

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

DEPARTMENT: Other Requirements

AGENDA NO.: 1

AGENCY: LED Debt Service / State Commitments

ANALYST: Charley Rome

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	LED Debt Service	\$20,000,001	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$20,000,001			
Federal Funds:	\$0			
Total	<u>\$20,000,001</u>	Total	<u>\$20,000,001</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase statutorily dedicated funds from the Rapid Response Fund by \$20 M for \$11.2 M in existing state economic development commitments and \$8.8 M in economic development commitments from new projects. The Funds bill (Act 646 of 2014) transferred \$20 M from the Mega-Project Development Fund to the Rapid Response Fund. However, the Revenue Estimating Conference did not recognize the \$20 M from the Mega-Project Development Fund being transferred to the Rapid Response Fund until 6/2/2014 which was too late to appropriate the \$20 M to the Rapid Response Fund during the legislative session. This BA-7 appropriates this \$20 M to the Rapid Response Fund.

Statewide economic development commitments funded from the Rapid Response Fund exceed the current year appropriation from the fund by \$11.2 M. Failing to appropriate these funds will result in the department's inability to meet its contractual obligations to fund these ongoing projects. This BA-7 brings overall funding from the Rapid Response Fund from \$23.3 M currently budgeted to \$34.5 M (\$11.2 M increase). The Department of Economic Development will utilize the remaining \$8.8 M requested in this BA-7 for confidential pending projects which are anticipated to be announced later in the fiscal year. The current unobligated Treasury balance in the Rapid Response Fund is approximately \$20.6 M, of which \$20 M is being requested with this BA-7.

II. IMPACT ON FUTURE FISCAL YEARS

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

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: Health & Hospitals

AGENDA NO.: 2

AGENCY: Behavioral Health

ANALYST: Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration & Support	\$0	0
Interagency Transfers:	\$0	Behavioral Health Community	\$499,351	0
Self-Generated Revenue:	\$0	Hospital Based Treatment	\$0	0
Statutory Dedications:	\$0	Auxiliary Account	\$0	0
Federal Funds:	\$499,351			
Total	<u>\$499,351</u>	Total	<u>\$499,351</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase Federal expenditure authority in the amount of \$499,351 in FY 15 in association with the Cooperative Agreements to Benefit Homeless Individuals (CABHI) federal grant. The CABHI grant begins 9/30/2014 and continues through 9/29/2016. The funds are intended to provide supplemental funding to the Louisiana Chronic Homelessness Assistance and Treatment Services (LaCHATS) project and was awarded by the Substance Abuse and Mental Health Services Administration pursuant to the authority of Section 520A of the Public Health Service (PHS) Act. Approval will expand the services available to provide treatment and supportive services to homeless veterans with substance use disorders and/or mental illness as well as chronically homeless individuals with serious mental illness or co-occurring disorders. There is no state match requirement associated with the grant. The additional funding will facilitate providing services to an additional 73 individuals in Federal FY15 (see NOTE below).

The Federal funds will provide for expenditures in the Other Charges expenditure category as follows:

Project Coordinator Salary	\$ 12,267	
Related Benefits	\$ 6,050	
Travel	\$ 3,425	
Supplies	\$ 2,957	
Professional Services	<u>\$474,652</u>	(CABHI Providers - Licensed Mental Health Providers)
	\$499,351	

NOTE: LaCHATS is an existing state project providing substance use disorder treatment and/or co-occurring disorder treatment, case management, peer support services, and other support services to persons experiencing chronic homelessness in three areas of the state that have the largest concentration of these individuals (Greater New Orleans, Greater Baton Rouge, and Northwest LA/Shreveport). The goal of the LaCHATS project is to reduce homelessness within the target population by increasing access to permanent housing, engagement and retention in treatment for substance abuse or co-occurring disorders, and access to supportive services to maintain permanent housing and access to mainstream resources. Billing for services is done on a fee for service basis. LaCHAT has served approximately 45 people to date through the existing CABHI grant and will serve up to approximately 312 individuals over the three-year grant period. The existing grant totaled \$711,818 per year for 3 years beginning 9/30/2013 through 9/29/2016. The supplemental grant will total \$499,351 per year for up to 2 years and will serve up to approximately 149 individuals over the two-year grant period. Approval of this BA-7 will increase this grant activity to \$1,211,169 in FY 15.

II. IMPACT ON FUTURE FISCAL YEARS

This supplemental grant can be extended for an additional year. Assuming successful execution of the grant project and extension, the extension will require an appropriation of an additional \$499,351 in the subsequent fiscal year.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: Executive

AGENDA NO.: 3

AGENCY: LA Public Defender Board

ANALYST: Zachary Rau

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	LA Public Defender Board	\$17,050	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$17,050			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	<u>\$17,050</u>	Total	<u>\$17,050</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase the LA Public Defender Board's (LPDB) self-generated revenues by \$17,050. The original source of funds is a grant award from the Casey Family Programs (CFP) for the purpose of reducing the number of youths in foster care. The term of the grant is from 9/15/2014 to 12/31/2014. There is no state match required, and CFP will reimburse LPDB for all expenses under the grant on a monthly basis. LPDB currently works as advocates for parents who have had their children placed in foster care through the use of parents' attorneys, social workers, and parental advocates to reunite fostered children with their parents. LPDB works in conjunction with DCFS Field Services, who advocates on behalf of foster children.

LPDB has 3 goals related to this grant. The first goal is to enhance its services in the advocacy of parents of children in foster care in the 24th Judicial District Court (Jefferson Parish) by engaging and overseeing a Licensed Clinical Social Worker (LCSW) to ensure that parents mitigate the factors that placed their children in danger, aid in planning with parents to take on permanent care of their children, and coordinate case management and services with DCFS to avoid duplication of services and undue conflict. The second goal is to work with CFP, DCFS, and Court Improvement Coordinator to provide training to public defender attorneys and the LCSW related to using the team model of a social worker, parent advocate, and attorney to provide support to parents. Lastly, LPDB will hold a meeting with CFP representatives, DCFS representatives, LCSW, and Jefferson Parish's lead Public Defender to establish procedures for coordination and problem resolution concerning mutual work on behalf of parents. LPDB will submit a final report summarizing project activities to CFP.

Expenditures will be made in the professional services expenditures category and will entail two contractors. The first contractor is a part-time social worker for a 10-week term, and the second is the Center for Family Representation for training to take place in early December. The services will focus on the 24th Judicial District Court (Jefferson Parish). The estimated total of the 2 contracts is \$14,800. In addition to the two contracts, CFP will also reimburse LPDB for expenses up to \$2,250 for contractor travel per LA state travel regulations, resulting in total expenditures of \$17,050.

II. IMPACT ON FUTURE FISCAL YEARS

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

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: Environmental Quality

AGENDA NO.: 4a

AGENCY: Management & Finance

ANALYST: Charley Rome

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Support Services	\$73,255	1
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$73,255			
Federal Funds:	\$0			
Total	<u>\$73,255</u>	Total	<u>\$73,255</u>	<u>1</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to transfer one position and related funding from the Office of the Secretary to the Office of Management & Finance. The source of funding for the BA-7 is statutorily dedicated funds from the Environmental Trust Fund. The Office of the Secretary has a vacant Attorney 4 position due to the retirement of an employee. The workload of the attorney was absorbed within the office. As such, this position and related funding is being transferred to the Office of Management & Finance for an Administrative Program Director 2 position to address deficiencies in the Contract Management Section in the Financial Services Division and will be responsible for the administrative functions associated with the Department's contracts, procurement, and grants. This funding includes \$48,263 in salaries and \$24,992 in related benefits and represents approximately 8 months of funding for the new Administrative Program Director 2 position.

II. IMPACT ON FUTURE FISCAL YEARS

Annualization of this BA-7 request will increase expenditures from the Environmental Trust Fund by \$38,601 in FY 16 and thereafter.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: Environmental Quality

AGENDA NO.: 4b

AGENCY: Office of Secretary

ANALYST: Charley Rome

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	(\$73,255)	(1)
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	(\$73,255)			
Federal Funds:	\$0			
Total	<u>(\$73,255)</u>	Total	<u>(\$73,255)</u>	<u>(1)</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to transfer one position and related funding from the Office of the Secretary to the Office of Management & Finance. The source of funding for the BA-7 transferred to the Office of Management & Finance is statutorily dedicated funds from the Environmental Trust Fund. The Office of the Secretary has a vacant Attorney 4 position due to retirement of an employee. The workload of the attorney was absorbed within the office. As such, this position and related funding is being transferred to the Office of Management & Finance for an Administrative Program Director 2 position to address deficiencies in the Contract Management Section in the Financial Services Division and will be responsible for the administrative functions associated with the Department's contracts, procurement, and grants. This funding includes \$48,263 in salaries and \$24,992 in related benefits.

II. IMPACT ON FUTURE FISCAL YEARS

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

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

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

DEPARTMENT: Executive

AGENDA NO.: 5

AGENCY: Military Department

ANALYST: Travis McIlwain

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Military Affairs	\$30,000,000	0
Interagency Transfers:	\$1,250,000	Education	\$0	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$28,750,000			
Total	<u>\$30,000,000</u>	Total	<u>\$30,000,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase federal budget authority in the amount of \$28.75 M and IAT budget authority in the amount of \$1.25 M in order for the Military Department to hire a specialized contractor to dispose of approximately 16 million pounds of explosive materials stored within 97 magazines at Camp Minden, to reimburse the U.S. Environmental Protection Agency (EPA) for future monitoring costs of the cleanup and reimburse the LA Department of Environmental Quality (DEQ) for past and future oversight costs.

The explosive materials were originally the property of Explo Systems, which was leasing the old ammunition manufacturing facility at Camp Minden to separate military propellant bags and resell the components. According to the Military Department, the dangerous component is M6 smokeless powder that was improperly stored at Camp Minden by Explo. This ultimately resulted in an explosion caused by these materials in Fall 2012.

The original source of the IAT resources is funding from the Department of Environmental Quality (DEQ) due to a legal settlement (U.S. EPA versus Arkla Disposal, LLC). The source will be civil penalties in the amount of \$2.5 M paid by Arkla Disposal, LLC of which \$1.25 M has been specifically allocated in the Stipulation of Settlement for removal costs of the explosives housed at Camp Minden.

The original source of federal funds is the federal U.S. Treasury Judgment Fund. On 9/30/2014, the Military Department, U.S. EPA and the U.S. Army signed an Administrative Settlement Agreement for the removal of materials. The agreement provides for the Military Department to remove approximately 15.7 million pounds of M6 propellant and approximately 321,000 pounds of clean burning igniter. The settlement provides for the U.S. Army to pay \$19,312,648 (80% of the total estimate to remove material) as an initial payment to the Military Department for removal costs as well as payment of U.S. EPA future monitoring costs and LA DEQ oversight costs. To the extent the contractor removal costs are in excess of the \$19.3 M initial payment, there is a process in place for the Military Department to follow that will allow additional federal resources to be utilized for hazardous material removal. Thus, the Military Department does not anticipate any SGF to be utilized for hazardous removal expenditures.

The specific resources and anticipated costs by resource based upon the settlement agreement are as follows:

\$1,250,000 (\$1,220,000) (\$30,000)	IAT Resource from DEQ Settlement Reimbursement to U.S. EPA future monitoring costs Reimbursement to LA DEQ for past oversight costs
\$19,312,648 (\$20,000) (\$19,292,648)	Federal Resource from the U.S. Army (initial payment) Reimbursement to LA DEQ for future oversight costs Publicly bid contractor hired to dispose of improperly stored hazardous materials

Note: There is currently ongoing litigation between negatively impacted parties and Explo's insurance carriers. To the extent the Military Department receives insurance settlement funds from this litigation, these resources could be utilized for the removal costs. The specific amount to be received is unknown at this time.

October 17, 2014

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

II. IMPACT ON FUTURE FISCAL YEARS

The department anticipates the burning process to last up to a year, which may result in expenditures being incurred in FY 16. These FY 16 expenditures would have to be appropriated during the FY 16 budget development process.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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

DEPARTMENT: Environmental Quality

AGENDA NO.: 6

AGENCY: Environmental Compliance

ANALYST: Charley Rome

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Environmental Compliance	\$3,500,000	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$3,500,000			
Federal Funds:	\$0			
Total	<u>\$3,500,000</u>	Total	<u>\$3,500,000</u>	<u>0</u>

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase statutorily dedicated funds from the Hazardous Waste Site Cleanup Fund by \$3.5 M to pay a contractor to extinguish numerous fires in the Harrelson Materials Management landfill site in Shreveport. The fires began in July 2008 and the efforts by Harrelson Materials Management and the Shreveport Fire Department have failed to completely extinguish all the fires within the landfill. Harrelson Materials Management no longer has the means to extinguish the fires and the Shreveport Fire Department has stated that responding to the fires has impaired the department's ability to respond to other fires and emergencies within their jurisdiction. As such, the LA Department of Environmental Quality (LDEQ) is assuming responsibility for the fires because the situation is an emergency and the department has a responsibility to prevent irreparable environmental damage and serious threats to the life or safety of persons in this location.

LDEQ has authority under L.R.S. 30:2206(C) that allows the department to contract for hazardous waste site cleanup without a request for proposal (RFP). LDEQ contacted four companies and LDEQ and the State Fire Marshal selected a company to attempt to put out the fires. LDEQ is unable to provide the name of the company at this time due to contract negotiations. LDEQ anticipates that the company will begin work as soon as the contract negotiations are completed. If the first company is not successful, LDEQ will seek the services of another company. The ultimate price to extinguish the fires is unknown at this time. The \$3.5 M requested in this BA-7 represents the unobligated funds available in the Hazardous Waste Site Cleanup Fund. LDEQ is requesting the remaining unobligated funds from the Hazardous Waste Site Cleanup Fund because the total cost to extinguish the fires is unknown at this time. The current balance of the Hazardous Waste Site Cleanup Fund is approximately \$5.1 M including obligated and unobligated funds.

II. IMPACT ON FUTURE FISCAL YEARS

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

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

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