CC	$3,214	$3,214	$627	($2,587)	-81%
Northwest LA TC	$2,081	$2,081	$406	($1,675)	-81%
Nunez CC	$3,214	$3,214	$627	($2,587)	-81%
River Parishes CC	$3,214	$3,214	$627	($2,587)	-81%
South LA CC	$3,214	$3,214	$627	($2,587)	-81%
South Central TC	$2,081	$2,081	$406	($1,675)	-81%
Sowella Technical CC	$3,214	$3,214	$627	($2,587)	-81%
Private Schools	**$5,718**	**$5,718**	**$1,115**	**($4,603)**	**-81%**
Proprietary Schools	**$2,380**	**$2,380**	**$464**	**($1,916)**	**-81%**

TOPS Recipients

The number of TOPS recipients in FY 18 has decreased by 2,888 (6%) compared to FY 17 counts (as of 11/14/2017) and 2,009 fewer compared to OSFA's continuation budget projections (November 2017). As Table 33 below shows, TOPS awards in the LSU System decreased 1,476

(9%), accounting for nearly 51% of the total reduction in TOPS awards. However, the FY 18 data is incomplete since institutions can still bill OSFA for Fall, Winter, and Spring TOPS recipients. Therefore, the FY 18 total amount is anticipated to change.

TABLE 33

TOTAL TOPS AWARDS								
	Actual				Fall	FY 18 +/- FY17		
	FY 14	FY 15	FY 16	FY 17	FY 18	#	%	% of Total
LSU System	**15,697**	**16,324**	**16,830**	**16,638**	**15,162**	**-1,476**	**-9%**	**51%**
LSU Alexandria	459	543	548	601	510	-91	-15%	3%
LSU Baton Rouge	13,694	14,224	14,720	14,471	13,204	-1,267	-9%	44%
LSU Eunice	474	481	467	551	556	5	1%	-0.2%
LSU Shreveport	725	738	727	625	552	-73	-12%	3%
HSC New Orleans	329	317	347	366	314	-52	-14%	2%
HSC Shreveport	16	21	21	24	26	2	8%	-0.1%
SU System	**704**	**691**	**797**	**752**	**665**	**-87**	**-12%**	**3%**
SU Baton Rouge	613	610	714	689	610	-79	-11%	3%
SU New Orleans	28	19	32	28	29	1	4%	0%
SU Shreveport	63	62	51	35	26	-9	-26%	0.3%
UL System	**24,947**	**25,731**	**27,098**	**27,452**	**26,774**	**-678**	**-2%**	**23%**
Grambling	219	165	137	157	158	1	1%	0%
LA Tech	3,331	3,706	4,054	4,342	4,376	34	1%	-1%
McNeese	2,479	2,482	2,479	2,291	2,212	-79	-3%	3%
Nicholls	2,211	2,235	2,312	2,308	2,244	-64	-3%	2%
Northwestern	2,012	2,078	2,147	2,256	2,333	77	3%	-3%
Southeastern	4,480	4,431	4,458	4,429	4,309	-120	-3%	4%
UL - Lafayette	6,053	6,358	7,019	7,205	6,862	-343	-5%	12%
UL - Monroe	2,342	2,455	2,732	2,784	2,679	-105	-4%	4%
U. of New Orleans	1,820	1,821	1,760	1,680	1,601	-79	-5%	3%
LCTC System	**3,673**	**3,899**	**4,043**	**3,321**	**2,788**	**-533**	**-16%**	**18%**
Baton Rouge CC	707	665	622	526	482	-44	-8%	2%
Bossier Parish CC	537	553	573	501	417	-84	-17%	3%
Central LA TCC	76	73	75	65	53	-12	-18%	0.4%
Delgado CC	681	692	644	474	427	-47	-10%	2%
L E Fletcher CC	208	262	296	201	161	-40	-20%	1%
LA Delta CC	220	239	212	168	122	-46	-27%	2%
Northshore Tech CC	91	105	143	132	103	-29	-22%	1%
Northwest LA TC	68	82	92	72	45	-27	-38%	1%
Nunez CC	100	95	103	77	90	13	17%	-0.5%
River Parishes CC	164	171	208	189	154	-35	-19%	1%
South LA CC	359	393	452	341	304	-37	-11%	1%
South Central TC	106	127	146	129	87	-42	-33%	1%
Sowella Tech CC	356	442	477	446	343	-103	-23%	4%
Private Schools	**3,538**	**3,441**	**3,366**	**3,266**	**3,326**	**60**	**2%**	-2%
Proprietary Schools	**388**	**434**	**405**	**319**	**145**	**-174**	**-55%**	**6%**
Grand Total	**48,947**	**50,520**	**52,539**	**51,748**	**48,860**	**-2,888**	**-6%**	**100%**

Source: Prepared by LFO using OSFA internal data. Data as of 11/14/2017. FY 18 includes Fall only.

Another comparison to demonstrate the annual change is using the Fall headcount numbers which does not represent the actual total recipients, but for comparison purposes does provide useful information. Table 34 below has the fall-to-fall comparison by award type to date and it confirms that the number of awards in FY 18 has declined by 711 (1%). Besides the decline, the other significant change appears to be a reduction in the number of Opportunity awards while Performance and Honors awards have increased.

TABLE 34

FALL TOPS Awards (excluding Early Start) by Award Type							
						FY 18 +/- FY 17	
	FY 14	FY 15	FY 16	FY 17	FY 18	#	%
Opportunity	28,021	28,640	29,421	27,581	23,424	-4,157	-15%
Performance	8,992	9,378	10,032	10,900	13,026	2,126	20%
Honors	8,274	8,755	9,360	10,303	11,556	1,253	12%
Tech	1,523	1,623	1,781	1,335	1,402	67	5%
Total Fall Awards	**46,810**	**48,396**	**50,594**	**50,119**	**49,408**	**-711**	**-1%**

Source: Prepared by LFO using OSFA internal data. Data as of 1/11/2018.

Student "Opt-Outs"
Act 503 of 2016 allows students to "opt-out" of receiving their TOPS Award during a fiscal year in which a budget shortfall reduces the TOPS award. A student can choose to opt-out for a semester or the entire fiscal year and the credit hour per semester TOPS requirement (annually 24 hours) is not required during this time period. During FY 17, based on data gathered by OSFA (as of 6/30/2017), the unduplicated number of students that opted out for the Fall 2016 semester (or quarter) was 46 and 123 students opted out of the Spring 2017 semester or quarter. Of these 169 students, 85 (or 50.2%) have returned and received payment in FY 18.

Acceptance Rates
The percentage of eligible students that have accepted (i.e., the "acceptance rate") the Opportunity award has hovered at 90% for nearly a decade until the last 3 years that shows a dip in the acceptance rate. From 2003 - 2014, 90% of students have accepted the award and on average 1,585 students did not accept the award, however the current 5-year average (2013 – 2017) has risen to 2,436. This increase is largely attributable to 2015 - 2017 as shown on Table 35. The number of eligible students that did not accept the TOPS Opportunity award has increased by 201 (10%) for 2015 High School graduates, 590 (28%) for 2016 HS graduates, and 1,037 (39%) for 2017 HS graduates.

The total number of eligible students (Opportunity and Tech) has continue to rise each year, but the number of actual recipients has fallen by 786 (4%) in 2016 and by 1,130 (6%) in 2017. The past year only 67% of eligible students accepted the award with approximately 8,200 eligible students not accepting the award.

TABLE 35

TOPS Acceptance Rates						
Graduation Year	**2013**	**2014**	**2015**	**2016**	**2017**	**5 year Avg**
TOPS Opportunity						
Eligible	18,347	18,589	19,219	19,308	19,171	**18,927**
Recipients	16,472	16,718	17,147	16,646	15,472	**16,491**
Did not Accept	1,875	1,871	2,072	2,662	3,699	**2,436**
Acceptance Rate	**90%**	**90%**	**89%**	**86%**	**81%**	**87%**
TOPS Tech						
Eligible	4,791	5,230	5,087	5,255	5,452	**5,163**
Recipients	1,286	1,401	1,192	907	951	**1,147**
Did not Accept	3,505	3,829	3,895	4,348	4,501	**4,016**
Acceptance Rate	**27%**	**27%**	**23%**	**17%**	**17%**	**22%**
Total TOPS Awards						
Eligible	23,138	23,819	24,306	24,563	24,623	**24,090**
Recipients	17,758	18,119	18,339	17,553	16,423	**17,638**
Did not Accept	5,380	5,700	5,967	7,010	8,200	**6,451**
Acceptance Rate	**77%**	**76%**	**75%**	**71%**	**67%**	**73%**

Source: Prepared by LFO using OSFA internal documents.

However, students have until the first college semester following the first anniversary of the date that they graduate from high school to accept a TOPS award. Therefore, the 2016-17 High School graduates have until the Fall 2018 semester to accept their award. The TOPS acceptance rate may change in the future, but historically approximately 1.7% of the eligible TOPS recipients delay accepting their award for a year (see Table 36 below).

TABLE 36

Percentage of Students Accepting TOPS After One Year						
Graduation Year	**2012**	**2013**	**2014**	**2015**	**2016**	**5 year Avg**
TOPS Opportunity						
Eligible	21,830	23,138	23,819	24,306	24,563	117,656
Recipients After 1yr	426	456	532	272	290	1,976
Acceptance % after 1yr	2.00%	2.00%	2.20%	1.10%	1.20%	1.70%

Source: Prepared by LFO using OSFA internal documents.

DEPT/AGY: Special Schools & Commissions / Thrive Academy
ISSUE: Thrive Academy Expansion

Thrive Academy was established as a state agency (Act 672 of 2016) to provide an education to students who are struggling to be academically proficient for non-academic reasons. Thrive is currently serving approximately 160 students in grades 6-11 who reside on the campus located in Baton Rouge. The students who attend this state school are at-risk students in underserved LA communities. Currently, the students enrolled are from Baton Rouge and surrounding areas, but the school looks to expand beyond its reach in the future to students throughout the state. The current breakdown of students by grade level is listed in Table 37 on the next page.

TABLE 37

Grade Level	Student Enrollment
6	23
7	28
8	32
9	28
10	27
11	23
Current Total	**161**

The FY 19 budget recommendation for Thrive totals $4,562,249, which effectively represents a standstill budget from the existing operation budget (EOB) as of 12/1/2017. The estimated annual cost for the instructional and residential components are as follows: instructional ($2,372,320) and residential ($2,189,920). These estimates are based on the current cost per pupil (based on 160 students) for the instructional component of $14,827 and the residential component of $13,687.

Although Thrive does not have a formal master plan for school expansion, it was a main goal when the new facility was built and it transitioned from a charter school to a state school. Thrive plans to partner with its Foundation to construct and lease an additional academic building with classrooms, labs, library, gym, cafeteria, and other instructional space. For the 2018-2019 school year Thrive planned to add 12th grade and serve approximately 180 students in grades 6-12. As such, Thrive requested an additional $1.3 M in funding, including 4 positions (teaching and support staff) for FY 19. Due to the condition of the state fisc, the Office of Planning and Budget advised Thrive that it would not be able to recommend funding for expanded capacity, and that it was further unlikely that funding to support the operations of a new facility would be available in the immediate future. The recommended budget contemplates Thrive adding 12th grade and eliminating 6th grade, which would allow Thrive to continue to serve the existing student population.

While Thrive recognized this a viable option, based on further review, it has determined that since 12th grade instruction is more costly and teaching certifications are more stringent for high school grade levels than in the lower grade levels, additional teaching staff would be required. Thrive anticipates the cost of two additional teachers to be approximately $130 K - $140 K.

Thrive has not yet determined a way to accommodate these additional costs with the existing enrollment and funding, so the school plans to increase enrollment to 180 which is the school's maximum capacity. The additional students would be spread among grades 7 - 12. Adding 20 students would increase the amount of MFP funds Thrive receives by approximately $181 K. The school's current average per pupil amount is approximately $9,000, and the MFP does provide some additional supplemental course allocation funds for 12th grade students. Thrive would also receive additional federal funds to provide free and reduced lunch to the students. Currently, 100% of the students enrolled at Thrive qualify for this program.

While the additional MFP and federal funds will help to offset the higher costs associated with these students, it may not be enough to fully fund additional projected instruction and residential costs. Thrive's dormitory capacity is 180, and utilization and staffing for the current population is structured in such a way that the addition of 20 students will only require incremental increases in supplies, and no additional staff. Thrive will see an increase in transportation expenses to continue to allow students to return home for weekends. More significantly, however, is the impact on teaching staff. Although additional revenues will allow for two additional teachers, Thrive anticipates this will not be sufficient to meet all the instructional needs associated with the curriculum requirements established by the Department of Education. Thrive is considering the option of seeking certification for some of its current teaching staff to provide instructional support for high school. This will increase workloads for selected teachers, without a commensurate increase in pay. Lastly, due to limitations of the physical infrastructure Thrive will have to make special accommodations in order to serve the larger class sizes, and anticipates it will have to find creative ways to utilize the residential building for instructional purposes.

Thrive is still working to determine the best possible solution which will accommodate the maximum capacity of students as well as the students who are currently enrolled.

Note: the FY 18 MFP student enrollment projections exceeded actual enrollments. The budget for FY 19 corrects this issue by reducing IAT (MFP) funding and increasing SGF funding in the amount of $480,419. This will also require an adjustment in the current year, which will likely be addressed in the supplemental appropriation bill.

DEPT/AGY: **Education / Minimum Foundation Program (MFP)**
ISSUE: **Charter School Funding Litigation**

Litigation currently pending before the Louisiana Supreme Court challenges the distribution of state and local revenues through the MFP funding formula to certain charter schools. Should the Court uphold the ruling of the Appeals Court, the state's increased liability could be in excess of $100 M. It is unknown when the case may be heard by the Court.

Type 1 and Type 2 charter schools are approved by, and operate pursuant to an agreement with the local school board. If the local school board rejects an application, or the chartering group intends to operate a school in a district which has received a "D" of "F" letter grade in the annual district performance report issued by the state's Department of Education, it can submit an application directly to the LA Board of Elementary & Secondary Education (BESE). These Type 2 charter schools are self-governed public schools independent of existing public school districts.

In August 2013, BESE authorized the South LA Charter Foundation to launch up to two "Type 2" charter schools in school districts that had been graded "D" or "F". The Foundation was approved to operate a school located in East Baton Rouge Parish, and the Iberville Charter Academy located in Iberville Parish in partnership with Charter Schools USA.

For the 2014-2015 school year, Iberville Charter Academy was projected to enroll 400 students (376 from Iberville Parish, 8 from Ascension Parish, and 8 each from East and West Baton Rouge parishes) in grades K through sixth grade. Based on this projected count, operating expenses were to be funded through the state's Minimum Foundation Program (MFP). The 2014-2015 MFP as approved by SCR 55 of 2014, anticipated a state allocation of $1,404,027 and an allocation of $3,936,448 in local revenues from the four impacted parishes to be distributed to Iberville Charter Academy on a monthly basis.

On 8/12/2014, the Iberville Parish School Board voted to authorize the district to file a lawsuit against BESE over charter school funding. A lawsuit was filed in the 19th Judicial District Court on September 2 asking that the allocation of state and local tax revenues to charter schools be declared unconstitutional. The School Board maintained that the Constitution requires that funds shall be equitably allocated to *parish and city school systems* according to the MFP formula.

On 9/23/2014, the LA Association of Educations (LAE) along with local Associations of Educators in nine parishes and five individual plaintiffs filed a similar suit requiring that the court declare Charter School Program laws and SCR 55 unconstitutional, to the extent they divert local funds to Type 2 Charter Schools.

On 1/9/2017 a 5-judge appeals panel ruled 3-2 that the Constitution prohibited the distribution of funding from the MFP and issued a permanent injunction to cease distribution of funds to the charters. On January 20th the First Circuit Court of Appeals granted a stay in the judgment to allow the department an opportunity to apply to the Supreme Court for further consideration of this issue and to allow for continued payment of MFP funds to the charter schools in the interim.

In FY 18, there are 36 Type 2 Charters located statewide serving over 17,000 students receiving MFP funds totaling $177.8 M. Of this amount, $93.3 M or 52.5% is local revenue representation. This amount is withheld from the MFP distributions to the local school district and transferred to the charters along with their state portion of the MFP on a monthly basis. Additional schools may be added in FY 19, however, that information is not yet available.

Should the Court determine that the MFP allocation to Type 2 Charters is, in fact, unconstitutional, the state may be required to fully fund these schools using SGF; an increase in state funding in excess of $94 M. In the event the state determined future funding would remain at the current level of state support these charter schools would be required to provide additional resources to support school operations. Since the law does not provide these entities with any revenue generating capacity, in all likelihood, many would be forced to close, as they do not have the resources to offset such a significant revenue loss.

DEPT/AGY: **Higher Education (HIED) / LSU Health Sciences Centers**
ISSUE: **Private Partnerships and the Impact to Medical Schools**

LSU and the State of Louisiana entered into Cooperative Endeavor Agreements (CEAs) to form public-private partnerships (PPP) with several private entities to operate the LSU Hospitals. Prior to the partnerships, the LSU Board of Supervisors was responsible for the operations and maintenance of these LSU hospitals and associated buildings that the partners now lease under these agreements. Table 38 on the next page has the breakdown of the LSU Hospital and each partner.

TABLE 38

LSU Hospital	Partner
Earl K. Long Regional Medical Center	Our Lady of the Lake (OLOL)
Medical Center of Louisiana in New Orleans	Children's Medical Center and University Medical Center Management Corporation
University Medical Center in Lafayette	Lafayette General Health System and University Hospitals and Clinic (UHC)
W.O. Moss Regional Medical Center	Southwest Louisiana Hospital Association (SLHA) d/ba/ Lake Charles Memorial Hospital (LCMH)
Leonard J. Chabert Regional Medical Center	Southern Regional Medical Corporation and Hospital Service District #1 of Terrebonne Parish
Washington-St. Tammany Regional Medical Center (Bogalusa)	Our Lady of Angels Hospital, Inc
Health Sciences Center Shreveport Hospital	Biomedical Research Foundation of Northwest Louisiana and BRF hospital Holdings, L.L.C.
E. A. Conway Medical Center	Biomedical Research Foundation of Northwest Louisiana and BRF hospital Holdings, L.L.C.
Huey P. Long Medical Center	CHRISTUS Health Central Louisiana and Rapides Healthcare System
Lallie Kemp Regional Medical Center	*no partnership*

These CEAs have a significant annual fiscal impact to the State. The partnerships are funded with Upper Pay Limit (UPL) and Medicaid Disproportionate Share Hospital (DSH) payments that are appropriated to the LA Department of Health (LDH), which then pays the partners for their services based upon cost reports. In addition, the State receives lease payments from Children's, BRF, OLOL, OLOA, SRMC, and LCMH for leasing the LSU facilities. ***Note:*** See *"Public-Private Partnership Hospitals Unfunded in FY 19 Executive Budget"* issue writeup for additional information on the Public Private Partnerships.

Medical Schools and the Private Partnerships

The PPP have multiple impacts to the LSU Health Sciences Centers in New Orleans and Shreveport (medical schools). The medical schools contract with the partners for resident and physician services. These contracts provide the medical schools with funding, but are also a critical factor for accreditation for the medical schools because the medical school students, residents, and faculties have a place to learn and train at these hospitals. Physician services include (but are not limited to) free care to patients, teaching/education activities, on-call activities, and administrative services.

The FY 19 Executive Budget eliminates all Upper Pay Limit (UPL) and Medicaid Disproportionate Share Hospital (DSH) payments to the partner hospitals. ***Note:*** See *"Public-Private Partnership Hospitals Unfunded in FY 19 Executive Budget"* issue writeup. The partners have the ability to terminate their contracts after a 60-day close out period in the event funding is reduced or eliminated. Budget reductions allocated to private hospitals by LDH will be passed to the Health Sciences Centers in New Orleans and Shreveport by a reduction to, or possible elimination of, the contracts for faculty, supervision, and residency services. In the event payments to the partners are reduced and the partners do not terminate their contract with LSU, the partners could begin rationing care provided by the residents, medical students, and physicians from LSU Health Sciences Centers (New Orleans and Shreveport).

If the partnerships were terminated, LSU would have to begin searching for new hospital partners in order to continue these residency and physician services. LSU has indicated it will be difficult to quickly find partners due to the funding shortfall. LSU is not able to operate and manage these hospitals without additional funding and personnel. Table 39 on the next page reflects the number of full-time equivalent employees and the total revenue generated from contracted services in FY 17. In the event the partnerships are terminated and these contracts are eliminated, the impact to the LSU Medical Schools could be approximately $406 M and could impact 1,002 residents and 657 physicians.

TABLE 39

Impact to Resident Training and Physician Faculty								
	Full-Time Equivalents			Fiscal ($ Dollars in Millions)				
Public/Private Partner	Residents	Physicians	Total	Residents	Physicians	Faculty Practice	Research /Shared Services	Total
UMC-New Orleans	252.0	213.4	465.4	$18.10	$92.10	$7.70		**$117.90**
Children's Hospital	26.5	24.0	50.5	$1.90	$4.80	$0.00		**$6.70**
Our Lady of the Lake	151.0	108.1	259.1	$11.30	$53.30	$2.29		**$66.89**
UHC	61.0	57.0	118.0	$4.50	$23.20	$2.33		**$30.03**
LGMC	21.0	6.0	27.0	$1.30	$2.20	$0.00		**$3.50**
Our Lady of Angels	19.0	8.6	27.6	$1.20	$2.60	$0.17	$5.00	**$8.97**
Women's (Baton Rouge)	18.0	8.0	26.0	$1.20	$3.00	$1.72		**$5.92**
Subtotal: HSCNO	**548.5**	**425.1**	**973.6**	**$39.50**	**$181.20**	**$14.21**	**$5.00**	**$239.91**
UH Shreveport	399.5	200.9	600.4	$23.29	$58.51	$56.00	$10.10	**$147.90**
UH Monroe	36.0	25.8	61.8	$2.10	$14.00	n/a		**$16.10**
Rapides Regional	18.1	5.0	23.1	$1.05	$1.07	n/a		**$2.12**
Subtotal: HSCS	**453.6**	**231.7**	**685.3**	**$26.44**	**$73.58**	**$56.00**	**$10.10**	**$166.12**
Total Medical Schools	**1,002.1**	**656.8**	**1,658.9**	**$65.94**	**$254.78**	**$70.21**	**$15.10**	**$406.03**

The revenue generated from these partnerships contracts is used to fund the medical school, but it is also used to support other programs at both health sciences centers (i.e. allied health, nursing, graduate studies, etc.). Budget reductions at this level would require significant restructuring and program reductions.

Accreditation

The medical schools' operating budget and fund balance also has serious implications for accreditation. The Southern Association of Colleges & Schools Commission on Colleges (SACSCOC) is the regional body for the accreditation of degree-granting higher education institutions in the Southern states and reaffirms a school's accreditation every 10 years. SACS requires each medical school's fund balance to be solvent enough to cover the cost to educate each currently enrolled student. In addition, in the event programs are closed and enrolled students have to transfer to another school, these accreditation rules require the medical school to pay the education costs of the student to attend the other university. Failure to comply with either of these rules can result in a medical school losing its accreditation.

When SACS affirmed LSU HSC-S in December 2014, SACS raised concerns that the school could not meet the financial stability requirements and SACS began monitoring the school in 2015. In FY 16, LSU HSC-S received $51 M in additional state resources for legacy costs ($20 M) and operating expenses ($31 M). This state support seemed to provide assurances and in December 2015, SACSCOC took no action on the medical school. In order to meet SACS guidelines, LSU estimates the required funds to ensure training of currently enrolled medical students is $132 M (HSCNO - $71.2 M and HSCS - $61 M). Based on LSU's FY 18 financial report, the beginning FY 18 fund balance for HSCNO is $151.7 M and HSCS is $60.9 M. However, these balances include auxiliaries and federal grants, so not all of these revenues would be available for training costs.

LSU has indicated it will have to reduce or close programs or schools (dental, allied health, nursing, and public health) as a result of this cut, and the failure to comply with these accreditation rules could result in some or all of the medical school programs being closed due to the loss of accreditation. Resident rotations will have to be outsourced either to in-state hospitals, if possible, or completely out-of-state. According to LSU, residents that train out-of-state are more likely to stay out-of-state and not return to LA. If this does occur, this will have an exponential impact to LA's health care industry, as LA's growing demand for physicians will still have to be met.

Facility Shuttered Costs

In the event LSU is forced to close these facilities, there will still be substantial annual cost to shutter these facilities ("legacy costs"). Legacy costs include emergency lighting, ventilation, 24-hour security, property maintenance, and patient records. Patient medical records are required to be retained a minimum of ten years from the last date of encounter. These 8 partnerships span across 63 buildings and more than 2.6 million square feet of property. Huey P. Long Medical Center was closed as a result of the partnerships and the services were relocated to temporary facility in Pineville. See Table 40 on the next page for breakdown by hospital.

TABLE 40

Public Private Partnerships Buildings and Square Footage				
Partner	Location	Former LSU HCSD Hospital	Number of Buildings included in Lease	Total Leased Square Footage
University Medical Center Management Corporation	New Orleans	MCLNO	10	2,502,824
Our Lady of the Lake Hospital, Inc.	Baton Rouge	EKLMC	4	162,134
University Hospital & Clinics, Inc.	Lafayette	UMCLA	5	323,148
Southern Regional Medical Corporation	Houma	LJCMC	9	251,703
Southwest Louisiana Hospital Association d/b/a Lake Charles Memorial Hospital	Lake Charles	WOMMC	8	135,260
Our Lady of Angels Hospital, Inc.	Bogalusa	WSTMC	8	197,975
BRFHH UH Shreveport	Shreveport	LSU Hospital Shreveport	11	1,153,145
BRFHH UH Monroe	Monroe	EACMC	8	396,819
TOTAL			**53**	**2,620,184**

LSU is the Lessor on these agreements and these hospitals and associated support buildings are on LSU's financial statements. If these buildings were shuttered, LSU and the State would be responsible for any legacy costs associated with the buildings.

The estimated annual legacy cost to provide minimal services to these sheltered facilities is $32 M. These costs are based on historical legacy costs from previous hospital closures and general assumptions based on current operations. While this annual cost does not assume an inflation growth factor, these annual costs may increase as the cost of living and maintenance grows over time. See Table 41 below for breakdown by hospital.

TABLE 41

Estimated Annual Hospital Shuttered Costs					
Partner	Location	Former LSU HCSD Hospital	Shuttered Costs	Security	Total Shuttered Cost
University Medical Center Management Corporation	New Orleans	MCLNO	$11,813,329	$700,000	**$12,513,329**
Our Lady of the Lake Hospital, Inc.	Baton Rouge	EKLMC	$765,272	$350,000	**$1,115,272**
University Hospital & Clinics, Inc.	Lafayette	UMCLA	$1,525,259	$350,000	**$1,875,259**
Southern Regional Medical Corporation	Houma	LJCMC	$1,188,038	$350,000	**$1,538,038**
Southwest Louisiana Hospital Association d/b/a Lake Charles Memorial Hospital	Lake Charles	WOMMC	$638,427	$350,000	**$988,427**
Our Lady of Angels Hospital, Inc.	Bogalusa	WSTMC	$934,442	$350,000	**$1,284,442**
BRFHH UH Shreveport	Shreveport	LSU Hospital Shreveport	$8,520,000	$280,000	**$8,800,000**
BRFHH UH Monroe	Monroe	EACMC	$4,110,000	$150,000	**$4,260,000**
TOTAL			**$29,494,768**	**$2,880,000**	**$32,374,768**

DEPT/AGY: **LSU Health Care Service Division (HCSD)**
ISSUE: **Public Private Partnerships, Lallie Kemp Medical Center Lack Supplemental Payment Funding in FY 19 Executive Budget**

As a result of the sunset of temporary tax measures passed during the 1st and 2nd Extraordinary Sessions of 2016, the FY 19 Executive Budget does not include supplemental funding resources for the public-private partnership hospitals. The partnership hospitals have a total funding level of $1.15 B in FY 18. Table 42 below outlines the current funding level of each hospital, the preceding two years of actual expenditures, and projected funding levels for FYs 18 and 19.

TABLE 42

Partner by City	City	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Recom.
Christus & Rapides Healthcare	Alexandria	$51,398,587	$49,981,369	$46,078,961	$0
Our Lady of the Lake	Baton Rouge	$116,275,715	$106,382,773	$103,500,000	$0
Woman's Hospital	Baton Rouge	$8,400,000	$14,058,231	$10,203,122	$0
Our Lady of Angels	Bogalusa	$43,956,175	$34,862,704	$34,862,704	$0
LJ Chabert Medical Center	Houma	$118,069,090	$142,508,286	$134,508,286	$0
Lallie Kemp	Independence	$23,321,262	$17,724,427	$19,689,961	$0
Universtiy Medical Center	Lafayette	$122,970,301	$115,674,328	$118,231,941	$0
Lake Charles Memorial	Lake Charles	$52,140,172	$45,066,715	$41,582,958	$0
University Medical Center	New Orleans	$409,969,695	$406,997,660	$387,920,718	$0
BRF	Shreveport & Monroe	$240,701,215	$255,350,693	$251,169,656	$0
Total		**$1,187,202,212**	**$1,188,607,186**	**$1,147,748,307**	**$0**

Leaving the partnership hospitals unfunded appears to trigger lack-of-appropriation clauses within cooperative endeavor agreements (CEAs) signed by LA State University, the Division of Administration, and the operating partners that may lead to early termination of the partnerships. In the event the partnership hospitals do not receive funding in FY 19 and the CEAs terminate, there are three notable effects regarding the state fisc.

First, state revenues will decrease beginning in FY 19 and in subsequent fiscal years as a result of the operating partners no longer paying leases for state-owned hospital facilities and equipment. Consequently, the Revenue Estimating Conference would have to decrease the revenue forecast to account for the lost lease payments, which are classified as SGF resources. Table 43 below outlines the projected 5-year LFO forecast of lease payments beginning with FY 18. All or a portion of these revenues will likely be lost in FY 19 and in subsequent FYs if the CEAs terminate, requiring a revision of the REC forecast.

TABLE 43

	FY 18	FY 19	FY 20	FY 21	FY 22
Projected Lease Revenues	$165,661,775	$168,367,363	$171,150,736	$173,986,418	$176,875,402

Second, the partners with CEAs overseen by the LSU Health Services Division (HCSD) paid approximately $280.36 M in advance lease payments, with each CEA containing clawback provisions for these payments. Estimates provided by HCSD staff indicate that approximately $245.95 M would be clawback-eligible to the extent the operating partners give notice to withdraw on 6/30/2018 and withdraw from operations 60 days later pursuant to the terms of each CEA. This would represent a new cost for the state fisc. ***Note:*** the LFO is currently in the process of confirming the advance lease payment amounts with the Department of Treasury and the Division of Administration.

Third, without operating partners performing services at the facilities, the leased properties and equipment would still require utilities and maintenance. Presently the operating partners fund utility and maintenance costs for the leased facilities. The properties are state-owned, and the LSU System would likely require additional appropriations to maintain the buildings that would no longer be maintained by the operating partners (See *"Private Partnerships and the Impact to Medical Schools"* issue write up for further information on this issue).

Finally, to the extent the partnership hospitals remain unfunded, health care facilities statewide would likely realize increased patient volumes as a result of the ten partnership hospitals' patients seeking services elsewhere. The facilities treating patients would not be compensated for the provided care up front, nor reimbursed for their services, as a payment mechanism to reimburse them does not exist at present.

Lallie Kemp Medical Center Reduced Approximately 32.5% from FY 18 EOB in FY 19 Executive Budget, Service Reductions Anticipated

Lallie Kemp Medical Center (LKMC) realizes a net funds reduction of $20.53 M in the FY 19 Executive Budget, from $63.08 M at FY 18 EOB to $42.55 M, a reduction of approximately 32.5%. The $20.53 M reduction is composed entirely of IAT resources (approximately $14.41 M) derived from federal UCC/DSH Medicaid payments ($13.57 M) and Title 19 Claims (approximately $842,000), as well as a reduction of $6.12 M SGR derived from a reduction of Upper Payment Limit (UPL) payments.

LKMC staff report a number of service reductions associated with the reduced appropriation in the FY 19 Executive Budget. First, funding for indigent patient care, which comprises 9% of LKMC's encounters, has been eliminated.

The reduction also affects more general aspects of LKMC's operations, including surgery, health clinics, intensive care unit (ICU), and inpatient hospital bed capacity. First, LKMC's surgery department is effectively eliminated, with an anticipated loss of approximately 200 surgeries per month (2,400/year). Similarly eliminated due to the hospital's reduced funding is the hospital's ICU. LKMC's health clinics are not eliminated, but will reduce visits by 20,000, approximately 50% of their self-reported capacity. Lastly, LKMC's inpatient bed capacity will be reduced to 10 beds with limited services (see following paragraph).

LKMC also anticipates eliminating 2 specialized areas of practice, Cardiology and Oncology, from its operations as well. Elimination of Cardiology would affect LKMC's inpatient beds, as they would not have cardiologists available to provide consults, which may lead to an increase in transfers from LKMC's inpatient beds. In addition, the LKMC Cardiology Clinic serves 112 patients per month that would have to seek services elsewhere with elimination of the department.

Elimination of the Oncology Department would result in a loss of 1,700 oncological clinic visits annually, as well as the cessation of outpatient infusions for approximately 21,432 patients. Additionally, 300 patients currently receiving chemotherapy at LKMC must seek services elsewhere if the Oncology Department is eliminated. Lastly, LKMC reports that most of its cancer patients are on Medicaid, and that placement of these patients with other oncologists would be difficult due to many private oncologists not accepting Medicaid.

DEPT/AGY: Other Requirements / Local Housing of State Adult Offenders
ISSUE: Local Housing of Adult Offenders Funding Shortfall

Local Housing of State Adult Offenders realizes a 23.06% decrease of $40.4 M SGF in the FY 19 Executive Budget below the 12/1/2017 SGF base of $175.2 M (see Table 44).

Significant adjustments are:

- $29.1 M SGF decrease lowers the per diem rate paid to sheriffs and operators of transitional work programs by $5 (from $24.39 to $19.39). The per diem rate is currently set at an authorized level of $24.39 in R.S. 15:824(B)(1)(a).

- $10 M SGF decrease eliminates payments to local sheriffs for parole holds.

- $5 M SGF decrease lowers the per diem rate paid to sheriffs and operators of work release/transitional housing programs by $5. The FY 18 per diem is $10.25 for contract providers. The FY 18 per diem for non-contract providers is $14.39. The FY 19 rate will change to $5.25 for work release/transitional housing programs and to $9.39 for non-contract participants.

- $3.7 M SGF increase provides funding for additional offenders participating in transitional work programs. This adjustment provides for 774 additional offenders.

TABLE 44

Program Name	FY 16 Actual	FY 17 Actual	FY 18 Budget as of 12/1/2017	FY 19 Executive Budget
Local Housing of Adult Offenders	$139,567,086	$142,080,547	$156,242,544	$117,105,188
Transitional Work Program	$14,463,101	$12,539,383	$13,058,357	$11,787,383
Local Reentry Services	$6,988,608	$5,799,286	$5,900,000	$5,900,000
Total	**$161,018,795**	**$160,419,216**	**$175,200,901**	**$134,792,571**

Source: Department of Public Safety and Corrections – Corrections Services and Executive Budget Supporting Document

Major Enhancements and Increases

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 103	Executive	Mental Health Advocacy Services	Provides funding from the statutorily dedicated Indigent Parent Representation Program Fund for new staffing at the Livingston Parish office (21st JDC), adding an additional attorney (1) and administrative assistant 2 (1) positions. The number of Child in Need of Care (CINC) cases have increased sharply over the past 3 years in the 21st JDC, from 426 children in FY 15 to 610 in FY 17. The attorney position will be utilized to lower the caseload of existing attorneys, which currently exceeds national standards. The administrative assistant will provide office support to the attorneys working in the 21st JDC. The Livingston Office currently does not have an administrative support staff person and attorneys are handling routine clerical and office functions in addition to overseeing assigned caseloads.	$0	$115,230	2
01 - 109	Executive	Coastal Protection & Restoration Authority	Increases funding from the statutorily dedicated Coastal Protection Restoration Fund and adds 10 positions for financial services, outreach and engagement, engineering, project management, and operations. **Engineering ($136,479)** includes an Engineer 6 position associated with planning, designing, and construction of Deep Water Horizon projects. **Project Management ($271,637)** includes an Engineer 6 and Coastal Resources Scientist Manager to help lead the implementation of all restoration and flood protection projects administered by CPRA; there are over 30 new large scale restoration projects that have been targeted for development. **Operations ($223,246)** includes 2 Engineer 4 positions to provide oversight for the design, construction, extension, improvement, repair, and regulation of Hurricane Protection & Flood Control Projects in the coastal area. Over the past 3 years, these activities have increased to include inspection of additional levees, new floodgates, and new pump stations. **Financial Services ($278,666)** includes 2 Accountant 3 positions and a Coastal Resources Program Specialist (CRPS) to manage the increase in workload associated with the additional projects including invoices and contracts. **Outreach & Engagement ($172,531)** includes a CRPS position and a Public Information Officer 3 to establish strategic, consistent, and coordinated outreach to promote CPRA's Master Plan projects, programs, and initiatives.	$0	$1,082,559	10
01 - 111	Executive	Homeland Security & Emergency Prep	ADMINISTRATIVE - Adds 2 authorized unclassified positions and provides funding for Individual Assistance Officers. The new positions will serve as liaisons between FEMA and the state regarding the federal Individuals and Households Program (IHP), including Housing Assistance and Other Needs Assistance.	$145,759	$145,759	2
01 - 111	Executive	Homeland Security & Emergency Prep	ADMINISTRATIVE - Provides funding for: replacement of 137 STR 3000 repeaters for the LA Wireless Information Network (LWIN) system ($3,175,412); conversion of 4 state-owned deployable trailers to 9 channel repeater packages in order to increase capacity ($905,488); and to purchase 50 Talkgroup licenses, 100 WAVE mobile communicator Android and iOS licenses, and one WAVE server ($631,098).	$4,711,998	$4,711,998	0
01 - 111	Executive	Homeland Security & Emergency Prep	ADMINISTRATIVE - Increases budget authority from SGF to support non-federally declared emergency events (damage assessments and rental response equipment) and Statutory Dedications (State Emergency Response Fund) to provide a base-level funding for potential emergency responses.	$25,000	$1,025,000	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 116	Executive	LA Public Defender Board	Increases funding from the statutorily dedicated LA Public Defender Fund (source of funding is SGF) 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. LPDB projects that there are 96 inmates, called Miller clients, requiring representation as district attorneys have decided to seek new, life-without-parole sentences. This adjustment will fund representation for approximately 20 Miller clients in FY 19. The total appropriation from the LA Public Defender Fund is $34.6 M in FY 19.	$0	$1,340,000	0
01 - 124	Executive	LA Stadium & Exposition District	Provides funding for energy efficiency projects at sports facilities. The revenue sources associated with the proposed expenditures are derived from SGR and Statutory Dedications (New Orleans Sports Franchise Fund - $300,000, Sports Facility Assistance Fund - $29,806, and New Orleans Sports Franchise Assistance Fund - $17,123).	$0	$1,196,751	0
			Major Increases or Enhancements for Executive	**$4,882,757**	**$9,617,297**	**14**
03 -	Veterans Affairs	Department Wide	Increases budget authority ($351,847 SGR and $242,513 Federal) associated with the decentralization of pharmacy operations from the Southeast LA Veterans Home. Each veteran's home will now operate an in-house pharmacy and receive direct federal reimbursement. Northeast $100,000 Southwest $159,671 Northwest $334,689	$0	$594,360	0
03 -	Veterans Affairs	Department Wide	Increases budget authority ($305,159 SGR and $374,584 Federal) associated with additional nursing staff to assist with growing acute needs of the aging resident population, including licensed nurse practitioners (LPN), certified nursing assistants (CNA), a wound care certified registered nurse (RN), and a custodian. Southwest (1 LPN, 4 CNA's) $131,062 Northwest (2 CNA's) $84,570 Southeast (1 RN, 2 CNA's, 1 custodian) $464,111	$0	$679,743	11
03 -	Veterans Affairs	Department Wide	Increases federal funding at Southwest ($302,036), Northwest ($46,570), and Southeast ($159,547) for other compensation expenses for temporary nurses and assistants to fill in when employees are out for extended periods of time in order to meet the required minimum number of direct care hours.	$0	$508,153	0
			Major Increases or Enhancements for Veterans Affairs	**$0**	**$1,782,256**	**11**

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04A - 139	State	Secretary of State	Provides funding for the department to replace outdated voting equipment and software. The department is currently in the process of releasing an RFP which details 2 phases for acquisitions. The 1st phase includes replacing early voting equipment and software while the 2nd phase includes replacing election day equipment and software. The Secretary of State estimates total project costs to be between $40 - $50 M, however because a contract has not been awarded actual project costs may differ. The department received $1.5 M in FY 18 as an initial investment for the project.	$3,000,000	$3,000,000	0
04A - 139	State	Secretary of State	Provides funding for the state's portion (50%) of salaries and related benefits for 6 additional Registrar of Voter positions across five parishes. There will be 1 new position in each of the following parishes due to parish growth: East Baton Rouge, St. Landry, Lafayette, and St. Martin. Calcasieu Parish will have 2 additional positions due to a new office opening in Sulphur. The number of authorized Registrar of Voter positions and associated salaries is established pursuant to R.S. 18:59 which further requires the state to pay one-half of the salaries.	$166,250	$166,250	0
04A - 139	State	Secretary of State	Provides additional funding for election expenditures in FY 19. The total estimated cost for FY 19 elections is approximately $17.3 M, and will consist of statewide elections in the fall with municipal primary and general elections in the spring.	$1,623,436	$1,623,436	0
			Major Increases or Enhancements for State	**$4,789,686**	**$4,789,686**	**0**
04F - 160	Agriculture & Forestry	Agriculture & Forestry	Provides funding from the statutorily dedicated LA Agricultural Finance Authority Fund ($104,580), Pesticide Fund ($9,960), and Petroleum Products Fund ($9,960) for the replacement of 25 vehicles exceeding 150,000 miles with leased vehicles. $19,920 Management & Finance (4) $9,960 Agricultural & Environmental Science (2) $19,920 Animal Health & Food Safety (4) $9,960 Agro-Consumer Services (2) $54,780 Forestry (11) $9,960 Soil & Water Conservation (2)	$0	$124,500	0
04F - 160	Agriculture & Forestry	Agriculture & Forestry	Increases funding from the statutorily dedicated Structural Pest Control Commission Fund to facilitate a statewide Farm Pesticide Hazardous Waste Pick-up Day. The event will be held in several locations throughout the state and in conjunction with the Department of Environmental Quality (DEQ). An outside third party will be contracted to collect and dispose of this waste. A similar event was held in 1996 which ended up collecting 200 tons of hazardous ingredients. The Structural Pest Control Commission Fund derives its revenue from fees and self-generated sources, and the Executive Budget includes a $1.46 M recommendation for LDAF.	$0	$300,000	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04F - 160	Agriculture & Forestry	Agriculture & Forestry	Increases funding from the statutorily dedicated Feed & Fertilizer Fund for increased testing and analysis of animal feeds in the Animal Health & Food Safety Program and fertilizers in the Agricultural & Environmental Sciences Program. The increased testing and analysis will generate the additional revenue to fund the expanded activity. The Feed & Fertilizer Fund derives its revenue from fees and self-generated sources, and the Executive Budget includes a $2.25 M recommendation for LDAF. $290,000 Agricultural & Environmental Sciences $210,000 Animal Health & Food Safety	$0	$500,000	0
04F - 160	Agriculture & Forestry	Agriculture & Forestry	Provides funding from the statutorily dedicated LA Agricultural Finance Authority Fund ($472,321) and the Pesticide Fund ($10,033) in the Management & Finance Program for maintenance and repairs on Department of Agriculture & Forestry facilities throughout the State, including installation of a sewage system at Indian Creek State Park. The LA Agricultural Finance Authority Fund derives its revenue from an annual $12 M deposit from net slot machine proceeds, and HB 1 includes an $11.8 M appropriation for LDAF. The Pesticide Fund derives its revenue from fees and self-generated revenues, and the Executive Budget includes a $5.4 M recommendation for LDAF.	$0	$482,354	0
			Major Increases or Enhancements for Agriculture & Forestry	**$0**	**$1,406,854**	**0**
04G - 165	Insurance	Commissioner of Insurance	Increases SGR budget authority to carry out multiple market conduct examinations. The LA Department of Insurance (LDI) intends to use the resources to contract with a 3rd party to conduct the market conduct examination process. For reference, LDI collects SGR via various application and license fees associated with regulation of the insurance industry.	$0	$100,000	0
			Major Increases or Enhancements for Insurance	**$0**	**$100,000**	**0**
05 - 252	Economic Development	Business Development	Business Development - Increase in revenues corresponding with the creation of the statutorily dedicated LA Entertainment Development Fund pursuant to Act 223 of the 2017 Regular Session. The fund's purpose is for education development initiatives, matching grants for LA filmmakers, and a deal closing fund. The fund receives revenues via 75% of the proceeds from a 2% fee imposed on the transfer of motion picture production tax credits. The funding authority is in anticipation of fees being collected in FY 19.	$0	$2,700,000	0
			Major Increases or Enhancements for Economic Development	**$0**	**$2,700,000**	**0**

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 - 265	Culture, Recreation & Tourism	Cultural Development	Provides additional SGR budget authority to the Historical Preservation Office as a result of an increase in its workload activity. A fee is charged by the LA Division of Historic (LDHP) Preservation to process applications related to the rehabilitation of historic structures. Commercial and residential property owners claiming a tax credit for rehabilitation costs must be reviewed by LDHP to ensure that costs are eligible and in accordance with the U.S. Department of the Interior's standards. The fee structure is based on a graduated scale from $250 to $5,000 per application for qualified rehabilitation expenditures (QREs) for repairs. The funds will be used for expenditures associated with maintenance costs of the customer/project database, additional user licenses, software upgrades, staff training, site visits, fleet maintenance, service maintenance, and other miscellaneous operating costs.	$0	$338,842	0
			Major Increases or Enhancements for Culture, Recreation & Tourism	**$0**	**$338,842**	**0**
07 - 276	Transportation & Development	Engineering & Operations	The FY 19 Executive Budget completes consolidation of statewide topographic mapping functions and governmental services under DOTD operations. The overall Executive Budget recommends a total increase of $4.1 M (including $1.1 SGF, $2.02 M IAT, $39,746 SGR, $795,599 Statutory Dedications and $111,687 Federal) and 2 positions. Removing the double-counted IAT from the overall increase, participating agencies were provided with approximately $2 M to transfer to DOTD for statewide topographic mapping expenditures. DOTD's projected expenditures for topographic mapping services in FY 19 total approximately $3.3 M. The positions added are a pilot and IT GIS Support Analyst. Agencies utilizing the consolidated mapping services include: Division of Administration, Office of Community Development, Coastal Protection & Restoration Authority, Governor's Office of Homeland Security & Emergency Preparedness, Military Affairs, Agriculture & Forestry, Economic Development, Culture Recreation & Tourism, Office of State Police, LA Department of Health, Children & Family Services, Natural Resources, Environmental Quality, Wildlife & Fisheries, and Education.	$0	$2,044,961	2
			Major Increases or Enhancements for Transportation & Development	**$0**	**$2,044,961**	**2**
08A - 408	DPSC Corrections Services	Allen Correctional Center	Provides SGR funding along with a corresponding increase of 150 positions for Allen to operate as a state facility. The source of the SGR is canteen sales ($959,560) and telephone commission ($102,033). The revenue projections are based on the average annual amount per offender spent at canteens in other facilities. It is estimated that 920 offenders will each expend approximately $1,043 annually at the canteen. **Note:** The increase of $1.061 M in SGR is offset by a decrease of $247,710 in SGF resulting in a net increase of $813,883 for Allen to operate as a state facility.	$0	$1,061,593	150
08A - 415	DPSC Corrections Services	Adult Probation & Parole	Provides funding ($885,093 SGF, $750,000 SGR, and $960,000 Statutory Dedication – Adult Probation & Parole Officer Retirement Fund) for a pay increase for Probation & Parole Agents.	$885,093	$2,595,093	0
			Major Increases or Enhancements for DPSC Corrections Services	$885,093	$3,656,686	**150**

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B - 419	DPSC Public Safety Services	State Police	Provide SGR funding for a 3% pay increase for state troopers per the pay plan that was adopted in FY 16. $1,691,503 Traffic $342,481 Criminal $285,125 Operational $232,784 Gaming	$0	$2,551,893	0
08B - 419	DPSC Public Safety Services	State Police	Provides SGR funding for the annualization of 3% pay increase for state troopers provided during FY 18 per the pay plan that was adopted in FY 16. $804,406 Traffic $163,057 Criminal $135,763 Operational $110,699 Gaming	$0	$1,213,925	0
08B - 419	DPSC Public Safety Services	State Police	Increases funding from the statutorily dedicated Oil Spill Contingency Fund within the LA Oil Spill Coordinator's Office for 3 additional positions needed to respond to oil spill incidents, work on Natural Resource Damage Assessment (NRDA) cases, and develop and implement the compensation schedule. The positions include an environmental scientist, a biologist, and a coastal resource scientist. Funding for the Oil Spill Contingency Fund is derived from fees, fines and penalties, and the Executive Budget includes a $7.5 M recommendation for the Office of State Police.	$0	$316,185	3
			Major Increases or Enhancements for DPSC Public Safety Services	**$0**	**$4,082,003**	**3**
09 - 300	Health	Jefferson Parish Human Services Authority	Increases SGR associated with client services for the Jefferson Parish Human Services Authority's (JPHSA) health centers. The JPHSA reports a trend of clients needing more acute behavioral health services, resulting in more billable visits and services. Furthermore, the community-based Family Functional Therapy-Child Welfare Program will bill for a full year after opening mid-FY 18.	$0	$150,000	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 305	Health	Medical Vendor Administration	Provides additional funding for contract costs to modernize the provider enrollment functions of the current Medicaid Management Information System (MMIS). The source of federal funds ($1,889,647) is Medicaid Administration match (50% state, 50% federal). Funding will be used towards the Provider Management module (for provider enrollment practices). Information provided by LDH indicates this module will be the first transitioned away from the current contractor (Molina) to the new statewide Enterprise Architecture, anticipated to implement November 2018. Information provided by LDH indicates the contract will be awarded in FY 18, and a meeting with Health & Welfare Committee scheduled for 3/13/2018 to provide contract details. The Provider Management module is being procured as Software as a Service (SaaS), which includes provider enrollment and credentialing. Implementation of this module will reduce scope of the Molina contract resulting in a decrease of $72,500 per month starting in November 2018.	$1,889,648	$3,779,295	0
09 - 306	Health	Medical Vendor Payments	Provides funding for Medicare Part A and Part B premiums. The source of federal funds ($3,307,290) is Title 19 federal financial participation. The net increase adjustment is for a projected increase in enrollees and monthly premiums for Part A (hospital insurance), and a projected increase in Part B (medical) cost due to additional enrollees. Part A premium to increase from $421 to $436 (FY 19); monthly enrollment increase from 8,715 to 8,819 Part B monthly enrollment projected to increase from 181,762 to 184,912 in FY 19 $336,119,594 - FY 18 EOB $341,233,696 - FY 19 Projected Cost for Medicare premiums **$5,114,102**	$1,806,812	$5,114,102	0
09 - 306	Health	Medical Vendor Payments	Provides additional SGF for “Clawback” funding. LA Medicaid pays premium payments (100% SGF) to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis to cover the states share of the cost of the Medicare Prescription Drug Program (Medicare Part D). Dual eligibles (individuals enrolled in Medicaid and Medicare) receive prescription drug benefits from Medicare only (not Medicaid). The amount that each state is designed to pay is based on what a state would pay if a dual eligible Medicaid enrollee would have continued to recieve their prescription drug benefit under Medicaid. Additional funding in FY 19 is based on a projected increase in enrollees and a projected increase in the “Per Capital Phasedown amount (monthly payment). The adjustment is based on 5% enrollment growth phased in monthly in FY 19 (114,691 by June 2019). $153,536,826 - FY 18 EOB $155,181,352 - FY 19 Projected Clawback **$1,644,526**	$1,644,526	$1,644,526	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health	Medical Vendor Payments	Increases funding for projected pharmacy growth in fee-for-service Medicaid. The source of federal funds ($6,065,603) is Title 19 federal financial participation. Additional funding is based on national trend prescription drug growth formula (6.3% + 1.12% for increased enrollment). $99,866,230 - FY 18 FFS pharmacy expenditures (EOB) $7,410,074 - FY 19 FFS expenditure growth (based on national growth formula) $1,914,836 - Projected Rebate offset **$9,324,910** **Note:** *The $1.9 M in additional funds requested in rebate offsets is based on a projected decrease in both supplemental (state negotiated) rebates and federal rebates for FY 19.*	$3,259,307	$9,324,910	0
09 - 306	Health	Medical Vendor Payments	Provides additional funding ($155,073,847 SGF, -$20,634,319 SGR, -$20,675,099 Statutory Dedications and $131,925,308 Federal) for managed care organization (MCO) projected premium increases in FY 19. The source of federal funds is Title 19 federal financial participation. The Executive Budget reflects a specific $245 M funding increase added for managed care premium payments. This adjustment is based on a projected increase in trend (utilization and inflation on services), the carve in of Applied Behavioral Analysis (ABA) services as a new benefit managed by the plans, reimbursing the health plans in the premium rates, in the amount of a federal health insurance provider tax (authorized under the ACA), and programmatic changes. Healthy LA managed care premium payments currently budgeted in FY 18 (at 12/1/2017) total $7.8 B (not including dental managed care plans). The net level of managed care premium payments to the health plans for FY 19 will ultimately be based on specific program cuts to overall Medicaid and payment reform initiatives **Note:** Statewide weighted average PMPM rates assumed in the FY 19 budget are reflected below. $470.58 – average rate for expansion population $363.25 – average rate for non expansion population	$155,073,847	$245,689,737	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health	Medical Vendor Payments	Provides additional funding ($2,068,676 SGF, $287,253 Statutory Dedications and $6,162,930 Federal) for capitation rate increases in FY 19 for individuals covered under the Dental PAHP Program. The source of federal funds is Title 19 federal financial participation. The Executive Budget reflects a specific $8.5 M funding increase added for dental managed care premium payments. This adjustment is based on a projected 3% increase in trend (utilization and inflation on services), reimbursing the dental plans in the premium rates, in the amount of a federal health insurance provider tax (authorized under the ACA), and projected enrollment growth (approximately 33,000 in FY 19, primarily expansion group). $170,961,885 - FY 18 EOB $5,004,541 - FY 19 budget increase for ACA Health Insurance provider tax reimbursement $1,706.087 - FY 19 budget increase for 3% trend/utilization adjustment $1,808,231 - FY 19 budget increase for projected enrollment growth **$8,518,859 - Total FY 19 adjustment** $179,480,744 - FY 19 projected expenditures for Dental managed care **Notes:** Statewide average PMPM rates assumed in the FY 19 budget are $2.56 (expansion population PMPM) and $12.40 (non expansion PMPM). The FY 19 Medicaid budget assumes a June dental PMPM checkwrite ($14.6 M) will be pushed into FY 20.	$2,068,676	$8,518,859	0
09 - 306	Health	Medical Vendor Payments	Annualizes funding of 60 Community Choice Waiver slots being added to FY 18, and provides additional funding for 223 new slots phased in during FY 19. The source of federal funds ($2,652,044) is Title 19 federal financial participation. $110,702,502 - FY 18 EOB **$4,100,956 - FY 19 Adjustment** $114,803,458 - FY 19 Projected Expenditures Average montly cost for Community Choices waiver services is approximately $2,120, and an additional $484 monthly for acute related costs.	$1,448,912	$4,100,956	0
09 - 306	Health	Medical Vendor Payments	Annualizes funding for 627 waiver slots phased in during FY 18. The source of federal funds ($8,862,973) is Title 19 federal financial participation. Funding will be for costs of individuals placed into the most appropriate waiver, which includes the New Opportunities Waiver (NOW), Children's Choice Waiver, Residential Options Waiver, and Supports Waiver. The LFO did not receive supporting documentation that reflects the projected phase in of slots by waiver and average cost per waiver.	$4,841,949	$13,704,922	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health	Medical Vendor Payments	Provides additional funding for Federal Qualified Health Centers (FQHC's) in FY 19. The source of federal funds is Title 19 federal financial participation. FQHC's provide comprehensive primary care services in certain areas that the federal government considers medically underserved The increased funding represents 3 separate adjustments associated with projected Medicaid claims spending for FY 19. $1,755,778 - Annualization for 13 clinics enrolled in FY 18 $4,510,381 - Phase in of 20 new clinics in FY 19 $1,072,093 - Medicare Economic Index (MEI) adjustment (1.2% growth on total FQHC payments) **$7,338,252** ***Note:*** FQHC's receive an all inclusive prospective rate per visit/encounter, which includes an annual MEI adjustment to the rate. The MEI is a measure of physician practice cost inflation.	$2,592,604	$7,338,252	0
09 - 306	Health	Medical Vendor Payments	Annualizes costs associated with 79 new enrollees added in FY 18 to the Program for the All Inclusive Care for the Elderly (PACE) at the Baton Rouge, New Orleans, and Lafayette sites. The source of federal funds ($975,037) is Title 19 federal financial participation. PACE programs are a long term care model of care that provide an alternative to nursing facility care. The PACE Program serves individuals 55 and older that meet both SSI disability criteria and Medicaid financial criteria (meet the criteria for admission into a nursing home). $19,123,790 - FY 18 projected expenditures $20,631,502 - FY 19 projected expenditures **$1,507,712**	$532,675	$1,507,712	0
09 - 306	Health	Medical Vendor Payments	Increases per diem rates for small rural hospitals in FY 19. The source of federal funds ($1,814,296) is Title 19 federal financial participation. The budget increase is based on the following assumptions and calculations.	$991,172	$2,805,468	0

	Avg of Prior 2 rebases	*X Paid Days*	*Annual Amount*	*60 day lag*	*FY 19 Impact*
Acute (FFS)	$74	4,397	$326,499	$53,671.11	$272,828
Acute (Man. Care)	$74	54,153	$4,021,131	$661,007.84	$3,360,123
Psych Unit (FFS)	($46)	847	($38,572)	($6,340.67)	($32,232)
Psych Unit (Man. Care)	($46)	20,898	($951,695)	($156,443.00)	($795,252)
			$3,357,363	**$551,895**	**$2,805,468**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health	Medical Vendor Payments	Funding for Severe Combined Immunodeficiency Screening (SCIDS) testing. The source of federal funds ($148,572) is Title 19 federal financial participation. SCID testing is a Medicaid reimbursable test performed on newborns, which can identify children with certain immune deficiencies.	$81,166	$229,738	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health	Medical Vendor Payments	Provides additional funding for Rural Health Clinics (RHC's) in FY 19. The source of federal funds ($3,684,750) is Title 19 federal financial participation. RHC's provide physician services, nurse practitioner services, certified midwife nurse midwife services, clinical psychologists, and clinical social worker services. The increased funding represents 3 separate adjustments associated with a projected increase in Medicaid claims spending for FY 19. $1,743,669 - Annualization for 6 clinics enrolled in FY 18 $3,084,952 - Phase in of 13 new clinics in FY 19 $869,152 - Medicare Economic Index (MEI) adjustment (1.2% growth) **$5,697,773** ***Note:*** Clinics receive an all inclusive prospective rate per visit/encounter, which includes an annual MEI adjustment to the rate. The MEI is a measure of physician practice cost inflation.	$2,013,023	$5,697,773	0
09 - 320	Health	Aging & Adult Services	IAT funding ($462,528 in DSH/UCC and $565,312 in SGF) from OBH for additional beds at Villa Feliciana Medial Complex for hospital based services for Eastern LA Mental Health System (ELMHS) clients. In FY 18, OAAS-Villa has 12 beds for ELMHS clients. This adjustment adds 8 beds, for a total of 20 beds. These beds are for ELMHS clients that required emergency services or that have extended or terminal illnesses. The annual cost is projected as follows: $352 per client day x 8 beds x 365 days per year = $1,027,840.	$0	$1,027,840	0
09 - 320	Health	Aging & Adult Services	Funding for transition and diversion activities related to the use of nursing home facilities for persons with serious mental illness (SMI) as a result of findings reported by the Department of Justice in FY 18. Two Program Manager positions are being added to oversee the administration and management of the activities.	$2,077,507	$2,077,507	2
09 - 325	Health	Acadiana Area Human Services District	Increases IAT funding transferred from the Office of Behavioral Health (OBH) - Addictive Disorders Program. Included in the enhancement are Mental Health Block Grant resources ($5,712), increased LA Partnership for Success funds ($40,064), and enhanced Opioid State Targeted Response grant funds ($84,198). The increase in IAT funding allows the Acadiana Area Human Services District (AAHSD) to expand services associated with substance abuse prevention and substance addiction.	$0	$129,974	0
09 - 326	Health	Public Health	Increase in Telecommunication for the Deaf fund due to the implementation of Act 273 of 2017 RS. Act 273 extends the tax on residential and business telephone landlines to wireless telephone service and reduces the rate from $0.05 to $0.045 per month per line. Monies from the tax are deposited into the Telecommunications for the Deaf Fund to provide accessibility services and technology for persons who are deaf, hard of hearing, or speech-impaired. **Note:** Approximately $662,990 of the additional funds will also be used to replace SGF that was added in FY 18 to cover a projected shortfall in the fund.	$0	$2,585,223	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 330	Health	Behavioral Health	Community - Adds 1 classified position for the Community Transition & Diversion - Serious Mental Intervention (SMI) Program as a result of findings reported by the Department of Justice in FY 18. The position will serve in an administrative capacity and oversee management of the Office of Behavioral Health's transition and diversion activities for SMI patients. Salary for the position totals $64,921 and related benefits total $49,477.	$114,398	$114,398	1
09 - 330	Health	Behavioral Health	Increases IAT funding derived from Title 19 payments based upon a projected increase of Pre-Admission Screening and Resident Review (PASRR) expenses incurred by the Office of Behavioral Health. A memorandum of understanding exists between OBH and the Medical Vendor Administration (MVA), with the agreement that MVA will reimburse OBH for PASRR activities at an enhanced rate of 75% Federal Financial Participation (FFP) pursuant to the Code of Federal Regulations (CFR) 433.15(b)(9). Qualifying expenses include FTE devoted to PASRR activities, as well as any equipment, software, travel expenses, contracts, and other PASRR-related expenses.	$0	$134,819	0
09 - 330	Health	Behavioral Health	Hospital Based Treatment - Increases funding ($4,549,032 SGF and $4,498,955 IAT) for the addition of 117 classified positions, as well as 52 civil intermedicate and 20 Forensic Supervised Transitional Residential Aftercare (FSTRA) community beds to Phase II of the Eastern LA Mental Health System (ELMHS) expansion. Associated resources total $9.05 M ($4.55 M SGF, $4.50 M IAT via federal DSH/UCC Medicaid). Types of personnel servicing the beds include correctional guard therapeutic personnel, pharmacy personnel, psychologists, and other clinical staff. **Note:** See *"Office of Behavioral Health Realizes Net Increase of 230 T.O. Positions in FY 19 Executive Budget"* issue write-up for further information.	$4,549,032	$9,047,987	117
09 - 330	Health	Behavioral Health	Hospital Based Treatment - $1.03 M ($565,312 SGF and $462,528 IAT via federal DSH/UCC Medicaid) in resources for hospital-based physical care services for Eastern LA Mental Health System (ELMHS) clients. ELMHS intends to allocate the funds to increase the number of acute care beds by 8, from 12 to 20. The 12 beds are currently at high capacity with an average patient stay of approximately 427 days. The total request of $1.03 M is based upon an estimated cost of $352 per bed per day (8 beds * $352/day * 365 days).	$565,312	$1,027,840	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 330	Health	Behavioral Health	Hospital Based Treatment - Increases funding ($1,683,910 SGF and $985,962 IAT) to implement a $2/hour premium pay for Correction Guard Therapeutic (CGT) personnel, as well as Registered and Licensed Practical Nurses in the Eastern LA Mental Heath System (ELMHS). Total resources associated with the premium pay are $2.70 M ($1.68 M SGF, $986,000 IAT via federal DSH/UCC Medicaid). The premium pay is a proposed solution to recruitment and retention difficulties for both types of positions. A majority of the premium pay is for the CGT staff ($2.42 M) with the balance ($250,000) allocated for nursing positions. **Note:** See *“Office of Behavioral Health Realizes Net Increase of 230 T.O. Positions in FY 19 Executive Budget”* issue write-up for further information.	$1,683,910	$2,669,872	0
09 - 330	Health	Behavioral Health	Hospital Based Treatment - Increases funding ($3,385,850 SGF and $2,770,242 IAT via federal DSH/UCC Medicaid) for the addition of 92 positions to increase Correctional Guard Therapeutic (CGT) personnel coverage in the Eastern LA Mental Heath System (ELMHS). The Centers for Medicaid & Medicaid Services (CMS) cited OBH in a February 2017 audit for a lack of CGT coverage to ensure adequate safety of all patients and staff. Total salaries for 92 positions total $4.30 M with related benefits totaling $1.85 M. The average per-position salary totals $46,793 with related benefits totaling $20,121, yield an average per-position total cost of $66,914. ***Note:*** See *“Office of Behavioral Health Realizes Net Increase of 230 T.O. Positions in FY 19 Executive Budget”* issue write-up for further information.	$3,385,850	$6,156,092	92
09 - 330	Health	Behavioral Health	Hospital Based Treatment - Provides funding ($406,096 SGF and $332,261 IAT) to rewire information technology infrastructure and network support for the Eastern LA Mental Health System (ELMHS) client care, administrative, and administrative shop buildings. $600,357 of this request is a one-time expenditure to rewire existing infrastructure in FY 19 with approximately $138,000 recurring annually. Of the $138,000 recurring expense, approximately $120,000 is payable to the Office of Technology Services for data service to all ports, equipment support, equipment replacement, and personnel. The remaining $18,000 is for Windows server service, personnel, data backup, software updates, and security patches.	$406,096	$738,357	0
09 - 330	Health	Behavioral Health	Hospital Based Treatment - Increases funding ($275,000 SGF and $225,000 IAT via federal DSH/UCC Medicaid) to fund a contract for adequate nursing coverage for all patients after a 2017 audit by the Center for Medicare & Medicaid Services (CMS) cited the Eastern LA Mental Health System (ELMHS) for lack of nursing coverage as required by CMS, the Joint Commission, and LDH Standards.	$275,000	$500,000	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 330	Health	Behavioral Health	Hospital Based Treatment - Provides funding ($949,161 SGF and $776,586 IAT via federal DSH/UCC Medicaid) for 24 licensed practical nurses (LPNs) for the Eastern LA Mental Health System. The Centers for Medicaid & Medicaid Services (CMS) cited OBH in a February 2017 audit for a lack of nursing coverage to ensure bedside care for all patients. Total salary expenditures are approximately $1.21 M with related benefits totaling $519,000. The average per-position salary is $50,284 with average related benefits totaling $21,622, yielding an average per position cost of $71,906. ***Note:*** See *"Office of Behavioral Health Realizes Net Increase of 230 T.O. Positions in FY 19 Executive Budget"* issue write-up for further information.	$949,161	$1,725,747	24
09 - 330	Health	Behavioral Health	Community - Annualization of a FY 18 mid-year adjustment in response to the Department of Justice findings associated with needs for improvement in identifying and transitioning adults with serious mental illness out of nursing facilities when appropriate. Annualization of this adjustment provides continued resources for the 9 T.O. and 5 non-T.O. positions included as part of the original mid-year adjustment in FY 18.	$266,614	$266,614	0
09 - 340	Health	OCDD	Adjustment due to a projected increase in the number of eligible children being referred and served in the Early Steps Program. Early Steps currently serves 4,900 children each month. This increase provides funding to provide services for 250 more children. The Early Steps Program is Louisiana's early intervention system administered by the Office for Citizens with Developmental Disabilities (OCDD). Currently infants and toddlers aged birth to three years (36 months) who have an established medical condition likely to result in a developmental delay or who have developmental delays are eligible for services.	$649,947	$649,947	0
			Major Increases or Enhancements for Health	**$193,167,144**	**$338,458,467**	**236**
10 - 360	Children & Family Services	Children & Family Services	Increase in funding for the State Central Registry (SCR) pursuant to Act 348 of 2017 RLS. ($6,041,145 SGF, $100,000 IAT and $454,850 SGR) Act 348 of the 2017 RS requires DCFS to maintain a SCR of all reports of abuse and neglect. The law also requires DCFS to charge a fee of $25 to search the SCR. 11 TO and 21 Non-TO FTE are being added to provide this service. Positions include Program Specialists, Child Welfare Consultants, Child Welfare Managers, Administrative Support Specialists, and Attorneys. Non-TO FTE or temporary positions are needed during the initial implementation in FY 19. The department projects to conduct approximately 18,000 SCR background checks on existing employees of childcare providers, an estimated 5% of the 198,000 individuals currently on the SCR requesting an administrative appeal, and an estimated 9,100 new individuals added annually to the registry after the implementation of this measure.	$6,041,145	$6,595,995	11

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
10 - 360	Children & Family Services	Children & Family Services	Increases SGF for the Integrated Eligibility (IE) project. The IE project will integrate the online application process for Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) with Medicaid eligibility. The IE project is being financed with Medicaid Admin, SNAP, TANF, Overcollections, and SGF dollars. The project will utilize Centers for Medicare & Medicaid (CMS) enhanced Medicaid match, which is approximately 90% federal and 10% state.	$13,612,409	$13,612,409	0
10 - 360	Children & Family Services	Children & Family Services	Increases SGF ($6.9 M) and federal funds from Title IV-E ($6.9 M) for Comprehensive Child Welfare Information System (CCWIS). The project utilizes Title IV-E federal funding, which requires a 50% state match. In FY 18, DCFS began implementation of the CCWIS to replace the current child welfare system designed in the 1980's. The CCWIS will enable the department to track service planning, which will lead to better measurement of outcomes for children impacted by child abuse and neglect. The department anticipates that CCWIS implementation will reduce staff turnover and relieve the unmanageable amount of paperwork associated with the legal, social, medical, educational, and other aspects of child welfare cases. In addition, CCWIS implementation will ultimately reduce data entry errors that result from duplicate data entry in multiple systems. The total cost of the CCWIS implementation is projected at $73 M over 5 years. In the FY 19 Executive Budget, DCFS is budgeted $18.6 M to continue the implementation of CCWIS.	$6,922,625	$13,845,250	0

	FY 18	Adjustment	FY 19
SGF	$2,377,916	$6,922,625	$9,300,541
Federal Funds	$2,377,916	$6,922,625	$9,300,541
Total Budget	**$4,755,832**	**$13,845,250**	**$18,601,082**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major Increases or Enhancements for Children & Family Services	**$26,576,179**	**$34,053,654**	**11**
11 - 432	Natural Resources	Conservation	Adjusts funding from the Oil & Gas Regulatory Fund to reflect an increase in the workload for indirect administrative services provided by the Office of the Secretary consisting of budget, accounting, legal, HR, purchasing, public information and internal audit services. The 12/14/2017 forecast of the Revenue Estimating Conference (REC) reflects $14.48 M in the Oil & Gas Regulatory Fund; however, the Executive Budget appropriates $16.3 M out of the Oil & Gas Regulatory Fund. The Oil & Gas Regulatory Fund has a $2.1 M beginning fund balance. According to DNR, it is anticipated this fund balance will be available next fiscal year to cover the difference.	$0	$1,419,849	0
11 - 434	Natural Resources	Mineral Resources	Increases IAT funding from the Department of Wildlife & Fisheries for services provided by Mineral Resources including leasing, managing, and auditing their agency leases.	$0	$250,000	0
			Major Increases or Enhancements for Natural Resources	**$0**	**$1,669,849**	**0**

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
13 - 856	Environmental Quality	Environmental Quality	Provides funding for 4 additional positions and associated operating costs through the statutorily dedicated Environmental Trust Fund. These positions will be responsible for operating a Mobile Air Monitoring Lab (MAML). The department received $1.5 M in FY 17 in order to purchase a MAML and expects to receive an additional $1.5 M in FY 18 as a result of a consent decree with Exxon.	$0	$398,081	4
13 - 856	Environmental Quality	Environmental Quality	Increases funding in the statutorily dedicated Waste Tire Management Fund in accordance with the REC forecast adopted on 12/14/2017. The Waste Tire program provides payments to permitted processors for the proper disposal of collected waste tires to the authorized end use. The recommended appropriation totals $12 M in FY 19.	$0	$564,768	0
			Major Increases or Enhancements for Environmental Quality	**$0**	**$962,849**	**4**
14 - 474	Workforce Commission	Workforce Support & Training	Increases IAT funding from the Department of Children & Family Services (DCFS) for the LA Job Employment Training (LaJET) Program. The LaJET program was established by and receives funding from the U.S. Department of Agriculture under the Food Stamp Act of 1977, Food Security Act of 1985 and the Personal Responsibility & Work Opportunity Act of 1996. LaJET provides job readiness training, literacy training as well as job development, assessment, and counseling to Supplemental Nutrition Assistance Program (SNAP) recipients age 16 - 59. The purpose of LaJET is to transition SNAP recipients from cash assistance and nutrition assistance to self-sufficiency.	$0	$642,416	0
			Major Increases or Enhancements for Workforce Commission	**$0**	**$642,416**	**0**
17 - 565	Civil Service	Board of Tax Appeals	Provides IAT ($14,423) and SGR ($46,555) budget authority for an additional Administrative Program Manager 2 position to assist in managing a caseload that has elevated significantly since 2015 and is anticipated to remain high. The new position will function as a Clerk of Court. LDR has agreed to bear a portion of the costs of funding the new position, which accounts for the $14,423 in IAT.	$0	$60,978	1
			Major Increases or Enhancements for Civil Service	**$0**	**$60,978**	**1**
19D - 682	Education	Recovery School District (RSD)	Increases funding in the Instruction Program for the operation of the Linwood Public Charter School. This adjustment annualizes a BA-7 request approved by the Office of Planning and Budget in December 2017. The school's request to renew its charter was denied based on its failure to meet the required minimum academic performance criteria. As approved by BESE in April 2017, the RSD will continue operating the school for the 2017-2018 school year (ending June 2018) while searching for a charter operator for the 2018-2019 school year and beyond. In the interim the RSD will provide for the operations of Linwood pursuant to a management agreement with Shreveport Charter Schools Inc.	$0	$2,356,685	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19D - 695	Education	Minimum Foundation Program (MFP)	Increases funding based on the 10/1/17 student count indicating a net increase of 2,786 students. The FY 18 MFP is funded at $3,717,667,944 with an estimated student count of 693,806. The recommended budget is $3,720,020,377. The FY 19 base per pupil amount remains at $3,961. Note: Due to a reduction of $7.4 M in one time emergency assistance funding provided in FY 18, the net increase in MFP funding for FY 19 totals $2,352,433.	$9,824,083	$9,824,083	0
			Major Increases or Enhancements for Education	**$9,824,083**	**$12,180,768**	**0**
20 - 451	Other Requirements	Local Housing of State Adult Offenders	Provides additional funding for offenders participating in the Transitional Work Program based on current projections in the Work Release Program. The additional offenders total 774. FY 18 EOB at 12/1/2017 is $13.1 M SGF providing for an estimated 2,784 offenders. The DPS&C - Corrections Services reports that certain eligible offenders may enter a transitional work program (TWP) from 6 months to 4 years prior to release from incarceration, depending on the offense of conviction. Generally, sex offenders are precluded from participation in the transitional work program. Offenders that are approved for the program are required to work at an approved job and when not working they must return to the structured environment of the assigned facility. Probation and Parole Officers are assigned monitoring responsibilities for contract TWP's. This may include conducting random drug screens and random inspections of the facility. Additionally, Probation and Parole Officers are part of the auditing teams that conduct annual audits of TWP facilities. The goal of TWP's is to successfully assist an offender with making the transition from prison back into the work force. Approximately 10 to 20 percent of offenders remain with their employer upon release. The TWP is also utilized as a valuable alternative for technical parole violators, in lieu of returning them to prison. Placement of an offender in a TWP is generally more cost effective than traditional incarceration and offenders become taxpayers, not tax consumers, and are able to pay victim restitution, child support, court costs and fines.	$3,705,801	$3,705,801	0
20 - 931	Other Requirements	LED Debt Service & State Commitments	SGF increase associated with a revised level of funding for current project commitments to ensure all commitments are met in FY 19.	$16,295,956	$16,295,956	0
20 - 977	Other Requirements	DOA Debt Service & Maintenance	Provides funding to cover the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan debt obligation for the Department of Transportation and Development. These payments are related to debt service payments made by and on behalf of the Louisiana Transportation Authority and are subsequently reimbursed to the state from toll collections on LA1. The total debt payment for FY 19 totals $8,133,983. Two remaining debt payments of $8,010,158 and $7,908,397 will be due in FY 20 and FY 21 respectively.	$1,871,659	$1,871,659	0

Major Increases or Enhancements in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 - XXX	Other Requirements	Funds	Adjustments are associated with Statutory Dedication revenues deposited into the Indigent Parent Representation Program Fund shared by the Mental Health Advocacy Service and LA Public Defender Board, the LA Public Defender Fund and DNA Testing Post-Conviction Relief for Indigents Fund in the LA Public Defender Board, Innocence Compensation Fund in LA Commission on Law Enforcement, and SGR for the Self Insurance Fund in the Office of Risk Management.	$2,807,849	$2,807,849	0
			Major Increases or Enhancements for Other Requirements	**$24,681,265**	**$24,681,265**	**0**
			Major Increases or Enhancements of FY 2019	**$264,806,207**	**$443,228,831**	**432**

Major Reductions

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 100	Executive	Executive Office	Reduction of student workers and support staff in the community programs activity. This adjustment will eliminate 10 student positions ($102,000) and delay hiring 3 vacant support staff positions in the Executive Office ($241,000 total).	-$343,000	-$343,000	0
01 - 106	Executive	LA Tax Commission	Reduces SGF funding associated with 2 property tax regulator positions. The agency intends to offset this SGF reduction with a planned fee increase on banks and insurance companies, who have been informed of and are in agreement with the fee increase. Assessments and fees paid to the Tax Commission are deposited into the statutorily dedicated Tax Commission Expense Fund. No impact on operations is expected, as the positions will not be eliminated. LFO assumes that any revenue generated by the additional fees will require recognition by the REC.	-$104,915	-$104,915	0
01 - 107	Executive	Division of Administration	Reduction of DOA IT projects, attrition, special project contracts, and state office building maintenance. DOA reports that this adjustment will reduce funding for hardware replacement and lengthen the timeline of the LaGov Budget Project implementation ($812,927). With regard to attrition, this adjustment will reduce termination pay based on prior year expenditure trends ($150,000), result in holding a position in the Commissioner's Office vacant for a full year ($80,000) and an additional position in the Office of Finance & Support Services vacant for 4 months ($21,902). The special project contracts adjustment will reduce funding associated with expiring legal services contracts coinciding wtih increased utilization of in-house attorneys as well as non-renewal of a consulting contract for operational assessment ($200,000). This adjustment eliminates funding for maintenance costs at the Shaw Center and Old Governor's Mansion ($866,214). The Shaw Center (performing/visual Arts and other non-profit organizations) and Old Governor's Mansion (Preserve Louisiana) are currently utilized by non-state entities and are revenue generating.	-$2,131,043	-$2,131,043	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 109	Executive	Coastal Protection & Restoration Authority	Decreases budget authority out of Federal funds ($13,085,317), IAT ($833,944), SGR ($20,000), and Statutory Dedications from the Natural Resources Restoration Trust Fund ($5,141,195), while increasing Statutory Dedications out of the Coastal Protection Restoration Fund ($997,246) to align expenditures with LA's Comprehensive Master Plan for a Sustainable Coast. CPRA projects are budgeted for operations, maintenance, and monitoring (OM&M) in the operating budget; funding needs can vary from year to year depending on the maintenance events planned and revenue sources tied to those projects. For several projects, the workload is anticipated to be less than in FY 18. These projects include the RESTORE Center for Excellence ($20.8 M), NRDA Deepwater Horizon Oil Spill ($3 M), Wildlife & Fisheries Deepwater Horizon ($7.8 M), and the State Trustees' cost reimbursement ($507 K). The Houma Navigation Canal Deepening & Flood Protection ($2.2 M) project was completed in FY 18. Other projects in the annual plan require additional funding based on the anticipated workload. These projects include the Coastal Wetlands Planning, Protection, & Restoration Act (CWPPRA) projects ($8.8 M), Adaptive Management ($2.1 M) Gulf of Mexico Energy Security Act (GOMESA) funds), System Wide Assessment & Monitoring Program (SWAMP), Fisheries ($4.7 M), and the Caernarvon & Davis Pond Operations project ($644 K).	$0	-$18,083,210	0
01 - 111	Executive	Homeland Security & Emergency Prep	ADMINISTRATIVE - Non-recurs funding for Meals Ready-to-Eat (MREs). This was a one-time appropriation to GOHSEP during FY 18 to replenish state supplies for use during emergencies.	-$684,225	-$684,225	0
01 - 111	Executive	Homeland Security & Emergency Prep	ADMINISTRATIVE - Non-recurs funding received as reimbursement from the Office of Community Development (OCD) in the Division of Administration (DOA) for the state cost share of Public Assistance expenditures during the flood events of March and August 2016.	$0	-$4,449,558	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 111	Executive	Homeland Security & Emergency Prep	ADMINISTRATIVE - Reduces budget authority for debt repayments to the Federal Emergency Management Agency (FEMA) for FY 19. The reduction of funds are associated with: $13.8 M for the 4th of 5 installment payments under a FEMA debt repayments plan related to multiple disasters and providing for a hazard mitigation audit, and $7.4 M for the 2nd of 5 installment payments for the state's cost share of Public Assistance expenditures during the flooding event of August 2016 (DR-4277). The governor has proposed utilizing approximately $46 M of an additional SGF revenue projections for FY 18 recognized by the Revenue Estimating Conference at its meeting on 12/14/2017, to prepay FEMA debt payments due during FY 19 ($21.2 M) and FY 20 ($25.1 M). These prepayments will offset the need to utilize SGF for these expenditures during those fiscal years, making those revenues available for alternative expenditures. The multiple event disaster repayment plan would be paid off in FY 20 under the existing schedule. Payments related to DR-4277 will continue in FY 21 ($7.4 M) and FY 22 ($7.5 M). The total cost share for DR-4277 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 ongoing negotiations with FEMA.	-$21,220,598	-$21,220,598	0
01 - 112	Executive	Department of Military Affairs	Non-recurs funding related to the M6 cleanup ($5,460,485) and lead abatement for armories ($4,375,000). These projects are projected to be completed in FY 18.	$0	-$9,835,485	0
01 - 129	Executive	LA Commission on Law Enforcement	Reduces funding associated with the Drug Abuse Resistance Education Program (DARE) designed to equip school children with skills for resisting peer pressure to experiment with tobacco, drugs, and alcohol. The impact will likely result in certain changes to the program as determined by each sheriff. This reduction is half of the SGF support in FY 18. FY 19 funding for DARE is $2,783,278 ($409,644 SGF and $2,373,634 Tobacco Tax Fund).	-$409,644	-$409,644	0
01 - 129	Executive	LA Commission on Law Enforcement	Reduces excess federal budget authority. FY 17 federal expenditures totaled $26,123,805. The agency reports it anticipates an increase in federal expenditures for victims of crime; therefore, the reduction of $6.8 M was determined to be the most appropriate figure.	$0	-$6,813,974	0
01 - 133	Executive	Elderly Affairs	Eliminates Supplemental Senior Center (SCC) funding. In FY 18, the GOEA received $4.8 M in SCC funding plus an additional $1.5 M in supplemental senior funding. In FY 19, GOEA is budgeted to receive $4.8 M in SCC funding. However, the $1.5 M of supplemental senior center funding is eliminated from the budget. The funds are used for operations and services at senior centers throughout the state.	-$1,521,928	-$1,521,928	0
			Major Reductions for Executive	**-$26,415,353**	**-$65,597,580**	**0**

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
03 - 131	Veterans Affairs	LA War Veterans Home	Reduces federal budget authority associated with the elimination of 32 beds to align capacity with new utilization projections based on historical and projected census data. The LA War Veterans Home will reduce the number of certified beds from 161 to 129.	$0	-$435,484	0
			Major Reductions for Veterans Affairs	**$0**	**-$435,484**	**0**
04B - 141	Justice	Attorney General	Eliminates excess budget authority based on projected revenues available for the Civil Law Program. The IAT reduction ($2,029,124) is based on the revenue projections associated with the Deepwater Horizon event. The reduction of Federal funds ($79,696) is due to the balancing of federal grants. The AG has stated no positions are impacted with this adjustment.	$0	-$2,108,820	0
04B - 141	Justice	Attorney General	Reduces expenditures of the Civil Law Program by 5% as part of the Governor's budget balancing reductions. The AG is currently reviewing what specific actions will be required to absorb this cut. It has indicated services that may be impacted include the monitoring litigation of cases involving Education, Governmental, Lands & Natural Resources, Environmental, and Public Finance & Contracts, representation of state agencies, the authoring of Attorney General opinions, the handling of settlement negotiations, and other outreach activities that educate consumers and businesses, including education that provides practical, proactive, and tangible information geared towards fraud prevention. However, at this time, the specific line item cuts and the immediate impact of these cuts is not known.	-$869,649	-$869,649	0
04B - 141	Justice	Attorney General	Non-recurs funding appropriated to the Civil Law Program in FY 18 intended to be one-time. The AG has stated it will be able to use one-time SGR from consumer protection cases to offset this SGF cut; therefore, at this time there is no immediate impact to their operations.	-$2,632,514	-$2,632,514	0
			Major Reductions for Justice	**-$3,502,163**	**-$5,610,983**	**0**
04D - 147	Treasury	State Treasurer	ADMINISTRATIVE - The decrease in Treasury's budget recommendation is tied to a 5% reduction to expenditures paid from SGR. SGR unexpended by the Treasury reverts to the SGF at the close of each fiscal year. The Treasury indicates that it is currently working on a plan to absorb the proposed reduction, while examining potential impacts to constitutional and statutory responsibilities. A plan will be provided when available.	$0	-$465,309	0
			Major Reductions for Treasury	**$0**	**-$465,309**	**0**

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04F - 160	Agriculture & Forestry	Agriculture & Forestry	Reduces budget authority from the statutorily dedicated LA Agricultural Finance Authority Fund in the Agricultural & Environmental Services Program for debt service. Agriculture & Forestry will finish paying debt service on bonds for the Lacassine cane syrup mill and various forestry firefighting equipment in FY 18. This fund derives its revenue from an annual $12 M deposit from net slot machine proceeds, and Executive Budget includes an $11.8 M recommendation for LDAF.	$0	-$7,845,486	0
			Major Reductions for Agriculture & Forestry	**$0**	**-$7,845,486**	**0**
05 - 252	Economic Development	Business Development	Business Development - Reduces SGR budget authority to reflect the creation of an escrow account to process expenditure verification fees pursuant to Act 412 of 2015. Current statute requires verification of expenditures by an independent CPA or tax attorney prior to an entity receiving an entertainment industry tax credit. LED currently receives the aforementioned fees and has requested a reduction in SGR authority to reflect placing these fees in escrow, as the department acts as a pass-through entity and no expenditures are made on behalf of the State.	$0	-$7,200,000	0
05 - 252	Economic Development	Business Development	Business Development - Reduces funding for the Regional Awards & Grant Matching Program. LED will no longer provide assistance to the 8 regional economic development entities throughout LA due to budget restraints.	-$1,360,000	-$1,360,000	0
05 - 252	Economic Development	Business Development	Business Incentives - Reduces federal budget authority for the State Small Business Credit Initiative, which provides access to capital investment for qualifying small businesses. This reduction is to align LED's FY 19 budget authority with available resources associated with this grant.	$0	-$4,707,313	0
			Major Reductions for Economic Development	**-$1,360,000**	**-$13,267,313**	**0**
06 - 264	Culture, Recreation & Tourism	Department Wide	Reduces SGF by 5% throughout the department. State Parks' reduction was $968,326, Cultural Development's was $97,534 and State Museum's was $71,014. The department is still assessing the impact of this reduction. Additional information will be provided as it becomes available.	-$1,136,874	-$1,136,874	0
06 - 267	Culture, Recreation & Tourism	Tourism	Realigns SGR budget authority to the Revenue Estimating Conference official forecast as of 12/14/2017 for Tourism Promotion District funding. There is no anticipated operational impact as this was excess budget authority.	$0	-$3,182,730	0
			Major Reductions for Culture, Recreation & Tourism	**-$1,136,874**	**-$4,319,604**	**0**

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
07 - 276	Transportation & Development	Engineering & Operations	DISTRICT OPERATIONS - Eliminates appropriation from the Geaux Pass Transition Fund for enhanced services levels for grass cutting and maintenance around the Crescent City Connection Bridge. The remaining balance of the Geaux Pass Transition Fund will be depleted in FY 18 and there is no additional recurring revenue stream for the fund. The purpose of the fund was for lighting of the eastbank and westbank approaches to the Crescent City Connection Bridge through ground-level improvements to ingress and egress points, lighting, maintenance, grass cutting, and landscaping of the Westbank Expressway and its connecting arteries. There is still $1,087,684 appropriated from the Crescent City Transition Fund (CCTF) for this purpose in FY 19, however this fund is also depleting with no recurring revenue source. The CCTF will have a projected balance of approximately $3 M at the end of FY 19 given the current appropriation.	$0	-$300,000	0
07 - 276	Transportation & Development	Engineering & Operations	DISTRICT OPERATIONS - Eliminates appropriation from the New Orleans Ferry Fund. All provisions of R.S. 48:25.2 which includes the New Orleans Ferry Fund will be terminated on 7/1/2018. Elimination of this fund will reduce the level of funding for the Algiers/Canal Street and Lower Algiers/Chalmette ferries which are operated by the New Orleans Regional Transit Authority (NORTA). The $4 M from the Transportation Trust Fund - Regular currently goes to fund the Chalmette Ferry. The depletion of the New Orleans Ferry Fund will likely, at a minimum, result in a reduction of ferry service hours of operation. Through the existing cooperative endeavor agreement, minimum mandated service requirements are relegated to the Chalmette/Lower Algiers ferry crossing, so the reduction in ferry services will presumably be implemented at the Canal Street/Algiers Point ferry crossing.	$0	-$1,630,000	0
			Major Reductions for Transportation & Development	**$0**	**-$1,930,000**	**0**
08A - 407	DPSC Corrections Services	Winn Correctional Center	Reduces the per diem per inmate rate paid to the contract operator by $5 from $24.83 to $19.83. The Department reports that it would not be able to take over Winn as a state facility and would have to shut it down and absorb the current population at other facilities based on the recommended budget for FY 19.	-$2,737,500	-$2,737,500	0
			Major Reductions for DPSC Corrections Services	**-$2,737,500**	**-$2,737,500**	**0**
08B - 419	DPSC Public Safety Services	State Police	Non-recurs funding provided 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. LSP anticipates holding an attrition class as a number of troopers become eligible for retirement under the new pay grid, which has been in effect for 3 years. This attrition class will serve to replace outgoing troopers, but will not have any impact on overall manpower.	-$5,000,000	-$5,000,000	0
08B - 419	DPSC Public Safety Services	State Police	Non-recurs funding from the statutorily dedicated Riverboat Gaming Enforcement Fund provided for the replacement of the legacy integrated gaming system (LIGHTS).	$0	-$2,417,000	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B - 419	DPSC Public Safety Services	State Police	Reduces SGR funding for overtime pay, for a total agency reduction of 30% from existing operating budget. This reduction will result in a decrease of trooper availability as the number of work hours are reduced. $5,553,319 Traffic $591,762 Criminal $914,202 Operational $105,558 Gaming	$0	-$7,164,841	0
08B - 419	DPSC Public Safety Services	State Police	Reduces SGR from $6 M to $5.5 M to align with the payments received from the City of New Orleans for the reimbursement of expenditures associated with law enforcement services provided by State Police in the French Quarter. This adjustment will align the budget authority with the projected revenue generated by the quarter cent sales tax charged by the French Quarter Economic Development District.	$0	-$500,000	0
08B - 422	DPSC Public Safety Services	State Fire Marshal	Reduces funding from the statutorily dedicated LA Fire Marshal Fund to align the appropriation to the Revenue Estimating Conference's official forecast adopted on 12/24/2017. Funding for the LA Fire Marshal Fund is derived from a tax on gross annual premiums. LSFM reports this reduction will impact group insurance/workers compensation for volunteer firefighters, reduce fire marshal field services, and delay plan review and construction design approval.	$0	-$1,514,390	0
			Major Reductions for DPSC Public Safety Services	**-$5,000,000**	**-$16,596,231**	**0**
08C - 403	DPSC Youth Services	Juvenile Justice	Non-recurs funding associated with opening the Acadiana Center for Youth (ACY). **Note:** The FY 19 Executive Budget does not provide operating funds for ACY. OJJ 's FY 19 budget request included $14.3 M SGF assuming the facility opens in April 2018.	-$4,906,000	-$4,906,000	0
08C - 403	DPSC Youth Services	Juvenile Justice	OJJ realizes an overall SGF reduction of 10%, totaling $10.8 M, including the following significant adjustments: •($1.4 M) – Results in the closure of 5 regional offices statewide •($8.8 M) – Results in the elimination of 114 authorized positions in field offices	-$10,754,004	-$10,754,004	-114
			Major Reductions for DPSC Youth Services	**-$15,660,004**	**-$15,660,004**	**-114**

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 301	Health	Florida Parishes Human Services Authority	Net reduction of IAT from the Office of Behavioral Health - Addictive Disorders Program to the Florida Parishes Human Services Authority (FPHSA). The reduced IAT is derived from $315,354 in total reductions of allocations from the Tobacco Tax Health Care Fund ($191,839) and the LA Partnership for Success ($123,515). The decrease is offset by a $30,000 enhancement for the Mental Health Block Grant. FPHSA staff indicate this reduction will result in scaled-down tobacco cessation efforts and start-up expenses for the LA Partnership for Success not being funded in FY 19.	$0	-$285,354	0
09 - 306	Health	Medical Vendor Payments	Eliminates Disproportionate Share Hospital Payments ($175,799,652 SGF, $26,561,961 SGR, $12,155,208 Statutory Dedications, and $398,388,383 Federal) for Uncompensated Care Costs to the Pubic Private Partnerships. The source of federal funds is federal financial participation. See *"Public Private Partnership"* issue write up.	-$175,799,652	-$612,905,204	0
09 - 306	Health	Medical Vendor Payments	Reduces certain services in the NOW (New Opportunity Waiver) Program. The source of federal funds ($8,663,709) is Title 19 federal financial participation. This cut reduces both support coordination services to individuals, and reduces supported independent living services for NOW recipients. *Eligibility*: Participants must be 3 years old or older, must meet the LA definition of Developmental Disabilities as outlined in R.S. 28:451.1-455.2, and meet the ICF/DD level of care criteria. *Services impacted* : Support Coordination and supported independent living *Recipients impacted (LDH estimates): 1,576*	-$4,824,862	-$13,488,571	0
09 - 306	Health	Medical Vendor Payments	Eliminates funding for Medically Needy "Spend-down" Long Term Care Program. The source of federal funds ($2,201,924) is Title 19 federal financial participation. The Spend-Down Medically Needy - Long Term Care Program (Spend-Down MNP-LTC) is a Medicaid program for individuals residing in a long term care facility and whose income is over the SSI eligibility limit. However, income or allowable incurred medical expenses can be used towards eligibility: the excess income is spent down using allowable incurred medical expenses, insurance premiums and the projected Medicaid Facility Rate or the excess income can be spent down using a combination of the actually incurred daily private facility fee and a proration of the Projected Medicaid Facility Rate. LDH indicates approximately 547 recipients will lose benefits.	-$1,231,569	-$3,433,493	0
09 - 306	Health	Medical Vendor Payments	Eliminates funding for Medically Needy Program. The source of federal funds ($18,788,652) is Title 19 federal financial participation. Individuals qualify categorically however are not eligible for "full" Medicaid because their income or assets are over the Medicaid program limits. LDH projects approximately 6,329 individuals will lose services.	-$10,508,763	-$29,297,415	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health	Medical Vendor Payments	Reduces Mental Health Rehabilitation Services and Substance Abuse Services. Substance abuse services include outpatient community based services(screening,assessment, diagnosis, treatment counseling and supportive services, aftercare and rehabilitation services, and non-emergency residential treatment services. Information provided by LDH indicates approximately 7,302 will lose these services in FY 19. The source of federal funds ($80,093,227) is Title 19 federal financial participation. Mental Health Rehab. Services: ($50,034,473) Eliminate Substance Abuse Services: ($73,721,763) **($123,756,236)**	-$43,663,009	-$123,756,236	0
09 - 306	Health	Medical Vendor Payments	Eliminates Supports Waiver. The source of federal funds ($8,703,619) is Title 19 federal financial participation. *Eligibility*: Individuals who are 18 or older, meet the definition of Developmental Disabilities as outlined in R.S. 28:451.1-455.2, which manifested prior to age 22 and meet the ICF/DD level of care requirements, and meet other financial requirements. *Services*: Case management, supported employment, day habilitation, respite, supportive housing. *Recipients impacted* (*LDH estimates*): (2,050)	-$4,754,892	-$13,458,511	0
09 - 306	Health	Medical Vendor Payments	Eliminates the Provisional Medicaid Program. The source of federal funds ($68,350,280) is Title 19 federal financial participation. The Provisional Medicaid program is an optional program that provides full Medicaid coverage to individuals that meet eligibility requirements in the Supplemental Security Income (SSI) Program (but have an application pending from federal SSA). Information provided by LDH indicates approximately 15,036 individuals will lose benefits.	-$38,229,293	-$106,579,573	0
09 - 306	Health	Medical Vendor Payments	Eliminates Pediatric Day Healthcare (PDHC) Services. The source of federal funds ($19,448,299) is Title 19 federal financial participation. *Eligibility:* Medicaid recipients 0 to 21 who have a medically fragile condition and who require nursing supervision and/or possibly therapeutic interventions due to a medically complex condition. *Services:* Nursing care, Respiratory care, Physical Therapy, Speech-language therapy, occupational, personal care services and transportation to and from PDHC facility *Recipients impacted (LDH estimates)*: (800)	-$10,877,713	-$30,326,012	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 306	Health	Medical Vendor Payments	Eliminates nursing home bed holds. The source of federal funds ($1,922,513) is Title 19 federal financial participation.	-$1,050,292	-$2,972,805	0
09 - 306	Health	Medical Vendor Payments	Eliminates funding ($55,962,600 SGF, $24,322 SGR, $85,799 Statutory Dedications, and $104,021,109 Federal) for Long Term Personal Care Services (LT PCS) Program. The source of federal funds is Title 19 federal financial participation. LT PCS provides assistance with self care tasks, including eating, bathing dressing, and grooming for certain elderly and disabled. Information provided by LDH indicates 13,960 individuals will be impacted by elimination of such services. There is no corresponding increase in funding for any individuals that may seek nursing home services as a result of LT PCS service elimination.	-$55,962,600	-$160,093,830	0
09 - 306	Health	Medical Vendor Payments	Eliminates funding ($260,560,661 SGF, $82,736,374 Statutory Dedications and $628,390,017 Federal) for Long Term Care Special Income Level Program Eligibility group. The source of federal funds is Title 19 federal financial participation. Individuals (aged, blind, or disabled) served in this program qualify 'medically' for institutional level of care but income exceeds the Supplemental Security Income (SSI) limit (income between $750 and $2,250 per month). Information provided by LDH reflects approximately 46,043 individuals will be impacted in FY 19. Services include nursing facility services, Home & Community Based Services, PACE services, and Intermediate Care Facilities for the Developmentally Disabled services. LDH indicates approximately 46,043 individuals will be impacted by elimination of these services.	-$260,560,661	-$971,687,052	0
09 - 306	Health	Medical Vendor Payments	Eliminates Children's Choice Waiver. The source of federal funds ($8,748,044) is Title 19 federal financial participation. *Eligibility*: Individuals birth through 18, meet the definition of Developmental Disabilities as outlined in LRS 28:451.1-455.2. *Services*: Case management, family support services, center based respite care, family training, home or vehicle physical adaptations for daily living, medical equipment and supplies, aquatic and art therapy, supportive housing *Recipients impacted* (*LDH estimates*): (1,475)	-$4,687,388	-$13,435,432	0
09 - 306	Health	Medical Vendor Payments	Eliminates funding ($3,669,732 SGF, $77,672 SGR, $273,995 Statutory Dedications and $11,619,725 Federal) to Ambulatory Surgical Center (ASC)providers. The source of federal funds is Title 19 federal financial participation. ASC's provide certain same day surgical procedures in facilities, supported by physician staffing and nursing services. Utilization information provided by LDH indicates approximately 10,765 Medicaid recipients received services in FY 17.	-$3,669,732	-$15,641,124	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 - 310	Health	Northeast Delta Human Services Authority	Reduces IAT from the Office of Behavioral Health to align with the non-recurring of grant funding from the LA Partnership for Success.	$0	-$230,000	0
09 - 320	Health	Aging & Adult Services	Staff reduction due to the elimination of the Long Term Personal Care Services (LT-PCS) Program. This adjustment reduces 5 T.O. and 3 Non-T.O. positions and associated funding ($406,351 SGF and $233,379 IAT). These positions were responsible for the administration of the LT-PCS at OAAS. Funding for this program was eliminated from the Medicaid program. The LT-PCS Program provides help with activities of daily living for people who qualify for assistance under the program guidelines. The program also provides personal care workers to help people in their homes. Care provided includes help with bathing and grooming activities, eating and food preparation, performance of incidental household chores, assistance getting to medical appointments, and grocery shopping.	-$406,351	-$639,730	-5
09 - 326	Health	Public Health	Adjustment to correct the budget for Severe Combined Immunodeficiency (SCID) testing by removing excess budget authority and properly classifying revenue as SGR through the Healthy LA Plans. FY 19 Projected Budget $229,738 FY 18 EOB $639,975 **Excess Budget Authority -$410,237**	$0	-$410,237	0
09 - 330	Health	Behavioral Health	Community - Eliminates funding ($134,271 SGF and $134,271 Federal) and 2 positions associated with overseeing the Public Private Partners Program within the Office of Behavioral Health (OBH) due to reductions in UCC/DSH transfers to the Community Care Program from Medical Vendor Payments (MVP). Payments for Uncompensated Care, including the Public Private Partners Program, have been reduced in MVP by approximately $14.69 M, rendering OBH oversight unnecessary.	-$134,271	-$268,542	-2
09 - 330	Health	Behavioral Health	Community - Eliminates funding ($172,009 SGF and $172,009 Federal) and 4 positions associated with overseeing the Specialized Behavioral Health Program due to reductions in UCC/DSH transfers to the Community Care Program from Medical Vendor Payments. Payments to Private Providers, including the Specialized Behavioral Health Program, have been reduced in MVP by approximately $123.76 M, eliminating some mental rehabilitation services for persons aged 21-years and older, rendering OBH oversight unnecessary.	-$172,009	-$344,018	-4
09 - 376	Health	Central LA Human Services District	Reduces IAT payments from the Office of Behavioral Health due to adjusted allocations of federal grants and the Tobacco Tax Health Care Fund.	$0	-$238,864	0
			Major Reductions for Health	**-$616,533,057**	**-$2,099,492,003**	**-11**

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 - 431	Natural Resources	Office of Secretary	Eliminates the Department of Wildlife & Fisheries Atchafalaya Basin Program. DNR will no longer implement water quality and/or water management projects proposed in the Atchafalaya Basin Master Plan and Annual Plan. The purpose of these projects is to ensure the sustainability of the Atchafalaya Basin and all of its ecological and recreational benefits. In addition to the elimination of these measures, DNR will no longer implement access or recreation projects in the Atchafalaya Basin for the benefit of LA's citizens and visitors.	$0	-$200,000	-2
11 - 431	Natural Resources	Office of Secretary	Eliminates the Public Information Office. There is currently a filled position that will be eliminated as a result of this cut. Currently, the Public Information Office provides ongoing public outreach with the general public and a statewide media network of newspapers, broadcast news outlets, and news services through press releases, public service announcements, newsletters, informational packets, and other means. As a result of this elimination, DNR does not anticipate it will be able to perform these services. These services will have to be handled by other executive staff but may not be disseminated timely as a result.	-$75,000	-$75,000	-1
11 - 432	Natural Resources	Conservation	Eliminates the Legacy Site Remediation Program which implements the mandatory Oilfield Site Evaluation & Remediation Plan review established by LA R.S. 30:29. The purpose of this program is to review proposed remediation plans associated with litigation over alleged environmental damage caused by oil and gas activity in order to select, for the Court's consideration, an evaluation and/or remediation plan determined to be the most feasible. There are currently 449 active legacy lawsuits filed to date and DNR has stated that failure to enforce these legal provisions may lead to additional litigation. DNR will have to outsource management or operations for these services to ensure proper remediation of legacy oilfield sites. This includes outsourcing legal and technical consultants which costs are unknown at this time.	-$275,000	-$275,000	-2
11 - 434	Natural Resources	Mineral Resources	Reduces funding from the Mineral & Energy Operation Fund due to a decrease in operating agreements and new lease fees. IAT expenditures to the Office of the Secretary for indirect administrative services are being reduced. These expenses will be covered by other agencies within the Department.	$0	-$971,879	0
			Major Reductions for Natural Resources	**-$350,000**	**-$1,521,879**	**-5**
12 - 440	Revenue	Office of Revenue	Reduces SGR funding associated with 22 positions, 4 of which are filled. Of the 22 positions to be eliminated, 9 are auditor positions, none of which are currently filled. LDR reports that on average an auditor is responsible for $800,000 to $1.2 M in additional collections annually. These cuts are unlikely to be absorbed and will result in a reduction in services and revenues collected. Additionally, LDR reports that taxpayer assistance with the payment of debt, answering technical questions, refund payments, and processing returns will be impacted by these reductions.	$0	-$1,770,282	-22

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
12 - 440	Revenue	Office of Revenue	Reduces SGF funding associated with WAE and temporary personnel, State Reciprocal Program (SRP) participation, audit consulting services, and legal representation. LDR employs an average of 50 wage employees, and utilizes up to 45 temporary wage personnel during the annual peak between March and May. The total number of hours worked is monitored and adjusted as needed. This reduction ($1.68 M) will result in increases in time required for tax return and refund processing and deposits. LDR reports that the reduction to audit consulting services ($198,000) and legal representative services ($202,000) will impact current and future collections and compliance. The reduction to SRP participation amounts to approximately $204,000 and will result in no impact to operations, as this functionality is being implemented into the integrated tax system, the cost of which will be offset by IAT charges from the Office of Technology Services.	-$2,283,617	-$2,283,617	0
			Major Reductions for Revenue	**-$2,283,617**	**-$4,053,899**	**-22**
13 - 856	Environmental Quality	Environmental Quality	Non-recurs IAT funding from GOHSEP for a Hurricane Katrina Demolition and Oversight Contract. These are FEMA funds to provide for hurricane related demolition and landfill oversight work. Work was conducted throughout southeast LA, and in recent years the majority of work has taken place in St. Bernard Parish and the New Orleans area. The contracts originally began in August 2008 and will be completed by 2/28/2018.	$0	-$350,000	0
13 - 856	Environmental Quality	Environmental Quality	Non-recurs IAT funding from LDH for the Zika Virus Prevention Program. These are grant funds from the CDC to provide for work on tire abatement in the parishes affected by the mosquitos that carry the Zika virus. Currently, Orleans Parish and surrounding areas are the most affected. This program began in October 2017 and will be completed by 6/30/2018.	$0	-$250,000	0
13 - 856	Environmental Quality	Environmental Quality	Non-recurs federal funding from a portion of the performance partnership multi purpose grant between DEQ and EPA. This was one-time money provided for a capital lakes project and air monitoring equipment. This grant ended on 12/31/2017.	$0	-$140,000	0
			Major Reductions for Environmental Quality	**$0**	**-$740,000**	**0**

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
14 - 474	Workforce Commission	Workforce Support & Training	Reduction in $4.69 M excess budget authority associated with vocational rehabilitation. This adjustment is to correct the FY 19 budget to properly reflect anticipated collections in federal funds ($3,694,836) and IAT ($1 M). In FY 18, LWC was budgeted to receive $1 M in IAT from LA Community & Technical Colleges System (LCTCS) for vocational rehabilitation services. However, there is no IAT agreement between LCTCS and LWC to transfer these funds in either FY 18 or FY 19; therefore, the budget authority is being removed. Additionally, LWC would have drawn $3.69 M in Federal funds using the funds transferred from LCTCS. Since the $1 M from LCTCS is not available to draw the federal funds, $3.69 M in excess federal funds budget authority is also being removed.	$0	-$4,694,836	0
14 - 474	Workforce Commission	Workforce Support & Training	Reduces federal budget authority associated with maintenance of the Helping Individuals Reach Employment (HIRE) computer system. HIRE is an online system that allows job seekers to search for a job, create a resume, and find training providers. The system also allows employers to find qualified employees and post job vacancies. FY 19 Projected Budget $7,585,278 FY 18 EOB $9,085,278 **Excess Budget Authority -$1,500,000**	$0	-$1,500,000	0
			Major Reductions for Workforce Commission	**$0**	**-$6,194,836**	**0**
16 - 513	Wildlife & Fisheries	Office of Wildlife	Reduces the statutorily dedicated Conservation Fund in order to align expenditures with projected revenues. This decrease will reduce the number of contractual services for prescribed burning projects and nuisance bear and beaver projects. The department reports that although these programs will still exist, there will be reduced levels of activity statewide. On average, the Office of Wildlife has 45 contracts: prescribed burning (40), nuisance bear (3) and beaver (2). This reduction will reduce the number to approximately 35 contracts: prescribed burning (32), nuisance bear (2) and beaver (1). Reduced services will impact all areas of the state.	$0	-$570,829	0
16 - 514	Wildlife & Fisheries	Office of Fisheries	Reduces funding from the statutorily dedicated Conservation Fund due to the elimination of an IAT agreement between the Office of Fisheries and DNR for costs associated with the Atchafalaya Basin Program. LDWF provides funding to DNR to administer the program which has multiple goals of providing public access, environmental protection and developmental control, water management, and recreational opportunities throughout the Atchafalaya Basin area. ***Note:*** DNR will have a corresponding reduction of $287,500 representing the FY 18 contractual amount in the IAT agreement.	$0	-$343,928	0
			Major Reductions for Wildlife & Fisheries	**$0**	**-$914,757**	**0**

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A - 671	Higher Education	Board of Regents	Reduces funding for the Go Grant need based aid program as part of the Governor's budget balancing reductions. Current GO Grants budget is $26.4 M; the budget after the reduction is $13.4 M. ***Note:*** See *"GO Grants Allocation & Award Amounts"* Issue for a pro-rata allocation by institution.	-$13,000,000	-$13,000,000	0
19A - 671	Higher Education	Board of Regents	Reduces funding to the Taylor Opportunity Program for Students (TOPS) Program as part of the Governor's budget balancing reductions. This eliminates all SGF in the TOPS Program. FY 19 total funding of $58 M from the statutorily dedicated TOPS Fund provides only 20% of the program's total need. ***Note:*** See *"TOPS Award Allocation and Award Amounts"* Issue for additional information and awards by institution.	-$233,342,683	-$233,342,683	0
19A - 671	Higher Education	Board of Regents	Reduces funding for the Higher Education formula funding as part of the Governor's budget balancing reductions. This represents a 3.5% pro-rata cut to all institutions, however, the formula will not allocate this reduction on a uniform basis. BOR is responsible for the distribution of funds and will issue the funding formula with a more accurate allocation on March 31st. ***Note:*** See *"Higher Education Overview"* for a detailed discussion.	-$25,680,922	-$25,680,922	0
19A - 671	Higher Education		Higher Education's statutory dedications were reduced by a net $3.5 M compared to EOB to reflect the 12/14/2017 REC forecast including: ($2,500,000) LA Quality Education Support [8(g)] Fund for the Board of Regents (BOR) ($1,245,000) Support Education in LA First (SELF) Fd for the BOR ($1,108), LCTCS ($147,276), LSU System ($561,265), SU System ($81,011), & UL System ($454,340) ($5,000) Higher Education Initiatives Fund non-recurring carryforward for BOR $21,805 TOPS Fd for the BOR $8,114 Tobacco Tax Health Care Fd for the LSU System $14,031 Orleans Parish Excellence Fd for the UL System. $117,297 Fireman's Training Fd for the LSU System $116,109 Calcasieu Parish Higher Ed Improvement Fd for LCTCS - $28,927 & UL System - $87,182 **$3,472,644 Total**	$0	-$3,472,644	0
			Major Reductions for Higher Education	**-$272,023,605**	**-$275,496,249**	**0**

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19B - 657	Special Schools & Comm.	LA School for Math, Science & the Arts	Reduces funding for 1 vacant faculty position in the computer science program which has been vacant since June 2017. Inability to fill this position will result in excess teaching loads for current faculty members in order to maintain a computer science program.	-$102,750	-$102,750	0
19B - 662	Special Schools & Comm.	LA Educational Television Authority	Reduces funding for broadcasting operations which will prevent LETA from paying for necessary equipment maintenance and repairs of the transmitters. This could impact LETA's ability to maintain their broadcast functionality. Approximately 90% of the budget is for personal services and fixed costs such as utilities, leases, and statewide obligations which limits LETA's ability to allocate this reduction.	-$239,103	-$239,103	0
19B - 673	Special Schools & Comm.	N. O. Center for Creative Arts	Reduces funding for operating services and building maintenance. NOCCA typically spends between $120,000 and $180,000 annually on building maintenance. This reduction would prevent NOCCA from completing standard preventive maintenance and dealing with potentail issues that arise throughout the year.	-$94,976	-$94,976	0
			Major Reductions for Special Schools & Comm.	**-$436,829**	**-$436,829**	**0**
19D - 682	Education	Recovery School District (RSD)	Reduces IAT ($6,945,589) and SGR ($3,073,786) for the Instruction Program as a result of the transfer of 38 public schools from the Recovery School District back to the Orleans Parish School Board (OPSB). This adjustment includes a reduction of 69 non-T.O. positions reducing the total number of positions from 92 to 23. Act 91 of 2016 provided that no later than July 1, 2018, every school in the RSD shall be returned to the jurisdiction of the local school system from which it was originally transferred. The OPSB will serve as the primary governing authority and schools will be required to participate in the parish-wide enrollment system and student expulsion process in accordance with OPSB policy. However, these charter schools may opt to continue operating as their own local education agency for funding purposes (Type 3B), with continued autonomy in areas such as programming, curriculum, materials, HR decisions, and budget.	$0	-$10,019,375	0
19D - 695	Education	Minimum Foundation Program (MFP)	Non-recurs one-time emergency assistance funding associated with school districts impacted by the 2016 floods. The FY 18 MFP included hold harmless provisions which provided four criteria to determine the extent to which a reduction in MFP funds due to loss of enrollment would not be implemented. Impacted districts and funding loss averted were Livingston at 100% ($4,252,019); East Baton Rouge at 50% ($2,858,158); and Tangipahoa at 50% ($361,472).	-$7,471,649	-$7,471,649	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19D - 697	Education	Non-public Education Assistance	Reduces funding for non-public schools. Nonpublic Educational Assistance includes three programs: Textbooks Administration and Textbooks; Required Services; and School Lunch Salary Supplements. The Executive Budget eliminates all funding for Required Services ($8,357,203) and the School Lunch Salary Supplements ($7,530,930). Funding for the constitutionally mandated Textbook Program is reduced by $164,319 based on historical expenditure levels. Total FY 19 funding is $2,919,389 (including $165,553 for administration).	-$16,052,452	-$16,052,452	0
19D - 699	Education	Special School Districts	Eliminates 9 vacant instructor positions and associated funding. These positions have been vacant for 1 year or longer and are located across the state. The reduction in funding and inability to fill the vacant positions may impact the operations at various locations, and cause current instructors to carry excess teaching loads in order to stay compliant with the individualized education programs and special education law.	-$494,997	-$494,997	-9
			Major Reductions for Education	**-$24,019,098**	**-$34,038,473**	**-9**
19E - 610	LSU Health Care Services Division	LSU HSC-HCSD	Reduces funding ($14,413,934 IAT and $6,117,224 SGR) for Lallie Kemp Medical Center (LKMC). The source of IAT includes payment of Federal UCC/DSH Medicaid via Medical Vendor Payment (MVP) ($13,572,737) and Title 19 claims ($841,197); and the source of the SGR is Upper Payment Limits payments ($6,117,224 SGR). LKMC staff report that the reduction would have the following effects for the hospital: eliminate services for indigent patients; eliminate oncology services; reduce inpatient capacity to 10 beds; eliminate the Intensive Care Unit; eliminate surgical services; reduce clinical capacity by 20,000 visits (approximately 50%); eliminate cardiology services; reduce ancillary services; and result in the layoff of 180 employees.	$0	-$20,531,158	0
			Major Reductions for LSU Health Care Services Division	**$0**	**-$20,531,158**	**0**
20 - 451	Other Requirements	Local Housing of State Adult Offenders	Reduces the per diem rate paid to sheriffs and operators of transitional work programs by $5 in the Work Release Program. The FY 18 per diem is $10.25 for providers. The FY 18 per diem for non-contract providers is $14.39. The FY 19 rate will change to $5.25 for work release/transitional housing programs and to $9.39 for non-contract participants.	-$4,976,775	-$4,976,775	0
20 - 451	Other Requirements	Local Housing of State Adult Offenders	Reduces the per diem rate paid to sheriffs and operators of transitional work programs by $5.00 from $24.39 to $19.39 in the Adult Offenders Program. The per diem rate is currently set at an authorized level of $24.39 in R.S. 15:824(B)(1)(a).	-$29,136,125	-$29,136,125	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 - 451	Other Requirements	Local Housing of State Adult Offenders	Eliminates funding provided to local sheriffs for parole holds. A parole hold is an authorized detention of a person who is suspected of a parole violation. People on parole can be detained if law enforcement officers have a reasonable belief that they have violated one or more of the terms of their parole. Once taken into custody, the parolee must be notified of the reason for the hold within a set period of time before being taken to a hearing to discuss whether or not parole should be revoked. People held on suspicion of violating their parole may be denied the opportunity to pay bail. Parole holds are billed by the sheriff's at a rate of $20.89 per offender per day.	-$10,000,000	-$10,000,000	0
20 - 906	Other Requirements	District Attorneys & Assistant DA	Eliminates SGF provided to the District Attorneys & Assistant District Attorneys Program. Total FY 19 funding is $5.45 M from the statutorily dedicated Video Draw Poker Device Fund ($5.4 M) and the Pari-mutuel Live Racing Facility Gaming Control Fund ($50,000). According to Title X, Section 3 of the LA Constitution, the compensation of an elected public official shall not be reduced during the term for which they are elected. Therefore, this adjustments eliminates all of the funding for victim assistance coordinators and approximately 10 months of funding for assistant district attorneys.	-$25,809,713	-$25,809,713	0
20 - 931	Other Requirements	LED Debt Service & State Commitments	Non-recurring of resources carried forward from FY 17 to FY 18. The $40.36 M ($7,063,456 SGF and $33,300,531 Statutory Dedications) in project commitments being non-recurred comprise approximately 94.3% of the $42.79 M ($8.53 M SGF and $34.26 M Statutory Dedications) in resources carried forward from FY 17 to 18.	-$7,063,456	-$40,363,987	0
20 - 941	Other Requirements	Agriculture & Forestry - Pass Through Funds	Non-recurs IAT from the Division of Administration, Office of Community Development Block Grant Program for pass through funding related to the Healthy Food Retail Act. This was a special legislative project added during the 2017 2nd Extraordinary Legislative Session.	$0	-$1,000,000	0
20 - 945	Other Requirements	State Aid to Local Govt. Entities	Non-recurs the amount associated with the Casino Support Services contract from the statutorily dedicated Casino Support Services Fund, since the JLCB has not yet approved the FY 19 contract. LA RS 27:247 requires the gaming control board to enter into a casino support services contract with governing authorities in parishes where official gaming establishments are located in order to compensate the parish for the cost of providing support services resulting from the operation of official gaming establishments and activities therein. Support services include, but are not limited to, fire, police, sanitation, health, transportation and traffic services.	$0	-$1,800,000	0
20 - 966	Other Requirements	Supplemental Pay to Law Enforcement	Eliminates state supplemental pay provided to Constables and Justices of the Peace. These positions are eligible to receive up to $100 per month in supplemental pay subject to funding availability, and there are approximately 730 constables and justices of the peace receiving this supplemental pay.	-$977,452	-$977,452	0

Major Reductions in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 - 977	Other Requirements	DOA Debt Service & Maintenance	Reduces IAT expenditure authority to reflect actual projected transfers.	$0	-$1,500,000	0
			Major Reductions for Other Requirements	**-$77,963,521**	**-$115,564,052**	**0**
			Major Reductions of FY 2019	**-$1,049,421,621**	**-$2,693,449,629**	**-161**

Means of Finance Substitutions (Swaps)

Major MOF Swaps in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 - 112	Executive	Department of Military Affairs	MOF swap related to the loss of IAT from the LA Department of Education's Nonpublic Educational Assistance that provided Nonpublic School Lunch Salary Supplement funding paid to dining facility staff associated with the Youth Challenge Program. These funds were eliminated in FY 19 for all other nonpublic schools in Schedule 19-697.	$528,316	$0	0
			Major MOF Swaps for Executive	**$528,316**	**$0**	**0**
04B - 141	Justice	Attorney General	MOF swap to maximize the available IAT revenues in the Risk Litigation Program.	-$111,817	$0	0
04B - 141	Justice	Attorney General	MOF swap to maximize the available Statutory Dedications out of the Riverboat Gaming Enforcement Fund in the Gaming Program.	-$34,437	$0	0
			Major MOF Swaps for Justice	**-$146,254**	**$0**	**0**
04F - 160	Agriculture & Forestry	Agriculture & Forestry	MOF swap reducing SGF and increasing the statutorily dedicated LA Agricultural Finance Authority Fund for general operating costs of the department. This fund derives its revenue from an annual $12 M deposit from net slot machine proceeds, and the Executive Budget includes an $11.8 M recommendation for LDAF. $1,375,150 Management & Finance $1,710,000 Animal Health & Science $3,200,000 Forestry $345,482 Soil & Water	-$6,630,632	$0	0
			Major MOF Swaps for Agriculture & Forestry	**-$6,630,632**	**$0**	**0**
08B - 419	DPSC Public Safety Services	State Police	MOF swap reducing SGF and increasing SGR derived from certificate of title fees. These funds provide for general operating expenses of the respective programs. $2,788,038 Traffic $62,353 Criminal $10,876,615 Operational $271,619 Gaming	-$13,998,625	$0	0
			Major MOF Swaps for DPSC Public Safety Services	**-$13,998,625**	**$0**	**0**

Major MOF Swaps in the FY 19 Budget Compared to the FY 18 Budget

<table>
<tr><th>Sch. #</th><th>Dept.</th><th>Agency</th><th>Explanation</th><th>SGF</th><th>Total</th><th>T. O.</th></tr>
<tr><td>09 - 306</td><td>Health</td><td>Medical Vendor Payments</td><td>MOF Swap replaces SGF with other revenue sources as a result of federal match changes for FY 19. The source of federal funds is Title 19 federal financial participation. The net change is mainly the result of an increase in federal match (Federal Medical Assistance Percentage, or FMAP) associated with non expansion claims, and a decrease in federal match support associated with payments for expansion related costs (from 94.5% federal match in FY 18 to 93.5% federal match in FY 19). Significant FMAP changes:
<table>
<tr><th></th><th>FY 18</th><th>FY 19 (*blended rates)</th></tr>
<tr><td>Title 19 claims FMAP</td><td>63.34%</td><td>64.67% (35.33% state match)</td></tr>
<tr><td>DSH FMAP</td><td>63.39%</td><td>65% (35% state match)</td></tr>
<tr><td>Expansion FMAP</td><td>94.5%</td><td>93.5% (6.5% state match)</td></tr>
</table>
<table>
<tr><th></th><th>SGF</th><th>IAT</th><th>Fees</th><th>Federal</th><th>Total</th></tr>
<tr><td>Privates Provider Program</td><td>($55,586,302)</td><td>($308,290)</td><td>($7,795,465)</td><td>$63,690,057</td><td>$0</td></tr>
<tr><td>Public Provider Program</td><td>($2,359,027)</td><td>$0</td><td>$0</td><td>$2,359,027</td><td>$0</td></tr>
<tr><td>Buy ins</td><td>($4,470,390)</td><td>$0</td><td>$0</td><td>$4,470,390</td><td>$0</td></tr>
<tr><td>DSH</td><td>($7,782,495)</td><td>$0</td><td>($5,470,825)</td><td>$13,253,320</td><td>$0</td></tr>
<tr><td>Total</td><td>($70,198,214)</td><td>($308,290)</td><td>($13,266,290)</td><td>$83,772,794</td><td>$0</td></tr>
</table></td><td>-$70,198,214</td><td>$0</td><td>0</td></tr>
<tr><td>09 - 306</td><td>Health</td><td>Medical Vendor Payments</td><td>MOF swap replaces SGF with a like amount of Tobacco Tax Medicaid Match Fund revenues due to FY 19 projections of fund revenues. Revenue deposited into the fund is generated from a tax on cigarettes (R. S. 47:841).</td><td>-$96,076</td><td>$0</td><td>0</td></tr>
<tr><td>09 - 306</td><td>Health</td><td>Medical Vendor Payments</td><td>MOF swap replaces SGF with a like amount of Health Trust Fund revenues due to FY 19 projections. Revenues are a result of additional interest earnings from the Medicaid Trust Fund for the Elderly.</td><td>-$2,463,077</td><td>$0</td><td>0</td></tr>
<tr><td>09 - 320</td><td>Health</td><td>Aging & Adult Services</td><td>MOF swap replaces IAT with SGF by a like amount, and transfers 12 positions from other charges to T.O. and replaces the Money Follows the Person (MFP) grant funding with SGF. The MFP program assists persons with SMI with transitioning from nursing home facilities to community living. The program has transitioned 1,835 individuals back into the community. The program has 9 coordinators and 3 administrative staff. Federal grant funding supported these positions since 2009. However, the grant ends in December 2018. The state is expected to maintain these transition services. This adjustment represents 6 months of SGF funding.

$821,333 MFP Grant Funds (ends in December 2018)
$821,333 SGF (begins in January 2019)
$1,642,666 Total cost of transition services</td><td>$821,333</td><td>$0</td><td>12</td></tr>
<tr><td>09 - 330</td><td>Health</td><td>Behavioral Health</td><td>Hospital Based Treatment - MOF swap replacing SGF with a like amount of IAT via federal DSH/UCC to track IAT revenues derived from Medicaid payments.</td><td>-$5,386,181</td><td>$0</td><td>0</td></tr>
</table>

Major MOF Swaps in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major MOF Swaps for Health	**-$77,322,215**	**$0**	**12**
11 - 431	Natural Resources	Office of Secretary	MOF swap replaces IAT from the Department of Wildlife & Fisheries with SGF for the Atchafalaya Basin Program. The program will be discontinued. The remaining funding will cover one-time administrative costs associated with the elimination of this program. DNR will no longer implement water quality and/or water management projects proposed in the Atchafalaya Basin Master Plan & Annual Plan. The purpose of these projects is to ensure the sustainability of the Atchafalaya Basin and all of its ecological and recreational benefits. In addition to the elimination of these measures, DNR will no longer implement access or recreation projects in the Atchafalaya Basin for the benefit of LA's citizens and visitors.	$87,052	$0	0
			Major MOF Swaps for Natural Resources	**$87,052**	**$0**	**0**
16 - 514	Wildlife & Fisheries	Office of Fisheries	MOF swap replacing funds from the statutorily dedicated Conservation Fund with Federal funds in the amount of $2,453,630. The Federal funds originate from the following grants: US Fish & Wildlife - Clean Vessel Grant ($420,961), National Marine Fisheries Service - SeaMap Grant ($432,589), and US Fish & Wildlife - Sportfish Restoration Grant ($1,600,080). However, these amounts do not reflect the total grant funding. These Federal funds are currently used for various research contracts, assistance related to fisheries disasters, and the installation of a pump out station in marine areas. There will be a reduction in the number and scope of existing contracts, however some work will continue to be provided in house. The reduction related to fisheries disasters is to align the budget with historical expenditures. The installation of a pump out station will be completed in FY 18. Beginning in FY 19, these funds will be used to pay the employees at the department who work on these grants.	$0	$0	0
			Major MOF Swaps for Wildlife & Fisheries	**$0**	**$0**	**0**

Major MOF Swaps in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A - 671	Higher Education	Board of Regents	MOF swap decreases IAT from the LA Department of Health (LDH), Medical Vendor Administration as a result of reductions to LDH's budget and increases SGF. The IAT is for the Medical & Allied Health Professional Education Scholarships & Loan Program with the Southern Regional Education Board (SREB) Regional Contracting Program allowing qualified students, who are LA residents, to pursue professional health degrees at participating out-of-state universities when an in-state school option is not available. The state of LA contracts with SREB to fund the difference by paying in-state tuition at public institutions and reduced tuition at private institutions. In FY 18, the total funding for this program was $650,000. This included $450,000 in IAT from LDH and $200,000 in Statutory Dedications from the Medical & Allied Health Professional Education School & Loan Fund. In FY 18, the program served 35 students for an average award of $18,571 per student. FY 19 funding includes $150,000 IAT from LDH, $300,000 SGF, and $200,000 Statutory Dedications.	$300,000	$0	0
			Major MOF Swaps for Higher Education	**$300,000**	**$0**	**0**
19B - 658	Special Schools & Comm.	Thrive Academy	MOF swap replacing $480,419 in IAT funds from the MFP with SGF to properly align the MFP funding with the actual enrollment count. The FY 18 approved MFP formula contained enrollment projections that exceeded the actual enrollment count. In FY 19, Thrive is recommended to receive $2.9 SGF for costs associated with the instruction and residential component as well as $1.5 M from the MFP for instruction.	$480,419	$0	0
			Major MOF Swaps for Special Schools & Comm.	**$480,419**	**$0**	**0**
19D - 695	Education	Minimum Foundation Program (MFP)	Means of financing swap reduces SGF and increases statutorily dedicated funding out of the Support Education in Louisiana First (SELF) Fund per the Revenue Estimating Conference (REC) forecast of 12/14/2017. Recommended FY 19 funding totals $3.720 B ($3,458.3 M SGF; $154.5 Lottery Proceeds Fund; and $107.2 M SELF Fund).	-$3,045,000	-$3,045,000	0
			Major MOF Swaps for Education	**-$3,045,000**	**-$3,045,000**	**0**
20 - 931	Other Requirements	LED Debt Service & State Commitments	MOF swap increasing SGF to replace funds from the LA Mega-Project Development Fund due to a lack of resources in the fund. For reference, the LA Mega-Project Development Fund primarily receives revenues via SGF appropriation.	$11,519,607	$0	0
20 - 931	Other Requirements	LED Debt Service & State Commitments	MOF swap decreasing SGF and replacing it with Rapid Response Fund as a result of revisions to the REC Forecast.	-$368,120	$0	0
			Major MOF Swaps for Other Requirements	**$11,151,487**	**$0**	**0**

Major MOF Swaps in the FY 19 Budget Compared to the FY 18 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major MOF Swaps of FY 2019	**-$88,595,452**	**-$3,045,000**	**12**

Exhibits

REC Forecast

Schedule A

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 18 FORECAST

(In Million $)

REVENUE SOURCE / DEDICATIONS	Actual Collections FY17	Official Forecast 5/16/2017	ADOPTED Proposed DOA Forecast 12/14/2017	Proposed LFO Forecast 12/14/2017	DOA +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	36.4	38 6	38 6	37 1	-	(1 5)
Beer	40.9	40 0	41 0	40 5	1 0	0 5
Corporate Franchise					-	-
Corporate Income					-	-
Total Corp Fran & Inc	*388 4*	338 5	350 0	383.4	11 5	44 9
Gasoline & Special Fuels	634 9	640 4	637.0	626.4	(3 4)	(14 0)
Hazardous Waste	2 7	3.1	2 6	2 8	(0 5)	(0 3)
Individual Income	2959 5	3,016.5	2993 7	3,024 3	(22 8)	7 8
Natural Gas Franchise	0 5	0.4	0.5	0 6	0 1	0 2
Public Utilities	6 2	11 7	6 2	6.5	(5 5)	(5 2)
Auto Rental Excise	6 7	5 0	5 0	7 0	-	2 0
Sales Tax - General	3827 2	3,800 8	3934 7	3,887 4	133 9	86 6
Severance	371 2	371 4	397 7	381 4	26 3	10 0
Supervision/Inspection Fee	8.6	9 4	9.4	8 7	-	(0.7)
Tobacco	314.2	310 8	313.2	314 1	2 4	3 3
Unclaimed Property	43 8	50 0	50 0	50 9	-	0 9
Miscellaneous Receipts	5.0	4 9	5.2	5 1	0 3	0 2
Total-Dept. of Revenue	**8,646.3**	**8,641.5**	**8,784.8**	**8,776.2**	**143.3**	**134.7**
Royalties	140 4	155 1	144 0	146 4	(11.1)	(8 7)
Rentals	2 4	2 8	2 8	2 0	-	(0 8)
Bonuses	1 4	1 5	2 0	2 5	0 5	1 0
Mineral Interest	1 1	0 7	1 0	1 0	0 3	0 3
Total-Natural Res.	**145.2**	**160.1**	**149.8**	**151.9**	**(10.3)**	**(8.2)**
Interest Earnings (SGF)	3 7	1 0	1 0	1 0	-	-
Interest Earnings (TTF)	1 7	1 4	1 4	3 0	-	1 6
VAR,INA/Hosp Leases/LA1 Tolls	201 3	217 0	206.9	206 0	(10.1)	(11.0)
Agency SGR Over-collections	47 3	64 8	61 6	60 7	(3.2)	(4.1)
Bond Reimbs / Traditional & GOZ	67 7	26 6	47 7	47.6	21.1	21 0
Quality Ed Support Fund	37 8	42 0	40 0	41.9	(2.0)	(0 1)
Lottery Proceeds	178.1	155 0	163 0	163 7	8.0	8 7
Land-based Casino	60 0	60 0	60 0	60 0	-	-
Tobacco Settlement	97.1	103 2	103 7	96 7	0.5	(6 5)
DHH Provider Fees	146 1	151 0	151 1	155 1	0.1	4 1
Total Treasury	**840.7**	**822.0**	**836.4**	**835.7**	**14.4**	**13.7**
Excise License	885 5	936.3	952 1	1,021 0	15 8	84.7
Ins Rating Fees (SGF)	67.3	68 9	69.0	69 3	0 1	0 4
Total-Insurance	**952.8**	**1,005.2**	**1,021.0**	**1,090.3**	**15.8**	**85.1**
Misc DPS Permits	16 5	17 6	16 6	14 9	(1 0)	(2 7)
Titles	25.2	26 1	25 7	25 6	(0 4)	(0.5)
Vehicle Licenses	124.4	122 9	125 0	122 2	2 1	(0 7)
Vehicle Sales Tax	528.9	535 5	500 9	490.2	(34 6)	(45 3)
Riverboat Gaming	419.2	420 0	420 0	415 8	-	(4.2)
Racetrack slots	52 3	50.0	50 0	52 0	-	2.0
Video Draw Poker	184.1	180 0	180 0	183.7	-	3.7
Total-Public Safety	**1,350.6**	**1,352.1**	**1,318.2**	**1,304.4**	**(33.9)**	**(47.7)**
Total Taxes, Lic., Fees	**11,935.6**	**11,980.9**	**12,110.2**	**12,158.5**	**129.3**	**177.6**
Less: Dedications	*(2,508 3)*	*(2,538 9)*	*(2,515 3)*	*(2,573 4)*	**23.6**	**(34.5)**
STATE GENERAL FUND REVENUE - DIRECT	**9,427.3**	**9,442.0**	**9,594.9**	**9,585.2**	**152.9**	**143.2**
Oil Price per barrel	$48 51	$51 14	$51 78	$51 24	$0 64	$0 10

OFFICIAL FORECAST
ADOPTED 12/14/17

Schedule A

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 18 FORECAST
(In Million $)

REVENUE SOURCE / DEDICATIONS	Actual Collections FY17	Official Forecast 5/16/2017	ADOPTED Proposed DOA Forecast 12/14/2017	Proposed LFO Forecast 12/14/2017	DOA +(-) Official Forecast	LFO +(-) Official Forecast
Transportation Trust Fund	507.9	512.3	509.6	501.1	(2.7)	(11.2)
Motor Vehicles Lic - TTF	53.0	54.6	53.1	51.5	(1.5)	(3.1)
Aviation Tax - TTF	29.8	29.8	29.8	29.8	-	-
TTF/Interest and Fees	27.6	29.5	29.1	28.9	(0.4)	(0.6)
Motor Fuels - TIME Program	127.0	128.1	127.4	125.3	(0.7)	(2.8)
Motor Veh Lic - Hwy Fund #2	13.1	13.5	13.1	12.8	(0.4)	(0.7)
State Highway Improvement Fund	58.3	54.4	58.4	57.3	4.0	2.9
OMV Drivers' License Escrow Fund	0.0	0.0	3.1	3.1	3.1	3.1
Severance Tax -Parishes	43.0	25.7	33.7	45.8	8.0	20.1
Severance Tax - Forest Prod Fund	2.6	2.0	2.0	2.6	-	0.6
Royalties - Parishes	14.7	15.5	14.4	14.6	(1.1)	(0.9)
Royalties-DNR	1.6	1.6	2.5	2.5	0.9	0.9
Wetlands Fund	14.1	14.7	14.9	14.4	0.2	(0.3)
Quality Ed Support Fund	37.8	42.0	40.0	41.9	(2.0)	(0.1)
Sales Tax Econ. Development	14.4	19.6	14.3	14.5	(5.3)	(5.1)
Tourist Promotion District	25.8	26.9	26.7	26.0	(0.2)	(0.9)
Sales Tax/Telecomm Fd for the Deaf	1.6	1.0	1.0	1.5	-	0.5
Excise Lic. - 2% Fire Ins	22.3	22.9	24.0	22.6	1.1	(0.3)
Excise Lic -Fire Mars. Fd.	16.4	16.9	16.8	16.6	(0.1)	(0.3)
Excise Lic. - LSU Fire Tr.	3.3	3.4	3.7	3.3	0.3	(0.1)
Insurance Fees	67.3	68.9	69.0	69.3	0.1	0.4
ELT MATF Medicaid Managed Care	427.4	471.0	440.0	495.0	(31.0)	24.0
State Police Salary Fund	15.6	15.6	15.6	15.6	-	-
Video Draw Poker	56.7	57.4	57.4	57.1	(0.0)	(0.3)
Racetrack Slots	32.1	32.1	32.1	31.8	(0.0)	(0.3)
Lottery Proceeds Fund	177.6	154.5	162.5	163.2	8.0	8.7
SELF Fund	146.0	148.8	148.8	147.1	0.0	(1.7)
Casino Support Fund	3.6	1.8	1.8	1.8	-	-
Riverboat 'Gaming' Enforce	65.3	65.7	65.7	65.3	0.0	(0.4)
Compulsive Gaming Fund	2.5	2.5	2.5	2.5	-	-
Budget Stabilization Fund	25.0	25.0	25.0	25.0	-	-
Revenue Stabilization Fund	0.0	0.0	0.0	0.0	-	-
Hazardous Waste Funds	2.7	3.1	2.6	2.8	(0.5)	(0.3)
Supervision/Inspection Fee	8.6	9.4	9.4	8.7	-	(0.7)
Insp. Fee/Gasoline, Ag Petr. Fund	4.4	4.7	4.6	4.4	(0.1)	(0.3)
Tobacco Settlement/4 cent Tob Tax dedication	107.4	113.3	113.9	107.0	0.6	(6.3)
Tob Tax Health Care Fd / Reg Enf Fd	31.7	29.4	29.6	31.6	0.2	2.2
Tob Tax Medicaid Match Fund	129.2	120.3	121.3	129.0		
Rapid Response Fund/Econ Dev	10.0	10.0	10.0	10.0	-	-
Rapid Response Fund/Workforce	10.0	10.0	10.0	10.0	-	-
Unclaimed Property / I-49	15.0	15.0	15.0	15.0	-	-
Capitol Tech	10.0	10.0	10.0	10.0	-	-
Misc. Allocations	0.0	5.0	0.0	0.0	(5.0)	(5.0)
DHH Provider Fees	146.1	151.0	151.1	155.1	0.1	4.1
Total Dedications	**2,508.3**	**2,538.9**	**2,515.3**	**2,573.4**	**(23.6)**	**34.5**

Some columns and lines do not add precisely due to rounding.

OFFICIAL FORECAST
ADOPTED 12/14/17

OFFICIAL FORECAST

ADOPTED 12|14|17

Schedule E2

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 2017-2018 FORECAST - STATUTORY DEDICATIONS
(In Million $)

SD #	STATUTORY DEDICATION	Beginning Balance as of 7/1/2017	Official Forecast FY18 5/16/2017	ADOPTED Proposed DOA FY18 12/14/2017	ADOPTED DOA over/under Official Forecast	Proposed LFO FY18 12/14/2017	LFO over/under Official Forecast
A14	Forestry Productivity Fund	7.48	2.00	2.00	-	2.60	0.60
A15	Petroleum Products Fund	0.43	4.74	4.61	(0.13)	4.43	(0.31)
DS1	Highway Fund #2 - Motor Vehicle License Tax	0.84	6.75	6.53	(0.22)	6.38	(0.36)
E02	Telecommunications for the Deaf Fund	0.65	1.00	1.00	-	1.50	0.50
E38	Workforce Training Rapid Response Fund	0.00	10.00	10.00	-	10.00	-
ED6	Louisiana Economic Development Fund	4.57	17.56	12.31	(5.25)	12.49	(5.07)
EDM	Marketing Fund	0.01	2.00	2.00	-	2.00	-
EDR	Rapid Response Fund	31.59	10.00	10.00	-	10.00	-
G01	Lottery Proceeds Fund	67.81	154.50	162.50	8.00	163.20	8.70
G04	Riverboat Gaming Enforcement Fund	0.82	65.72	65.72	(0.00)	65.28	(0.44)
H08	Louisiana Medical Assistance Trust Fund	8.35	622.02	591.10	(30.91)	650.10	28.08
H10	Compulsive & Problem Gaming Fund	1.00	2.50	2.50	-	2.50	-
H30	New Opportunities Waiver (NOW) Fund	0.00	-	-	-	-	-
H39	Tobacco Tax Medicaid Match Fund	-	120.29	121.25	0.96	128.98	8.69
HW9	State Highway Improvement Fund	111.61	54.35	58.42	4.07	57.30	2.94
HWF	New Orleans Ferry Fund	1.65	1.14	1.14	-	1.26	0.12
I02	Fireman Training Fund	-	3.37	3.71	0.34	3.33	(0.04)
I03	Two Percent Fire Insurance Fund	0.75	22.91	23.99	1.07	22.63	(0.28)
I05	Retirement System-Insurance Proceeds	-	66.56	66.57	0.02	66.91	0.35
I06	Municipal Fire and Police Civil Service Operating Fund	-	2.38	2.38	0.00	2.39	0.01
N07	Mineral and Energy Operation Fund	0.78	2.50	2.50	-	2.50	-
P01	Louisiana Fire Marshal Fund	-	16.94	16.78	(0.16)	16.61	(0.33)
P29	Louisiana State Police Salary Fund	-	15.60	15.60	-	15.60	-
P41	Drivers License Escrow Fund	-	-	3.10		3.10	
Q01	Hazardous Waste Site Cleanup Fund	3.35	3.06	2.65	(0.41)	2.80	(0.26)
ST4	Unclaimed Property Leverage Fund	42.93	15.00	15.00	-	15.00	-
ST6	Legislative Capitol Technology Enhancement Fund	0.00	10.00	10.00	-	10.00	-
Y03	Utility & Carrier Inspection/Supervision Fund	0.75	9.40	9.40	-	8.70	(0.70)
Z02	Parish Road Royalty Fund	3.34	15.51	14.40	(1.11)	14.64	(0.87)
Z08	Budget Stabilization Fund	286.79	25.00	25.00	-	25.00	-
Z09	Mineral Resources Audit and Settlement Fund	10.12	-	-	-	-	-
Z11	Louisiana Quality Education Support Fund	31.66	42.00	40.00	(2.00)	41.90	(0.10)
Z12	Coastal Protection and Restoration Fund	67.61	14.69	14.87	0.18	14.35	(0.34)
Transportation Trust Fund							
TT1	Transportation Trust Fund	22.85	119.49	117.38	(2.11)	115.33	(4.16)
TT2	TTF-Timed Account	0.25	-	-	-		-
TT3	T.T.F. 4 Cents Revenue	21.61	128.07	127.40	(0.67)	125.28	(2.79)
TT4	Transportation Trust Fund - TIMED	-	-	-	-		-
54P	TTF-Regular	-	512.30	509.62	(2.68)	501.12	(11.18)
Severance Tax - Parishes							
Z03	General Severance Tax-Parish	(0.16)	19.29	24.86	5.57	43.76	24.47
Z04	Timber Severance Tax - Parish	(0.00)	6.38	8.80	2.42	2.00	(4.37)
Video Draw Poker							
G03	Video Draw Poker Device Fund	-	54.66	54.66	(0.00)	54.30	(0.36)
G05	Video Draw Poker Device Purse Supplement Fund	-	2.70	2.70	-	2.83	0.13
Racetrack Slots							
A07	Louisiana Agricultural Finance Authority Fund	0.00	12.00	12.00	-	12.00	-
E29	St. Landry Parish Excellence Fund	0.04	0.59	0.59	(0.00)	0.65	0.06
E30	Calcasieu Parish Fund	0.18	1.21	1.21	0.00	1.34	0.12
E33	Bossier Parish Truancy Program Fund	0.02	0.40	0.40	0.00	0.30	(0.10)
E34	Orleans Parish Excellence Fund	0.01	0.30	0.30	(0.00)	0.31	0.01
G09	Pari-mutuel Live Racing Facility Gaming Control Fund	-	8.21	8.21	-	8.21	-
G11	Equine Health Studies Program Fund	-	0.75	0.75	-	0.75	-
G12	Southern University AgCenter Program Fund	0.05	0.75	0.75	-	0.75	-
G13	Beautification and Improvement of the New Orleans City Park Fund	0.10	1.90	1.90	(0.00)	1.86	(0.04)
G14	Greater New Orleans Sports Foundation Fund	0.00	1.00	1.00	-	1.00	-
G15	Algiers Economic Development Foundation Fund	-	0.10	0.10	-	0.10	-
G16	N. O. Urban Tourism and Hospitality Training in Econ. Dev. Foundation Fund	0.10	0.10	0.10	-	0.10	-
G17	Beautification Project For New Orleans Neighborhoods Fund	0.00	0.10	0.10	-	0.10	-
G18	Friends of NORD Fund	0.05	0.10	0.10	-	0.10	-
G19	New Orleans Sports Franchise Assistance Fund	-	2.57	2.57	0.00	2.20	(0.37)
S06	Rehabilitation for the Blind and Visually Impaired Fund	0.28	2.00	2.00	-	2.00	-
Casino (SELF Fund also Includes Riverboats Revenue)							
G10	Support Education in Louisiana First Fund	9.85	148.83	148.83	-	147.10	(1.73)
G20	Casino Support Services Fund	0.52	1.80	1.80	-	1.80	-
Tobacco Tax Health Care Fund / Tobacco Regulation Enforcement Fund							
E32	Tobacco Tax Health Care Fund	0.00	28.45	28.68	0.23	30.96	2.51
RVC	Tobacco Regulation Enforcement Fund	-	0.90	0.90	-	0.64	(0.26)
Tobacco Settlement/4 cent Tobacco Tax Dedication							
Z13	Louisiana Fund	1.59	14.13	14.13	(0.00)	13.92	(0.20)
Z17	Health Excellence Fund	466.13	25.72	25.96	0.24	23.99	(1.73)
Z18	Education Excellence Fund	475.64	15.56	15.72	0.16	13.67	(1.89)
Z19	TOPS Fund	468.96	57.94	58.10	0.16	55.44	(2.50)
	Total (Page 2 Funds)	**2,152.97**	**2,507.78**	**2,488.66**	**(22.23)**	**2,547.42**	**36.64**
	Total (Act 419)	**3,738.13**	**1,282.59**	**1,036.06**	**(172.52)**	**1,036.06**	**(180.99)**
	Total Funds	**5,891.10**	**3,790.37**	**3,524.71**	**(194.75)**	**3,583.48**	**(144.45)**

Notes:

1) Any balance remaining at the end of any fiscal year is available revenue for subsequent years.
2) For presentation purposes, the revenues are rounded to 2 decimal places.
3) Due to minor understatements of actual amounts available due to rounding, the amount available for appropriation in any particular fund which is so understated shall be increased by an amount not to exceed the understatement.
4) The estimates may differ from the Page 2 estimates amounts due to interest or other revenue sources that are not part of Page 2.

Schedule B

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 19 FORECAST
(In Million $)

REVENUE SOURCE / DEDICATIONS	Official Forecast 5/16/2017	ADOPTED Proposed DOA Forecast 12/14/2017	Proposed LFO Forecast 12/14/2017	DOA +(-) Official Forecast	LFO +(-) Official Forecast
Alcoholic Beverage	38.6	38.6	38.0	-	(0.6)
Beer	40.0	41.0	40.5	1.0	0.5
Corporate Franchise					-
Corporate Income					-
Total Corp Fran & Inc	201.3	300.0	325.0	98.7	123.7
Gasoline & Special Fuels	658.0	649.9	643.9	(8.1)	(14.1)
Hazardous Waste	3.0	2.6	2.8	(0.4)	(0.2)
Individual Income	3,076.8	3,038.3	3,090.7	(38.5)	13.9
Natural Gas Franchise	0.4	0.5	0.6	0.1	0.2
Public Utilities	11.7	6.2	6.5	(5.5)	(5.2)
Auto Rental Excise	5.0	5.0	7.0	-	2.0
Sales Tax - General	2,922.1	3,104.8	2,955.1	182.7	33.0
Severance	348.7	399.5	386.6	50.8	37.9
Supervision/Inspection Fee	9.4	9.4	8.7	-	(0.7)
Tobacco	307.7	311.1	313.7	3.4	6.0
Unclaimed Property	50.0	50.0	50.3	-	0.3
Miscellaneous Receipts	5.0	5.3	5.1	0.3	0.1
Total-Dept. of Revenue	**7,677.7**	**7,962.2**	**7,874.5**	**284.5**	**196.8**
Royalties	142.6	144.0	154.0	1.4	11.4
Rentals	2.8	2.8	2.0	-	(0.8)
Bonuses	1.5	2.0	2.5	0.5	1.0
Mineral Interest	0.7	1.0	1.0	0.3	0.3
Total-Natural Res.	**147.6**	**149.8**	**159.5**	**2.2**	**11.9**
Interest Earnings (SGF)	1.0	1.0	1.0	0.0	-
Interest Earnings (TTF)	1.4	1.4	3.0	-	1.6
VAR,INA/Hosp Leases/LA1 Tolls	219.9	208.9	209.2	(11.0)	(10.7)
Agency SGR Over-collections	64.8	27.0	60.7	(37.8)	(4.1)
Bond Reimbs / Traditional & GOZ	26.6	21.5	21.4	(5.1)	(5.2)
Quality Ed Support Fund	42.0	40.0	43.1	(2.0)	1.1
Lottery Proceeds	155.0	155.0	155.8	-	0.8
Land-based Casino	60.0	60.0	60.0	-	-
Tobacco Settlement	103.4	103.2	96.3	(0.2)	(7.1)
DHH Provider Fees	151.0	152.4	159.3	1.4	8.3
Total Treasury	**825.1**	**770.5**	**809.8**	**(54.6)**	**(15.3)**
Excise License	948.4	913.4	1,040.0	(35.0)	91.6
Ins Rating Fees (SGF)	70.6	70.6	70.9	0.0	0.3
Total-Insurance	**1,019.0**	**984.0**	**1,110.9**	(35.0)	91.9
Misc. DPS Permits	17.7	16.7	15.4	(1.0)	(2.3)
Titles	26.7	26.3	26.5	(0.4)	(0.2)
Vehicle Licenses	123.5	125.6	126.5	2.1	3.0
Vehicle Sales Tax	421.9	427.2	424.2	5.3	2.3
Riverboat Gaming	420.0	420.0	413.8	-	(6.2)
Racetrack slots	50.0	50.0	52.0	-	2.0
Video Draw Poker	180.0	180.0	182.0	-	2.0
Total-Public Safety	**1,239.8**	**1,245.7**	**1,240.4**	5.9	0.6
Total Taxes, Lic., Fees	**10,909.2**	**11,112.2**	**11,195.1**	203.0	285.9
Less: Dedications	*(2,541.4)*	*(2,510.9)*	*(2,585.4)*	30.5	(44.0)
STATE GENERAL FUND REVENUE - DIRECT	**8,367.8**	**8,601.3**	**8,609.7**	233.5	241.9
Oil Price per barrel	$51.12	$54.31	$54.07	$3.19	$2.95

OFFICIAL FORECAST
ADOPTED 12/14/17

Schedule B

REVENUE ESTIMATING CONFERENCE

FISCAL YEAR 19 FORECAST

(In Million $)

REVENUE SOURCE / DEDICATIONS	Official Forecast 5/16/2017	ADOPTED Proposed DOA Forecast 12/14/2017	Proposed LFO Forecast 12/14/2017	DOA +(-) Official Forecast	LFO +(-) Official Forecast
Transportation Trust Fund	526.4	519.9	515.1	(6.5)	(11.3)
Motor Vehicles Lic. - TTF	54.9	53.4	53.3	(1.5)	(1.6)
Aviation Tax - TTF	29.8	29.8	29.8	-	-
TTF/Interest and Fees	29.5	29.1	28.9	(0.4)	(0.6)
Motor Fuels - TIME Program	131.6	130.0	128.8	(1.6)	(2.8)
Motor Veh Lic - Hwy Fund #2	13.6	13.1	13.2	(0.5)	(0.4)
State Highway Improvement Fund	54.6	58.7	59.3	4.1	4.7
OMV Drivers' License Escrow Fund	0.0	3.1	3.1	3.1	3.1
Severance Tax -Parishes	24.2	33.8	46.4	9.6	22.2
Severance Tax - Forest Prod. Fund	2.0	2.0	2.6	-	0.6
Royalties - Parishes	14.3	14.4	15.4	0.1	1.1
Royalties-DNR	1.6	2.5	2.5	0.9	0.9
Wetlands Fund	14.0	14.9	14.6	0.9	0.6
Quality Ed. Support Fund	42.0	40.0	43.1	(2.0)	1.1
Sales Tax Econ. Development	13.5	14.2	11.2	0.7	(2.3)
Tourist Promotion District	25.1	26.5	20.0	1.4	(5.1)
Sales Tax/Telecomm Fd for the Deaf	1.0	1.0	1.5	-	0.5
Excise Lic. - 2% Fire Ins	23.5	22.6	23.0	(0.9)	(0.5)
Excise Lic. -Fire Mars. Fd.	17.4	16.3	16.8	(1.1)	(0.6)
Excise Lic. - LSU Fire Tr.	3.5	3.5	3.4	(0.0)	(0.1)
Insurance Fees	70.6	70.6	70.9	0.0	0.3
ELT MATF Medicaid Managed Care	471.0	431.8	495.0	(39.2)	24.0
State Police Salary Fund	15.6	15.6	15.6	-	-
Video Draw Poker	57.4	57.4	56.6	(0.0)	(0.8)
Racetrack Slots	32.1	32.1	31.8	(0.0)	(0.3)
Lottery Proceeds Fund	154.5	154.5	155.3	-	0.8
SELF Fund	150.6	150.6	148.5	0.0	(2.1)
Casino Support Fund	0.0	0.0	0.0	-	-
Riverboat 'Gaming' Enforce	65.7	65.7	65.0	0.0	(0.7)
Compulsive Gaming Fund	2.5	2.5	2.5	-	-
Budget Stabilization Fund	25.0	25.0	25.0	-	-
Revenue Stabilization Fund	0.0	0.0	0.0		
Hazardous Waste Funds	3.0	2.6	2.8	(0.4)	(0.2)
Supervision/Inspection Fee	9.4	9.4	8.7	-	(0.7)
Insp. Fee/Gasoline, Ag. Petr. Fund	4.9	4.7	4.4	(0.2)	(0.5)
Tobacco Settlement/4 cent Tob Tax dedication	113.4	113.4	106.6	0.0	(6.8)
Tob Tax Health Care Fd / Reg Enf Fd	29.1	29.4	31.6	0.3	2.5
Tob Tax Medicaid Match Fund	118.1	119.4	128.8		
Rapid Response Fund/Econ Dev	10.0	10.0	10.0	-	-
Rapid Response Fund/Workforce	10.0	10.0	10.0	-	-
Unclaimed Property / I-49	15.0	15.0	15.0	-	-
Capitol Tech	10.0	10.0	10.0	-	-
Misc. Allocations	0.0	0.0	0.0	-	-
DHH Provider Fees	151.0	152.4	159.3	1.4	8.3
Total Dedications	**2,541.4**	**2,510.9**	**2,585.4**	(30.5)	44.0

Some columns and lines do not add precisely due to rounding.

OFFICIAL FORECAST
ADOPTED 12/14/17

OFFICIAL FORECAST

ADOPTED 12/14/17

Schedule F2

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 2018-2019 FORECAST - STATUTORY DEDICATIONS
(In Million $)

SD #	STATUTORY DEDICATION	Official Forecast FY19 5/16/2017	ADOPTED Proposed DOA FY19 12/14/2017	DOA over/under Official Forecast	Proposed LFO FY19 12/14/2017	LFO over/under Official Forecast
A14	Forestry Productivity Fund	-	2.00	2.00	2.60	2.60
A15	Petroleum Products Fund	-	4.70	4.70	4.43	4.43
DS1	Highway Fund #2 - Motor Vehicle License Tax	-	6.56	6.56	6.61	6.61
E02	Telecommunications for the Deaf Fund	-	1.00	1.00	1.50	1.50
E38	Workforce Training Rapid Response Fund	-	10.00	10.00	10.00	10.00
ED6	Louisiana Economic Development Fund	-	12.22	12.22	9.19	9.19
EDM	Marketing Fund	-	2.00	2.00	2.00	2.00
EDR	Rapid Response Fund	-	10.00	10.00	10.00	10.00
G01	Lottery Proceeds Fund	-	154.50	154.50	155.30	155.30
G04	Riverboat Gaming Enforcement Fund	-	65.72	65.72	64.97	64.97
H08	Louisiana Medical Assistance Trust Fund	-	584.23	584.23	654.30	654.30
H10	Compulsive & Problem Gaming Fund	-	2.50	2.50	2.50	2.50
H30	New Opportunities Waiver (NOW) Fund	-	-	-	-	-
H39	Tobacco Tax Medicaid Match Fund	-	119.43	119.43	128.82	128.82
HW9	State Highway Improvement Fund	-	58.71	58.71	59.31	59.31
HWF	New Orleans Ferry Fund	-	-	-	1.26	1.26
I02	Fireman Training Fund	-	3.49	3.49	3.39	3.39
I03	Two Percent Fire Insurance Fund	-	22.55	22.55	22.97	22.97
I05	Retirement System-Insurance Proceeds	-	68.18	68.18	68.45	68.45
I06	Municipal Fire and Police Civil Service Operating Fund	-	2.43	2.43	2.44	2.44
N07	Mineral and Energy Operation Fund	-	2.50	2.50	2.50	2.50
P01	Louisiana Fire Marshal Fund	-	16.31	16.31	16.85	16.85
P29	Louisiana State Police Salary Fund	-	15.60	15.60	15.60	15.60
P41	Drivers License Escrow Fund		3.10		3.10	
Q01	Hazardous Waste Site Cleanup Fund	-	2.61	2.61	2.80	2.80
ST4	Unclaimed Property Leverage Fund	-	15.00	15.00	15.00	15.00
ST6	Legislative Capitol Technology Enhancement Fund	-	10.00	10.00	10.00	10.00
Y03	Utility & Carrier Inspection/Supervision Fund	-	9.40	9.40	8.70	8.70
Z02	Parish Road Royalty Fund	-	14.40	14.40	15.40	15.40
Z08	Budget Stabilization Fund	-	25.00	25.00	25.00	25.00
Z09	Mineral Resources Audit and Settlement Fund	-	-	-	-	-
Z11	Louisiana Quality Education Support Fund	-	40.00	40.00	43.10	43.10
Z12	Coastal Protection and Restoration Fund	-	14.90	14.90	14.58	14.58
Transportation Trust Fund		-				
TT1	Transportation Trust Fund	-	118.82	118.82	117.37	117.37
TT2	TTF-Timed Account	-	-	-	-	-
TT3	T.T.F. 4 Cents Revenue	-	129.98	129.98	128.78	128.78
TT4	Transportation Trust Fund - TIMED	-	-	-	-	-
54P	TTF-Regular	-	519.92	519.92	515.12	515.12
Severance Tax - Parishes		-				
Z03	General Severance Tax-Parish	-	24.97	24.97	44.36	44.36
Z04	Timber Severance Tax - Parish	-	8.83	8.83	2.03	2.03
Video Draw Poker		-				
G03	Video Draw Poker Device Fund	-	54.66	54.66	53.80	53.80
G05	Video Draw Poker Device Purse Supplement Fund	-	2.70	2.70	2.80	2.80
Racetrack Slots		-				
A07	Louisiana Agricultural Finance Authority Fund	-	12.00	12.00	12.00	12.00
E29	St. Landry Parish Excellence Fund	-	0.59	0.59	0.65	0.65
E30	Calcasieu Parish Fund	-	1.21	1.21	1.34	1.34
E33	Bossier Parish Truancy Program Fund	-	0.40	0.40	0.30	0.30
E34	Orleans Parish Excellence Fund	-	0.30	0.30	0.31	0.31
G09	Pari-mutuel Live Racing Facility Gaming Control Fund	-	8.21	8.21	8.21	8.21
G11	Equine Health Studies Program Fund	-	0.75	0.75	0.75	0.75
G12	Southern University AgCenter Program Fund	-	0.75	0.75	0.75	0.75
G13	Beautification and Improvement of the New Orleans City Park Fund	-	1.90	1.90	1.86	1.86
G14	Greater New Orleans Sports Foundation Fund	-	1.00	1.00	1.00	1.00
G15	Algiers Economic Development Foundation Fund	-	0.10	0.10	0.10	0.10
G16	N. O. Urban Tourism and Hospitality Training in Econ. Dev. Foundation Fund	-	0.10	0.10	0.10	0.10
G17	Beautification Project For New Orleans Neighborhoods Fund	-	0.10	0.10	0.10	0.10
G18	Friends of NORD Fund	-	0.10	0.10	0.10	0.10
G19	New Orleans Sports Franchise Assistance Fund	-	2.57	2.57	2.20	2.20
S06	Rehabilitation for the Blind and Visually Impaired Fund	-	2.00	2.00	2.00	2.00
Casino (SELF Fund also includes Riverboats Revenue)		-				
G10	Support Education in Louisiana First Fund	-	150.63	150.63	148.47	148.47
G20	Casino Support Services Fund	-	-	-	-	-
Tobacco Tax Health Care Fund / Tobacco Regulation Enforcement		-				
E32	Tobacco Tax Health Care Fund	-	28.48	28.48	30.92	30.92
RVC	Tobacco Regulation Enforcement Fund	-	0.90	0.90	0.64	0.64
Tobacco Settlement/4 cent Tobacco Tax Dedication		-				
Z13	Louisiana Fund	-	14.13	14.13	13.92	13.92
Z17	Health Excellence Fund	-	25.75	25.75	23.85	23.85
Z18	Education Excellence Fund	-	15.58	15.58	13.55	13.55
Z19	TOPS Fund	-	57.96	57.96	55.32	55.32
	Total (Page 2 Funds)	-	**2,484.44**	**2,481.34**	**2,585.38**	**2,562.28**
	Total (Act 419)	-	**781.16**	**764.15**	**781.16**	**760.55**
	Total Funds	-	**3,265.59**	**3,245.49**	**3,346.53**	**3,322.83**

Notes:

1) Any balance remaining at the end of any fiscal year is available revenue for subsequent years.
2) For presentation purposes, the revenues are rounded to 2 decimal places.
3) Due to minor understatements of actual amounts available due to rounding, the amount available for appropriation in any particular fund which is so understated shall be increased by an amount not to exceed the understatement.
4) The estimates may differ from the Page 2 estimates amounts due to interest or other revenue sources that are not part of Page 2

Schedule C

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 19-21 FORECAST
(In Million $)

REVENUE SOURCE / DEDICATIONS	DOA FY20 12/14/2017	ADOPTED DOA FY21 12/14/2017	DOA FY22 12/14/2017
Alcoholic Beverage	38.6	38.6	38.6
Beer	41.0	41.0	41.0
Corporate Franchise			
Corporate Income			
Total Corp Fran & Inc	300.0	300.0	300.0
Gasoline & Special Fuels	668.2	685.1	702.9
Hazardous Waste	2.6	2.5	2.5
Individual Income	3,117.1	3,253.2	3,350.7
Natural Gas Franchise	0.5	0.5	0.5
Public Utilities	6.2	6.2	6.2
Auto Rental Excise	5.0	5.0	5.0
Sales Tax - General	3,160.0	3,124.5	3,194.4
Severance	383.2	371.3	361.6
Supervision/Inspection Fee	9.4	9.4	9.4
Tobacco	316.8	316.8	315.8
Unclaimed Property	50.0	50.0	50.0
Miscellaneous Receipts	5.4	5.5	5.7
Total-Dept. of Revenue	**8,104.1**	**8,209.7**	**8,384.3**
Royalties	144.0	144.0	144.0
Rentals	2.8	2.8	2.8
Bonuses	2.0	2.0	2.0
Mineral Interest	1.0	1.0	1.0
Total-Natural Res.	**149.8**	**149.8**	**149.8**
Interest Earnings (SGF)	1.0	1.1	1.1
Interest Earnings (TTF)	1.4	1.4	1.4
VAR,INA/Hosp Leases/LA1 Tolls	208.8	208.7	208.6
Agency SGR Over-collections	27.0	27.0	27.0
Bond Reimbs / Traditional & GOZ	21.5	19.0	18.2
Quality Ed. Support Fund	40.0	40.0	40.0
Lottery Proceeds	155.0	155.0	155.0
Land-based Casino	60.0	60.0	60.0
Tobacco Settlement	103.4	103.6	103.8
DHH Provider Fees	152.4	152.4	152.4
Total Treasury	**770.5**	**768.2**	**767.5**
Excise License	949.7	961.6	990.8
Ins. Rating Fees (SGF)	72.3	74.1	75.8
Total-Insurance	**1,022.0**	**1,035.6**	**1,066.6**
Misc. DPS Permits	16.8	16.9	17.0
Titles	26.8	27.4	27.9
Vehicle Licenses	126.2	126.9	127.5
Vehicle Sales Tax	427.4	438.2	473.0
Riverboat Gaming	420.0	420.0	420.0
Racetrack slots	50.0	50.0	50.0
Video Draw Poker	180.0	180.0	180.0
Total-Public Safety	**1,247.3**	**1,259.4**	**1,295.5**
Total Taxes, Lic., Fees	**11,293.7**	**11,422.6**	**11,663.7**
Less: Dedications	*(2,537.3)*	*(2,560.1)*	*(2,582.0)*
TLF growth			
STATE GENERAL FUND REVENUE - DIRECT	**8,756.4**	**8,862.5**	**9,081.7**
Oil Price per barrel	$54.06	$54.03	$54.52

OFFICIAL FORECAST
ADOPTED 12/14/17

Schedule C

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 19-21 FORECAST
(In Million $)

REVENUE SOURCE / DEDICATIONS	ADOPTED DOA FY20 12/14/2017	ADOPTED DOA FY21 12/14/2017	ADOPTED DOA FY22 12/14/2017
Transportation Trust Fund	534.6	548.1	562.3
Motor Vehicles Lic. - TTF	53.6	53.9	54.2
Aviation Tax - TTF	29.8	29.8	29.8
TTF/Interest and Fees	29.1	29.1	29.1
Motor Fuels - TIME Program	133.6	137.0	140.6
Motor Veh.Lic - Hwy Fund #2	13.2	13.3	13.3
State Highway Improvement Fund	59.0	59.3	59.6
OMV Drivers' License Escrow Fund	3.1	3.1	3.1
Severance Tax -Parishes	32.5	31.5	30.7
Severance Tax - Forest Prod. Fund	2.0	3.0	3.0
Royalties - Parishes	14.4	14.4	14.4
Royalties-DNR/AG Support Fund	2.5	2.5	1.6
Wetlands Fund	14.6	14.4	14.2
Quality Ed. Support Fund	40.0	40.0	40.0
Sales Tax Econ. Development	14.4	14.5	15.0
Tourist Promotion District	26.8	27.1	27.9
Sales Tax/Telecomm Fd for the Deaf	1.0	1.0	1.0
Excise Lic. - 2% Fire Ins.	24.3	24.8	26.2
Excise Lic. -Fire Mars. Fd.	17.0	17.4	18.3
Excise Lic. - LSU Fire Tr.	3.8	3.8	4.0
Insurance Fees	72.3	74.1	75.8
ELT MATF Medicaid Managed Care	431.8	431.8	431.8
State Police Salary Fund	15.6	15.6	15.6
Video Draw Poker	57.4	57.4	57.4
Racetrack Slots	32.1	32.1	32.1
Lottery Proceeds Fund	154.5	154.5	154.5
SELF Fund	150.6	150.6	150.6
Casino Support Fund	0.0	0.0	0.0
Riverboat 'Gaming' Enforce.	65.7	65.7	65.7
Compulsive Gaming Fund	2.5	2.5	2.5
Budget Stabilization Fund	25.0	25.0	25.0
Revenue Stabilization Fund	0.0	0.0	0.0
Hazardous Waste Funds	2.6	2.5	2.5
Supervision/Inspection Fee	9.4	9.4	9.4
Insp. Fee/Gasoline, Ag. Petr. Fund	4.8	5.0	5.1
Tobacco Settlement/4 cent Tob Tax dedication	113.7	114.0	114.1
Tob Tax Health Care Fd / Reg Enf Fd	29.9	29.9	29.8
Tob Tax Medicaid Match Fund	122.7	124.7	124.3
Rapid Response Fund/Econ Dev	10.0	10.0	10.0
Rapid Response Fund/Workforce	10.0	10.0	10.0
Unclaimed Property / I-49	15.0	15.0	15.0
Capitol Tech	10.0	10.0	10.0
Misc. Allocations	0.0	0.0	0.0
DHH Provider Fees	152.4	152.4	152.4
Total Dedications	**2,537.3**	**2,560.1**	**2,582.0**

Some columns and lines do not add precisely due to rounding.

OFFICIAL FORECAST
ADOPTED 12/14/17

Schedule D

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 19-21 FORECAST
(In Million $)

REVENUE SOURCE / DEDICATIONS	LFO FY20 12/14/2017	LFO FY21 12/14/2017	LFO FY22 12/14/2017
Alcoholic Beverage	38.7	39.4	40.1
Beer	40.3	40.1	39.9
Corporate Franchise			
Corporate Income			
Total Corp Fran. & Inc.	350.0	375.0	400.0
Gasoline & Special Fuels	653.1	662.4	671.6
Hazardous Waste	2.8	2.7	2.7
Individual Income	3,163.7	3,236.7	3,309.8
Natural Gas Franchise	0.6	0.6	0.6
Public Utilities	6.5	6.5	6.5
Auto Rental Excise	7.0	7.0	7.0
Sales Tax - General	2,947 7	2,982.7	3,045.9
Severance	398.8	409.0	420.9
Supervision/Inspection Fee	8.7	8.7	8.7
Tobacco	313.5	313.3	313.0
Unclaimed Property	49.8	49.3	48.7
Miscellaneous Receipts	5.1	5.1	5.1
Total-Dept. of Revenue	**7,986.3**	**8,138.5**	**8,320.5**
Royalties	159.3	164.5	169.6
Rentals	2.0	2.0	2.0
Bonuses	2.5	2.5	2.5
Mineral Interest	1.0	1.0	1.0
Total-Natural Res.	**164.8**	**170.0**	**175.1**
Interest Earnings (SGF)	1.0	1.0	1.0
Interest Earnings (TTF)	3.0	3.0	3.0
VAR,INA/Hosp Leases/LA1 Tolls	212.0	214.8	217.7
Agency SGR Over-collections	60.7	60.7	60.7
Bond Reimbs / Traditional & GOZ	21.4	18.9	18.1
Quality Ed. Support Fund	45.7	48.3	50.9
Lottery Proceeds	155.8	155.8	155.8
Land-based Casino	60.0	60.0	60.0
Tobacco Settlement	96.4	96.4	96.4
DHH Provider Fees	162.3	165.3	168.3
Total Treasury	**818.2**	**824.2**	**831.9**
Excise License	1,059.0	1,079.0	1,098.0
Ins. Rating Fees (SGF)	72.5	74.2	75.9
Total-Insurance	**1,131.5**	**1,153.2**	**1,173.9**
Misc. DPS Permits	15.7	15.9	16.1
Titles	26.9	27.3	27.7
Vehicle Licenses	128.4	130.3	132.2
Vehicle Sales Tax	430.0	434.6	456.9
Riverboat Gaming	414.0	414.2	416.1
Racetrack slots	52.0	52.0	52.0
Video Draw Poker	180.5	179.0	177.5
Total-Public Safety	**1,247.5**	**1,253.3**	**1,278.5**
Total Taxes, Lic., Fees	**11,348.3**	**11,539.2**	**11,779.9**
Less: Dedications	*(2,606 2)*	*(2,627.1)*	*(2,649 3)*
TLF growth			
STATE GENERAL FUND REVENUE - DIRECT	**8,742.1**	**8,912.0**	**9,130.6**
Oil Price per barrel	$55.47	$53.86	$54.90

Schedule D

REVENUE ESTIMATING CONFERENCE
FISCAL YEAR 19-21 FORECAST
(In Million $)

REVENUE SOURCE / DEDICATIONS	LFO FY20 12/14/2017	LFO FY21 12/14/2017	LFO FY22 12/14/2017
Transportation Trust Fund	522.5	529.9	537.3
Motor Vehicles Lic. - TTF	54.1	54.9	55.8
Aviation Tax - TTF	29.8	29.8	29.8
TTF/Interest and Fees	28.9	28 9	28 9
Motor Fuels - TIME Program	130.6	132.5	134.3
Motor Veh.Lic - Hwy Fund #2	13.4	13.6	13.8
State Highway Improvement Fund	60.2	61.1	62.0
OMV Drivers' License Escrow Fund	3.1	3.1	3.1
Severance Tax -Parishes	47.9	49.1	50.5
Severance Tax - Forest Prod. Fund	2.6	2.6	2.6
Royalties - Parishes	15.9	16.5	17.0
Royalties-DNR/AG Support Fund	2.5	2.5	2.5
Wetlands Fund	14.9	15.2	15.5
Quality Ed. Support Fund	45.7	48.3	50.9
Sales Tax Econ. Development	11.2	11.3	11.6
Tourist Promotion District	20.0	20.3	20.8
Sales Tax/Telecomm Fd for the Deaf	1.5	1.5	1.5
Excise Lic. - 2% Fire Ins.	23.3	23.7	24.0
Excise Lic. -Fire Mars. Fd.	17.1	17.3	17.6
Excise Lic. - LSU Fire Tr.	3.5	3.5	3.6
Insurance Fees	72.5	74.2	75.9
ELT MATF Medicaid Managed Care	495.0	495.0	495.0
State Police Salary Fund	15.6	15.6	15.6
Video Draw Poker	56.1	55.7	55.2
Racetrack Slots	31.8	31.8	31.8
Lottery Proceeds Fund	155.3	155.3	155.3
SELF Fund	148.5	148.6	149.0
Casino Support Fund	0.0	0.0	0.0
Riverboat 'Gaming' Enforce.	65.0	65.0	65.3
Compulsive Gaming Fund	2.5	2.5	2.5
Budget Stabilization Fund	25.0	25.0	25.0
Revenue Stabilization Fund	0.0	0.0	0.0
Hazardous Waste Funds	2.8	2.7	2.7
Supervision/Inspection Fee	8.7	8.7	8.7
Insp. Fee/Gasoline, Ag. Petr. Fund	4.4	4.4	4.4
Tobacco Settlement/4 cent Tob Tax dedication	106.7	106.7	106.7
Tob Tax Health Care Fd / Reg Enf Fd	31.5	31.5	31.5
Tob Tax Medicaid Match Fund	128.7	128.7	128.5
Rapid Response Fund/Econ Dev	10.0	10.0	10.0
Rapid Response Fund/Workforce	10.0	10.0	10.0
Unclaimed Property / I-49	15.0	15.0	15.0
Capitol Tech	10.0	10.0	10.0
Misc. Allocations	0.0	0.0	0.0
DHH Provider Fees	162.3	165.3	166.3
Total Dedications	**2,606.2**	**2,627.1**	**2,649.3**

Some columns and lines do not add precisely due to rounding.

ACT 424
LFO Report

STATE OF LOUISIANA
LEGISLATIVE FISCAL OFFICE
BATON ROUGE

John D. Carpenter
Legislative Fiscal Officer

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TO:	The Honorable Cameron Henry, Chairman of the Joint Legislative Committee on the Budget Honorable members of the Joint Legislative Committee on the Budget The Honorable John A. Alario, Senate President The Honorable Taylor Barras, Speaker of the House Honorable members of the Louisiana Legislature The Honorable John Bel Edwards, Governor
FROM:	John D. Carpenter, Legislative Fiscal Officer
DATE:	January 31, 2018
SUBJECT:	Report of the LFO pursuant to Act 424 of the 2013 Regular Legislative Session

Pursuant to Section 1 of Act 424 of the 2013 Regular Legislative Session, the Legislative Fiscal Office (LFO) is required to review the proposed executive budget for the ensuing fiscal year and report to the Joint Legislative Committee on the Budget (JLCB), the state legislature and the governor whether the budget recommended appropriations out of the state general fund and dedicated funds for health care (09-DHH) and higher education (19A-Higher Education, 19E-HCSD) in FY 19 have been reduced from the FY 18 existing operating budget (as of December 1, 2017).

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

> *Article VII, Section 10 (J)*
> *(J) Definition of Funds. For the purposes of this Article, the state general fund and dedicated funds shall be all money required to be deposited in the state treasury, except that money the origin of which is:*
> *(1) The federal government*
> *(2) Self-generated collections by an entity subject to the policy and management authority established by Article VIII, Sections 5 through 7.*
> *(3) A transfer from another state agency, board, or commission.*
> *(4) The provisions of this Paragraph shall not apply to or affect funds allocated by Article VII, Section 4, Paragraphs (D) and (E).*

As presented in Table 1, the LFO reports that the recommended appropriations contained in the executive budget submitted by the governor are in an amount less than the appropriations for schedule 09, Department of Health & Hospitals in the existing operating budget for the current year as of December 1, 2017 by approximately $754 M.

HEALTH CARE

TABLE 1

09-LDH	FY 18 Current	FY 19 Exec Budget	Total
SGF	$2,415,119,251	$1,926,355,053	**($488,764,198)**
SGR	$510,154,478	$348,095,469	**($162,059,009)**
Dedications	$842,350,843	$739,238,733	**($103,112,110)**
Total	**$3,767,624,572**	**$3,013,689,255**	**($753,935,317)**

As presented in Table 2C, the LFO reports that the recommended appropriations contained in the executive budget submitted by the governor are in an amount less than the appropriations for schedule 19, Higher Education and LSU Health Sciences Center Health Care Services Division by approximately $275.7 M.

HIGHER EDUCATION

TABLE 2A

19-HIED	FY 18 Current	FY 19 Exec Budget	Total
SGF	$1,004,971,363	$732,716,972	**($272,254,391)**
Dedications	$151,642,910	$148,170,266	**($3,472,644))**
Total	**$1,156,614,273**	**$880,887,238**	**($275,727,035)**

TABLE 2B

19-HCSD	FY 18 Current	FY 19 Exec Budget	Total
SGF	$24,427,906	$24,427,906	**$0**
Dedications	$0	$0	**$0**
Total	**$24,427,906**	**$24,427,906**	**$0**

TABLE 2C

19-HCSD	FY 18 Current	FY 19 Exec Budget	Total
SGF	$1,029,399,269	$757,144,878	**($272,254,391)**
Dedications	$151,642,910	$148,170,266	**($3,472,644))**
Total	**$1,181,042,179**	**$905,315,144**	**($275,727,035)**

FY 18 Current is from the LFO database & FY 19 Executive Budget is from the Governor's FY 19 Executive Budget Document.