Louisiana Legislative Fiscal Office

# FISCAL HIGHLIGHTS

Fiscal Year 2011-2012

Presented to:

The Honorable Joel T. Chaisson,
President of the State Senate
The Honorable Jim Tucker,
Speaker of the House of Representatives
and Honorable Members of the Louisiana Legislature

Presented by:

H. Gordon Monk, Legislative Fiscal Officer
Evan Brasseaux, LFO Staff Director

September 2011

This public document was published at a cost of $4.18 per book. 280 copies of this public document were published in this first printing for a total cost of $1,170.40. This document was published for the LA Legislative Fiscal Office, Post Office Box 44097, Baton Rouge, LA 70804 by the LA House of Representatives, Post Office Box 44486, Baton Rouge, LA 70804 in an effort to provide legislators, staff and the general public with an accurate summary of the 2011 Regular Session. This material was printed in accordance with the standard for printing by state agencies established pursuant to R.S. 43.31.

## LEGISLATIVE FISCAL OFFICE STAFF

H. Gordon Monk, Legislative Fiscal Officer
Evan Brasseaux, Staff Director
Debbie Roussel, Executive Assistant

**Economic Section**
Gregory V. Albrecht, Chief Economist
Deborah Vivien, Economist/Fiscal Analyst

**Education Section**
Mary Kathryn Drago, Section Director
Charley Rome, Fiscal Analyst

**General Government Section**
J. Travis McIlwain, Section Director
Alan Boxberger, Fiscal Analyst
Stephanie C. Blanchard, Fiscal Analyst
Matthew LaBruyere, Fiscal Analyst
Evelyn McWilliams, Fiscal Analyst

**Health & Hospitals and Social Services Section**
Shawn Hotstream, Section Director
Patrice Thomas, Fiscal Analyst
Jennifer Katzman, Fiscal Analyst

**Information Services Section**
Willie Marie Scott, Section Director

**Administration**
Rachael Feigley
Jean M. Pedersen


| | |
|---|---|
| Phone: | (225) 342-7233 |
| Fax: | (225) 342-7243 |
| Address: | Post Office Box 44097;<br>Baton Rouge, LA 70804<br>or<br>900 North Third Street;<br>State Capitol Building, 18th Floor<br>Baton Rouge, LA 70802 |
| Web Site: | lfo.louisiana.gov |

# OVERVIEW OF THE LEGISLATIVE FISCAL OFFICE

The Legislative Fiscal Office is an independent agency created by statute to provide factual and unbiased information to both the House of Representatives and the State Senate. The Office provides assistance to individual legislators, committees of the Legislature and the entire Legislature. Legislators' individual requests are considered confidential and will remain confidential unless otherwise requested.

The Legislative Fiscal Officer is elected by a favorable vote of a majority of the elected members of both houses of the Legislature. He may be removed by a majority vote of the elected members of both houses of the Legislature.

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

**Budget Analysis -** To analyze budgets prepared by the executive branch and make recommendations to the Joint Legislative Committee on the Budget, other committees and the Legislature.

**Revenue Forecasting -** To make continuous short and long range projections on revenues and expenditures (i.e., economic forecasting).

**Committee Support -** To review and evaluate requests/amendments for appropriations during the legislative sessions and make presentations to the House Appropriations Committee, the Senate Finance Committee and the Legislature. Answer the fiscal information requests of committees and individual legislators.

**Fiscal Notes -** To evaluate legislation for fiscal effect and provide fiscal notes detailing the effect on revenues and expenditures of such proposed legislation.

**BA-7s -** To review on a monthly basis requests for budget adjustments from state agencies and make recommendations to the Joint Legislative Committee on the Budget as to the merits of such requests.

**Interim Emergency Board -** To evaluate requests submitted to the Interim Emergency Board and to make recommendations of approval or disapproval to the Legislature of those requests.

**Fiscal & Economic Impact Statements -** To review on a monthly basis rules and regulations as submitted by the executive branch and to inform the Legislature and the public as to the fiscal and economic impact of such proposed rules and regulations.

**Louisiana Government Performance & Accountability Act -** To provide performance progress report summaries to the Joint Legislative Committee on the Budget relative to the state agencies actual performance compared to set performance standards.

**LEGISLATIVE FISCAL OFFICE**
**2011 FISCAL HIGHLIGHTS**

## TABLE OF CONTENTS

# Section I

# BUDGET COMPARISONS

## TOTAL MEANS OF FINANCE BY DEPARTMENT

| DEPARTMENT | Actual FY 10 | Budgeted FY 11 (1) | Appropriated FY 12 (2) | Dollar Change | Percent Change |
|---|---|---|---|---|---|
| Executive (a) | $3,641,364,103 | $4,813,208,852 | $3,873,743,740 | ($939,465,112) | (19.5%) |
| Veterans Affairs | $46,977,639 | $50,280,017 | $53,917,171 | $3,637,154 | 7.2% |
| State (a) | $59,735,056 | $81,424,399 | $80,886,348 | ($538,051) | (0.7%) |
| Justice (a) | $47,995,075 | $83,834,191 | $70,184,524 | ($13,649,667) | (16.3%) |
| Lt. Governor | $8,313,116 | $8,841,758 | $8,782,182 | ($59,576) | (0.7%) |
| Treasury | $9,701,704 | $12,598,613 | $12,718,272 | $119,659 | 0.9% |
| Public Service Commission | $8,432,006 | $10,068,080 | $9,724,407 | ($343,673) | (3.4%) |
| Agriculture & Forestry | $80,591,989 | $75,895,039 | $78,049,452 | $2,154,413 | 2.8% |
| Insurance | $28,197,382 | $31,959,673 | $33,476,973 | $1,517,300 | 4.7% |
| Economic Development (a) | $86,429,529 | $96,960,974 | $58,655,744 | ($38,305,230) | (39.5%) |
| Culture, Rec. & Tourism (a) | $87,284,477 | $102,737,928 | $86,426,558 | ($16,311,370) | (15.9%) |
| Transp. & Development | $507,336,176 | $559,232,223 | $536,329,553 | ($22,902,670) | (4.1%) |
| Corrections Services | $489,422,907 | $509,459,337 | $495,655,721 | ($13,803,616) | (2.7%) |
| Public Safety Services (a) | $350,348,608 | $681,816,421 | $399,564,607 | ($282,251,814) | (41.4%) |
| Youth Services | $148,297,780 | $143,235,277 | $143,022,365 | ($212,912) | (0.1%) |
| Health & Hospitals (a) | $8,146,833,884 | $8,515,343,324 | $8,246,639,356 | ($268,703,968) | (3.2%) |
| Children & Family Services (a) | $993,335,644 | $987,940,127 | $930,361,701 | ($57,578,426) | (5.8%) |
| Natural Resources (a) | $256,680,275 | $265,386,309 | $202,659,012 | ($62,727,297) | (23.6%) |
| Revenue | $92,689,834 | $96,871,685 | $96,840,096 | ($31,589) | (0.0%) |
| Environmental Quality | $116,952,987 | $152,971,291 | $133,112,802 | ($19,858,489) | (13.0%) |
| LA Workforce Commission | $310,855,641 | $320,039,772 | $283,212,449 | ($36,827,323) | (11.5%) |
| Wildlife & Fisheries (a) | $147,851,347 | $221,394,338 | $208,008,965 | ($13,385,373) | (6.0%) |
| Civil Service | $17,222,654 | $21,545,603 | $24,909,786 | $3,364,183 | 15.6% |
| Retirement Systems | $0 | $1,761,453 | $0 | ($1,761,453) | (100.0%) |
| Higher Education (a) | $2,832,998,338 | $3,041,053,595 | $3,011,910,054 | ($29,143,541) | (1.0%) |
| Special Schools & Comm. (a) | $106,698,648 | $110,639,821 | $93,418,647 | ($17,221,174) | (15.6%) |
| Elem. & Secondary Ed | $5,288,741,495 | $5,656,746,953 | $5,619,579,582 | ($37,167,371) | (0.7%) |
| Health Care Srvc. Division (a) | $78,841,449 | $932,593,474 | $804,543,457 | ($128,050,017) | (13.7%) |
| Other Requirements | $686,288,781 | $740,898,142 | $709,850,059 | ($31,048,083) | (4.2%) |
| **General Appropriation Total** | **$24,676,418,524** | **$28,326,738,669** | **$26,306,183,583** | **($2,020,555,086)** | **(7.1%)** |
| | | | | | |
| Ancillary | $1,780,378,238 | $1,763,258,237 | $1,705,012,015 | ($58,246,222) | (3.3%) |
| Judiciary | $139,455,244 | $154,368,338 | $159,030,085 | $4,661,747 | 3.0% |
| Legislative | $92,871,919 | $95,597,916 | $106,111,137 | $10,513,221 | 11.0% |
| Capital Outlay - Cash Portion (a) | $2,167,742,904 | $957,192,381 | $1,136,513,162 | $179,320,781 | 18.7% |
| | **$4,180,448,305** | **$2,970,416,872** | **$3,106,666,399** | **$136,249,527** | **4.6%** |
| | | | | | |
| **Non-Approp. Required** | **$471,283,053** | **$467,313,216** | **$518,025,631** | **$50,712,415** | **10.9%** |
| | | | | | |
| **Grand Total** | **$29,328,149,882** | **$31,764,468,757** | **$29,930,875,613** | **($1,833,593,144)** | **(5.8%)** |

(1) Budgeted as of June 30, 2011.

(2) Appropriated in Act 12 of 2011 Regular Session. Does not include carry-forward BA-7s.

(a) See Table of Footnotes on the following page.

## TABLE OF FOOTNOTES

Executive – Of the $542.8 M decrease in federal funds, approximately $354.0 M was non-recurred from the State Fiscal Stabilization Fund, which was originally funded by the American Recovery & Reinvestment Act of 2009 (ARRA). These funds were granted to elected statewide officials and higher education systems.

State – The $0.5 M decrease in the total means of financing is primarily due to removal of non-recurring information technology expenditures for the commercial online registration application project funded by SGR. The change in SGF (+$21 M) and IAT (-$21 M) is primarily due to a means of financing substitution, replacing IAT revenue from ARRA with SGF. The $0.7 M increase in Statutory Dedications is primarily due to increased funding for the 27th pay period.

Justice – The $13.6 M decrease in the total means of financing is primarily due to a $10 M decrease in IAT revenue for the Deepwater Horizon Event, a $1 M decrease in Statutory Dedications for the tobacco arbitration, and a $0.6 M decrease in Federal funds for the Orleans Parish Post Conviction DNA project. The $4.8 M increase in SGF is due to a $6.3 M means of financing substitution, replacing IAT revenue from the ARRA with SGF; a $1.3 M reduction due to the elimination of 23 positions; a $0.4 M reduction in risk management premiums; and a $0.4 M means of financing substitution, replacing SGF with Statutory Dedications from the Debt Collection Fund, and a $0.2 M reduction for the Ombudsman Program. The $16.5 M reduction in IAT is due to a $10 M decrease in funding for the Deepwater Horizon Event, along with a $6.2 M means of financing substitution that replaces SGF with IAT from the ARRA funding. The $1 M decrease in Statutory Dedications is due to reduced funding from the Tobacco Settlement Fund for the tobacco arbitration. The $0.6 M decrease in Federal funds is due to reduced funding for the Orleans Parish Post Conviction DNA project.

Culture, Recreation & Tourism – The decrease in the total means of financing is attributable to the elimination of non-recurring carry-forwards.

Economic Development – The decrease in total means of financing is primarily attributed to a reduction in SGF and Statutory Dedications funding (LA Economic Development Fund and Rapid Response Fund) due to the transfer of funding ($15,618,133) to the newly created agency, LED Debt Service/State Commitments, in Other Requirements (Schedule 20-931) and non-recurring carry-forwards ($26,875,221).

Public Safety Services – The $282 M decrease in the total means of financing is primarily attributed to a $294.8 M adjustment which removes funding associated with the Deepwater Horizon Event. The $11.9 M decrease in SGF is primarily attributed to adjustments in State Police. State Police had a $6.7 M reduction in SGF due to annualization of the FY 11 mid-year reductions and a $5.6 M decrease in SGF due to means of financing substitutions that increased Statutory Dedications from the Transportation Trust Fund by $25 M and decreased Statutory Dedications from the Overcollections Fund by $18 M. The $3.7 M increase in SGR is primarily attributed to a $7.8 M increase in the Traffic Program for increased overtime for LACE detail and escort services and a $3.4 M reduction in one-time revenue for the FCC mandated rebanding project. The $268.8 M reduction in Statutory Dedications is primarily due to the removal of $294.8 M associated with the Deepwater Horizon Event. The $4.4 M reduction in Federal funds is due to a $2.1 M reduction in State Police for removal of non-recurring carry-forwards, a $6 M increase in the Highway Safety Commission for an electronic DWI arrest report system along with the removal of $4.3 M Federal funds from the Highway Safety Commission that was transferred to DOTD for hazard elimination projects. A total of 187 positions were reduced due to the following: 68 eliminated due to annualization of the FY 11 freeze, 41 personnel reductions, 81 eliminated due to implementation of a workforce reduction plan that provides for increased utilization of wage employees, 20 eliminated in association with reduction of drivers license road skills testing performed by Motor Vehicles, 22 positions transferred from Juvenile Justice and Homeland Security due to the transfer of certain administrative functions, and 1 position added due to the transfer of the Exploited & Missing Children Information Clearinghouse from Department of Children & Family Services (DCFS).

Health & Hospitals (Medicaid) – Comparing FY 12 appropriated funding to FY 11 budgeted (@ 6/30/11), the FY 12 budget reflects a significant increase in SGF (approximately 115%) and significant decrease in both Statutory Dedications (37%) and Federal Funds (10.7%). These means of finance changes are mainly the result of the loss of funding from enhanced match associated with the ARRA, loss of federal Certified Public Expenditure (CPE) revenue, loss of federal revenues generated from DHH cost reports, and replacing statutorily dedicated funding appropriated from the Overcollections Fund.

Children & Family Services – The decrease in total means of financing is primarily attributed to the following reductions: $11,926,685 non-recurs Community Development Block Grant (CDBG) funding for homelessness relief efforts; $9,130,765 non-recurs Deep Water Horizon clean-up funding from the BP Oil Spill; $1,645,122 non-recurs Federal funds from the Supplemental Social Services Block Grant (SSBG) to provide services to children and families impacted by hurricanes Gustav and Ike; $28,057,957 in personal service expenses as a result of the elimination of 307 positions; $5,325,000 in the Enrollment & Eligibility Activity in the Field Services Program due to closure and consolidation of regional offices as a result of reorganization; and $1,231,864 reduction to the LA Kinship Integrated Service System (LAKISS).

Natural Resources – The decrease in Statutory Dedications is attributable to the non-recurring of $60 M from the Oil Spill Contingency Fund for coastal activities related to the Deepwater Horizon Event in FY 11. Funding was placed in the budget by Act 41 of 2010. This budget authority was inadvertently placed in this agency and was not utilized.

Wildlife & Fisheries – Decrease is due to a reduction of funding from the Oil Spill Contingency Fund for expenditures related with the Deepwater Horizon event.

Higher Education - $323 M decrease in IAT is primarily attributable to the loss of $290 M in ARRA funds. $305.7 M increase in SGR is primarily attributable to tuition increases authorized by the Grad Act (Act 741 of 2010) and 3-4-5 (Act 915 of 2008). $85 M increase in Statutory Dedications is primarily attributable to one-time funding from the Overcollections Fund.

Special Schools - The Board of Elementary & Secondary Education had a reduction of approximately $15.9 M in Statutory Dedications - 8(g) funds. The reduction is due to a decrease in projected revenue for FY 12 as determined by the Treasurer's Office.

Health Care Services Division – $128 M decrease in total funding is primarily due to reductions in IAT from DHH and SGR. $84.2 M reduction in IAT is largely in Medicaid, which is reduced in order to draw down increased UPL payments to compensate for the DSH audit rule. $31.6 M reduction in SGR is primarily a result of ADAP drugs within HCSD's pharmacies being purchased directly by OPH instead of through HCSD's budget.

Capital Outlay – The increase in capital outlay allocation is primarily attributed to a $129.5 M increase in Statutory Dedications for CRT ($4 M), DOTD ($122 M), Workforce Development ($309,000), Wildlife & Fisheries ($3.16 M).

## TOTAL STATE EFFORT BY DEPARTMENT

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

| DEPARTMENT | Actual FY 10 | Budgeted FY 11 (1) | Appropriated FY 12 (2) | Dollar Change | Percent Change |
|---|---|---|---|---|---|
| Executive | $351,834,832 | $869,565,273 | $533,251,775 | ($336,313,498) | (38.7%) |
| Veterans Affairs | $22,776,322 | $21,505,206 | $21,124,104 | ($381,102) | (1.8%) |
| State | $36,849,565 | $59,259,695 | $80,356,012 | $21,096,317 | 35.6% |
| Justice | $18,371,176 | $24,553,559 | $28,049,771 | $3,496,212 | 14.2% |
| Lt. Governor | $1,178,294 | $490,793 | $1,690,824 | $1,200,031 | 244.5% |
| Treasury | $7,749,471 | $10,643,643 | $11,279,418 | $635,775 | 6.0% |
| Public Service Commisson | $8,428,114 | $9,209,548 | $9,724,407 | $514,859 | 5.6% |
| Agriculture & Forestry | $55,617,131 | $53,592,219 | $67,700,395 | $14,108,176 | 26.3% |
| Insurance | $27,591,656 | $29,205,719 | $31,015,311 | $1,809,592 | 6.2% |
| Economic Development | $78,399,088 | $91,206,811 | $50,575,346 | ($40,631,465) | (44.5%) |
| Culture, Rec. & Tourism | $56,339,086 | $66,239,871 | $74,139,561 | $7,899,690 | 11.9% |
| Transp. & Development | $480,520,371 | $529,751,174 | $516,636,189 | ($13,114,985) | (2.5%) |
| Corrections Services | $483,072,780 | $492,725,369 | $489,405,612 | ($3,319,757) | (0.7%) |
| Public Safety Services | $301,312,653 | $595,246,135 | $318,231,832 | ($277,014,303) | (46.5%) |
| Youth Services | $132,959,604 | $126,037,340 | $120,059,925 | ($5,977,415) | (4.7%) |
| Health & Hospitals | $1,610,572,992 | $2,213,559,152 | $2,558,626,529 | $345,067,377 | 15.6% |
| Children & Family Services | $167,347,384 | $197,417,962 | $170,902,395 | ($26,515,567) | (13.4%) |
| Natural Resources | $108,825,270 | $96,782,238 | $39,077,383 | ($57,704,855) | (59.6%) |
| Revenue | $92,019,950 | $95,880,107 | $96,084,197 | $204,090 | 0.2% |
| Environmental Quality | $95,384,178 | $110,965,958 | $106,769,837 | ($4,196,121) | (3.8%) |
| LA Workforce Commission | $89,825,802 | $105,448,728 | $106,361,772 | $913,044 | 0.9% |
| Wildlife & Fisheries | $72,099,055 | $99,446,733 | $113,621,168 | $14,174,435 | 14.3% |
| Civil Service | $5,761,082 | $6,480,901 | $7,447,106 | $966,205 | 14.9% |
| Retirement Systems | $0 | $1,761,453 | $0 | ($1,761,453) | (100.0%) |
| Higher Education | $2,103,345,054 | $2,115,758,046 | $2,418,946,858 | $303,188,812 | 14.3% |
| Special Schools & Comm. | $84,780,902 | $84,704,539 | $69,452,340 | ($15,252,199) | (18.0%) |
| Elem. & Secondary Ed | $3,496,749,048 | $3,455,030,590 | $3,580,315,777 | $125,285,187 | 3.6% |
| Health Care Srvc. Division | $78,841,449 | $170,069,752 | $130,049,962 | ($40,019,790) | (23.5%) |
| Other Requirements | $634,936,751 | $683,782,171 | $653,814,785 | ($29,967,386) | (4.4%) |
| **General Appropriation Total** | **$10,703,489,060** | **$12,416,320,685** | **$12,404,710,591** | **($11,610,094)** | **(0.1%)** |
| | | | | | |
| Ancillary | $1,477,527,168 | $1,443,669,487 | $1,380,554,865 | ($63,114,622) | (4.4%) |
| Judiciary | $139,455,244 | $143,698,338 | $148,360,085 | $4,661,747 | 3.2% |
| Legislative | $92,871,919 | $95,597,916 | $106,111,137 | $10,513,221 | 11.0% |
| Capital Outlay - Cash Portion | $2,085,587,016 | $901,275,267 | $1,099,575,996 | $198,300,729 | 22.0% |
| **Other Approp. Bills' Total** | **$3,795,441,347** | **$2,584,241,008** | **$2,734,602,083** | **$150,361,075** | **5.8%** |
| | | | | | |
| **Non-Approp. Required** | **$471,283,053** | **$467,313,216** | **$518,025,631** | **$50,712,415** | **10.9%** |
| | | | | | |
| **Grand Total** | **$14,970,213,460** | **$15,467,874,909** | **$15,657,338,305** | **$189,463,396** | **1.2%** |

(1) Budgeted as of June 30, 2011.

(2) Appropriated in Act 12 of 2011 Regular Session. Does not include carry-forward BA-7s.

## STATE GENERAL FUND BY DEPARTMENT

| DEPARTMENT | Actual FY 10 | Budgeted FY 11 (1) | Appropriated FY 12 (2) | Dollar Change | Percent Change |
|---|---|---|---|---|---|
| Executive | $163,608,649 | $139,105,056 | $151,970,308 | $12,865,252 | 9.2% |
| Veterans Affairs | $9,623,569 | $7,051,749 | $5,509,517 | ($1,542,232) | (21.9%) |
| State | $18,414,650 | $28,645,068 | $49,690,115 | $21,045,047 | 73.5% |
| Justice | $7,569,263 | $7,450,245 | $12,265,198 | $4,814,953 | 64.6% |
| Lt. Governor | $1,178,294 | $340,793 | $1,524,727 | $1,183,934 | 347.4% |
| Treasury | $545,374 | $0 | $0 | $0 | 0.0% |
| Public Service Commisson | $0 | $0 | $0 | $0 | 0.0% |
| Agriculture & Forestry | $18,713,872 | $15,061,332 | $27,649,022 | $12,587,690 | 83.6% |
| Insurance | $0 | $0 | $0 | $0 | 0.0% |
| Economic Development | $18,943,404 | $20,550,613 | $10,758,123 | ($9,792,490) | (47.7%) |
| Culture, Rec. & Tourism | $30,450,204 | $25,330,371 | $38,384,668 | $13,054,297 | 51.5% |
| Transp. & Development | $1,326,669 | $139,811 | $0 | ($139,811) | (100.0%) |
| Corrections Services | $444,970,574 | $450,845,549 | $439,159,351 | ($11,686,198) | (2.6%) |
| Public Safety Services | $33,250,287 | $14,198,145 | $2,290,614 | ($11,907,531) | (83.9%) |
| Youth Services | $129,110,748 | $123,593,833 | $115,506,465 | ($8,087,368) | (6.5%) |
| Health & Hospitals | $1,107,838,087 | $1,078,889,069 | $1,724,052,808 | $645,163,739 | 59.8% |
| Children & Family Services | $149,693,752 | $177,751,223 | $146,976,254 | ($30,774,969) | (17.3%) |
| Natural Resources | $4,340,834 | $0 | $4,991,326 | $4,991,326 | 0.0% |
| Revenue | $1,617,270 | $0 | $0 | $0 | 0.0% |
| Environmental Quality | $1,203,925 | $0 | $250,000 | $250,000 | 100.0% |
| LA Workforce Commission | $9,174,397 | $8,283,722 | $8,239,768 | ($43,954) | (0.5%) |
| Wildlife & Fisheries | $92,439 | $0 | $0 | $0 | 0.0% |
| Civil Service | $3,508,400 | $4,065,511 | $4,665,607 | $600,096 | 14.8% |
| Retirement Systems | $0 | $1,761,453 | $0 | ($1,761,453) | (100.0%) |
| Higher Education | $1,153,446,852 | $1,145,575,819 | $1,058,273,311 | ($87,302,508) | (7.6%) |
| Special Schools & Comm. | $44,651,920 | $43,184,364 | $43,144,568 | ($39,796) | (0.1%) |
| Elem. & Secondary Ed | $3,230,747,293 | $3,162,173,755 | $3,264,231,046 | $102,057,291 | 3.2% |
| Health Care Srvc. Division | $78,332,840 | $72,292,827 | $64,261,831 | ($8,030,996) | (11.1%) |
| Other Requirements | $481,816,993 | $499,587,876 | $466,631,346 | ($32,956,530) | (6.6%) |
| **General Appropriation Total** | **$7,144,170,559** | **$7,025,878,184** | **$7,640,425,973** | **$614,547,789** | **8.7%** |
| | | | | | |
| Ancillary | $4,029,332 | $906,788 | $0 | ($906,788) | (100.0%) |
| Judiciary | $132,362,434 | $134,362,434 | $138,862,434 | $4,500,000 | 3.3% |
| Legislative | $67,966,235 | $67,383,123 | $67,377,543 | ($5,580) | (0.0%) |
| Capital Outlay - Cash Portion | $916,051,417 | $223,000 | $0 | ($223,000) | (100.0%) |
| **Other Approp. Bills' Total** | **$1,120,409,418** | **$202,875,345** | **$206,239,977** | **$3,364,632** | **1.7%** |
| | | | | | |
| **Non-Approp. Required** | **$389,483,053** | **$370,413,216** | **$414,625,631** | **$44,212,415** | **11.9%** |
| | | | | | |
| **Grand Total** | **$8,654,063,030** | **$7,599,166,745** | **$8,261,291,581** | **$662,124,836** | **8.7%** |

(1) Budgeted as of June 30, 2011.

(2) Appropriated in Act 12 of 2011 Regular Session. Does not include carry-forward BA-7s.

## INTERAGENCY TRANSFERS BY DEPARTMENT

| DEPARTMENT | Actual FY 10 | Budgeted FY 11 (1) | Appropriated FY 12 (2) | Dollar Change | Percent Change |
|---|---|---|---|---|---|
| Executive | $146,758,188 | $515,070,859 | $455,752,724 | ($59,318,135) | -11.5% |
| Veterans Affairs | $375,677 | $844,371 | $805,295 | ($39,076) | -4.6% |
| State | $22,885,491 | $22,164,704 | $530,336 | ($21,634,368) | -97.6% |
| Justice | $25,370,409 | $52,798,010 | $36,258,799 | ($16,539,211) | -31.3% |
| Lt. Governor | $1,484,289 | $2,352,196 | $465,356 | ($1,886,840) | -80.2% |
| Treasury | $1,952,233 | $1,954,970 | $1,438,854 | ($516,116) | -26.4% |
| Public Service Commisson | $0 | $0 | $0 | $0 | 0.0% |
| Agriculture & Forestry | $11,525,831 | $13,838,681 | $1,194,136 | ($12,644,545) | -91.4% |
| Insurance | $0 | $435,681 | $435,681 | $0 | 0.0% |
| Economic Development | $6,460,310 | $5,307,008 | $1,065,948 | ($4,241,060) | -79.9% |
| Culture, Rec. & Tourism | $23,147,201 | $24,029,892 | $3,605,591 | ($20,424,301) | -85.0% |
| Transp. & Development | $9,578,225 | $6,962,545 | $5,441,502 | ($1,521,043) | -21.8% |
| Corrections Services | $4,541,720 | $14,543,594 | $4,769,412 | ($9,774,182) | -67.2% |
| Public Safety Services | $20,193,371 | $44,670,596 | $43,822,763 | ($847,833) | -1.9% |
| Youth Services | $14,829,711 | $16,408,449 | $22,070,644 | $5,662,195 | 34.5% |
| Health & Hospitals | $581,563,728 | $580,027,260 | $500,786,941 | ($79,240,319) | -13.7% |
| Children & Family Services | $93,869,369 | $24,016,966 | $2,533,919 | ($21,483,047) | -89.4% |
| Natural Resources | $14,028,305 | $18,883,678 | $14,399,619 | ($4,484,059) | -23.7% |
| Revenue | $310,884 | $597,578 | $361,899 | ($235,679) | -39.4% |
| Environmental Quality | $2,066,629 | $14,928,570 | $1,073,300 | ($13,855,270) | -92.8% |
| LA Workforce Commission | $16,146,168 | $13,645,538 | $4,830,990 | ($8,814,548) | -64.6% |
| Wildlife & Fisheries | $7,589,620 | $33,908,131 | $6,852,718 | ($27,055,413) | -79.8% |
| Civil Service | $11,461,572 | $15,064,702 | $17,462,680 | $2,397,978 | 15.9% |
| Retirement Systems | $0 | $0 | $0 | $0 | 0.0% |
| Higher Education | $590,880,211 | $756,857,650 | $434,180,190 | ($322,677,460) | -42.6% |
| Special Schools & Comm. | $21,895,717 | $25,850,196 | $23,861,221 | ($1,988,975) | -7.7% |
| Elem. & Secondary Ed | $562,894,071 | $662,536,689 | $612,914,063 | ($49,622,626) | -7.5% |
| Health Care Srvc. Division | $0 | $679,320,420 | $595,045,883 | ($84,274,537) | -12.4% |
| Other Requirements | $51,352,030 | $52,054,014 | $52,054,014 | $0 | 0.0% |
| **General Approp. Total** | **$2,243,160,960** | **$3,599,072,948** | **$2,844,014,478** | **($755,058,470)** | **-21.0%** |
| | | | | | |
| Ancillary | $302,851,070 | $310,312,872 | $292,957,150 | ($17,355,722) | -5.6% |
| Judiciary | $0 | $10,670,000 | $10,670,000 | $0 | 0.0% |
| Legislative | $0 | $0 | $0 | $0 | 0.0% |
| Capital Outlay - Cash Portion | $40,132,530 | $54,222,455 | $21,111,595 | ($33,110,860) | -61.1% |
| **Other Approp. Bills' Total** | **$342,983,600** | **$375,205,327** | **$324,738,745** | **($50,466,582)** | **-13.5%** |
| | | | | | |
| **Non-Approp. Required** | **$0** | **$0** | **$0** | **$0** | **0.0%** |
| | | | | | |
| **Grand Total** | **$2,586,144,560** | **$3,974,278,275** | **$3,168,753,223** | **($805,525,052)** | **-20.3%** |

(1) Budgeted as of June 30, 2011.

(2) Appropriated in Act 12 of 2011 Regular Session. Does not include carry-forward BA-7s.

## SELF GENERATED REVENUE BY DEPARTMENT

| DEPARTMENT | Actual FY 10 | Budgeted FY 11 (1) | Appropriated FY 12 (2) | Dollar Change | Percent Change |
|---|---|---|---|---|---|
| Executive | $94,710,556 | $112,317,154 | $120,963,502 | $8,646,348 | 7.7% |
| Veterans Affairs | $12,920,157 | $14,059,896 | $15,215,764 | $1,155,868 | 8.2% |
| State | $15,197,353 | $19,526,549 | $18,861,310 | ($665,239) | (3.4%) |
| Justice | $1,959,564 | $3,476,248 | $3,158,616 | ($317,632) | (9.1%) |
| Lt. Governor | $0 | $150,000 | $150,000 | $0 | 0.0% |
| Treasury | $6,826,072 | $8,372,226 | $9,008,001 | $635,775 | 7.6% |
| Public Service Commisson | $0 | $0 | $0 | $0 | 0.0% |
| Agriculture & Forestry | $5,777,117 | $6,716,798 | $6,793,752 | $76,954 | 1.1% |
| Insurance | $26,523,356 | $27,893,536 | $29,669,563 | $1,776,027 | 6.4% |
| Economic Development | $1,916,557 | $3,274,955 | $3,092,258 | ($182,697) | (5.6%) |
| Culture, Rec. & Tourism | $23,483,685 | $36,888,077 | $26,054,563 | ($10,833,514) | (29.4%) |
| Transp. & Development | $39,925,225 | $45,760,556 | $43,598,468 | ($2,162,088) | (4.7%) |
| Corrections Services | $36,565,421 | $41,825,820 | $39,860,282 | ($1,965,538) | (4.7%) |
| Public Safety Services | $122,373,477 | $141,099,299 | $144,768,111 | $3,668,812 | 2.6% |
| Youth Services | $673,856 | $2,068,507 | $2,185,507 | $117,000 | 5.7% |
| Health & Hospitals | $46,748,788 | $142,590,766 | $178,160,269 | $35,569,503 | 24.9% |
| Children & Family Services | $15,795,563 | $17,518,341 | $16,945,798 | ($572,543) | (3.3%) |
| Natural Resources | $105,987 | $345,875 | $345,875 | $0 | 0.0% |
| Revenue | $89,746,800 | $95,231,757 | $95,356,197 | $124,440 | 0.1% |
| Environmental Quality | $161,085 | $1,340,000 | $140,000 | ($1,200,000) | (89.6%) |
| LA Workforce Commission | $0 | $0 | $69,202 | $69,202 | 0.0% |
| Wildlife & Fisheries | $45,847 | $10,416,029 | $16,386,219 | $5,970,190 | 57.3% |
| Civil Service | $636,709 | $707,798 | $754,936 | $47,138 | 6.7% |
| Retirement Systems | $0 | $0 | $0 | $0 | 0.0% |
| Higher Education | $809,086,402 | $823,163,676 | $1,128,899,300 | $305,735,624 | 37.1% |
| Special Schools & Comm. | $918,866 | $2,204,992 | $2,550,155 | $345,163 | 15.7% |
| Elem. & Secondary Ed | $5,228,635 | $19,200,918 | $37,095,219 | $17,894,301 | 93.2% |
| Health Care Srvc. Division | $0 | $97,476,925 | $65,788,131 | ($31,688,794) | (32.5%) |
| Other Requirements | $232,242 | $6,208,205 | $4,688,034 | ($1,520,171) | (24.5%) |
| **General Appropriation Total** | **$1,357,559,320** | **$1,679,834,903** | **$2,010,559,032** | **$330,724,129** | **19.7%** |
| | | | | | |
| Ancillary | $1,402,637,968 | $1,299,429,599 | $1,292,554,865 | ($6,874,734) | (0.5%) |
| Judiciary | $0 | $10,000 | $0 | ($10,000) | (100.0%) |
| Legislative | $18,255,684 | $21,419,566 | $21,869,566 | $450,000 | 2.1% |
| Capital Outlay - Cash Portion* | $67,502,830 | $67,166,128 | $137,570,291 | $70,404,163 | 104.8% |
| **Other Approp. Bills' Total** | **$1,488,396,482** | **$1,388,025,293** | **$1,451,994,722** | **$63,969,429** | **4.6%** |
| | | | | | |
| **Non-Approp. Required** | **$0** | **$0** | **$0** | **$0** | **0.0%** |
| | | | | | |
| **Grand Total** | **$2,845,955,802** | **$3,067,860,196** | **$3,462,553,754** | **$394,693,558** | **12.9%** |

(1) Budgeted as of June 30, 2011.

(2) Appropriated in Act 12 of 2011 Regular Session. Does not include carry-forward BA-7s.

*Inclusive of Reappropriated Cash ($32,763,807 in FY 11 and $32,826,701 in FY 12) and Reappropriated Interest Earnings ($719,321 in FY 11 and $737,240 in FY 12). This amount is not utilized in calculating the Expenditure Limit for FY 12, nor recognized by OPB as SGR.

## STATUTORY DEDICATIONS BY DEPARTMENT

| DEPARTMENT | Actual FY 10 | Budgeted FY 11 (1) | Appropriated FY 12 (2) | Dollar Change | Percent Change |
|---|---|---|---|---|---|
| Executive | $93,405,909 | $617,343,595 | $260,317,965 | ($357,025,630) | (57.8%) |
| Veterans Affairs | $232,596 | $393,561 | $398,823 | $5,262 | 1.3% |
| State | $3,237,562 | $11,088,078 | $11,804,587 | $716,509 | 6.5% |
| Justice | $8,842,349 | $13,627,066 | $12,625,957 | ($1,001,109) | (7.3%) |
| Lt. Governor | $0 | $0 | $16,097 | $16,097 | 100.0% |
| Treasury | $378,025 | $2,271,417 | $2,271,417 | $0 | 0.0% |
| Public Service Commisson | $8,428,114 | $9,209,548 | $9,724,407 | $514,859 | 5.6% |
| Agriculture & Forestry | $31,126,142 | $31,814,089 | $33,257,621 | $1,443,532 | 4.5% |
| Insurance | $1,068,300 | $1,312,183 | $1,345,748 | $33,565 | 2.6% |
| Economic Development | $57,539,127 | $67,381,243 | $36,724,965 | ($30,656,278) | (45.5%) |
| Culture, Rec. & Tourism | $2,405,197 | $4,021,423 | $9,700,330 | $5,678,907 | 141.2% |
| Transp. & Development | $439,268,477 | $483,850,807 | $473,037,721 | ($10,813,086) | (2.2%) |
| Corrections Services | $1,536,785 | $54,000 | $10,385,979 | $10,331,979 | 19133.3% |
| Public Safety Services | $145,688,889 | $439,948,691 | $171,173,107 | ($268,775,584) | (61.1%) |
| Youth Services | $3,175,000 | $375,000 | $2,367,953 | $1,992,953 | 531.5% |
| Health & Hospitals | $455,705,617 | $991,828,650 | $656,413,452 | ($335,415,198) | (33.8%) |
| Children & Family Services | $1,858,069 | $2,148,398 | $6,980,343 | $4,831,945 | 224.9% |
| Natural Resources | $104,378,449 | $96,436,363 | $33,740,182 | ($62,696,181) | (65.0%) |
| Revenue | $655,880 | $648,350 | $728,000 | $79,650 | 12.3% |
| Environmental Quality | $94,019,168 | $109,625,958 | $106,379,837 | ($3,246,121) | (3.0%) |
| LA Workforce Commission | $80,651,405 | $97,165,006 | $98,052,802 | $887,796 | 0.9% |
| Wildlife & Fisheries | $71,960,769 | $89,030,704 | $97,234,949 | $8,204,245 | 9.2% |
| Civil Service | $1,615,973 | $1,707,592 | $2,026,563 | $318,971 | 18.7% |
| Retirement Systems | $0 | $0 | $0 | $0 | 0.0% |
| Higher Education | $140,811,800 | $147,008,551 | $231,774,247 | $84,765,696 | 57.7% |
| Special Schools & Comm. | $39,180,787 | $39,288,724 | $23,757,617 | ($15,531,107) | (39.5%) |
| Elem. & Secondary Ed | $260,773,120 | $273,655,917 | $278,989,512 | $5,333,595 | 1.9% |
| Health Care Srvc. Division | $370,000 | $300,000 | $0 | ($300,000) | (100.0%) |
| Other Requirements | $152,887,516 | $177,986,090 | $182,495,405 | $4,509,315 | 2.5% |
| **General Appropriation Total** | **$2,201,201,025** | **$3,709,521,004** | **$2,753,725,586** | **($955,795,418)** | **(25.8%)** |
| | | | | | |
| Ancillary | $70,859,868 | $143,333,100 | $88,000,000 | ($55,333,100) | (38.6%) |
| Judiciary | $7,092,810 | $9,325,904 | $9,497,651 | $171,747 | 1.8% |
| Legislative | $6,650,000 | $6,795,227 | $16,864,028 | $10,068,801 | 148.2% |
| Capital Outlay - Cash Portion | $1,101,247,769 | $832,546,139 | $962,005,705 | $129,459,566 | 15.5% |
| **Other Approp. Bills' Total** | **$1,185,850,447** | **$992,000,370** | **$1,076,367,384** | **$84,367,014** | **8.5%** |
| | | | | | |
| **Non-Approp. Required** | **$81,800,000** | **$96,800,000** | **$103,400,000** | **$6,600,000** | **6.8%** |
| | | | | | |
| **Grand Total** | **$3,468,851,472** | **$4,798,321,374** | **$3,933,492,970** | **($864,828,404)** | **(18.0%)** |

(1) Budgeted as of June 30, 2011.

(2) Appropriated in Act 12 of 2011 Regular Session. Does not include carry-forward BA-7s.

## INTERIM EMERGENCY BOARD FUNDS DISTRIBUTED BY DEPARTMENT

| DEPARTMENT | Actual FY 10 | Budgeted FY 11 (1) | Appropriated FY 12 (2) | Dollar Change | Percent Change |
|---|---|---|---|---|---|
| Executive | $109,718 | $799,468 | $0 | ($799,468) | (100.0%) |
| Veterans Affairs | $0 | $0 | $0 | $0 | 0.0% |
| State | $0 | $0 | $0 | $0 | 0.0% |
| Justice | $0 | $0 | $0 | $0 | 0.0% |
| Lt. Governor | $0 | $0 | $0 | $0 | 0.0% |
| Treasury | $0 | $0 | $0 | $0 | 0.0% |
| Public Service Commisson | $0 | $0 | $0 | $0 | 0.0% |
| Agriculture & Forestry | $0 | $0 | $0 | $0 | 0.0% |
| Insurance | $0 | $0 | $0 | $0 | 0.0% |
| Economic Development | $0 | $0 | $0 | $0 | 0.0% |
| Culture, Rec. & Tourism | $0 | $0 | $0 | $0 | 0.0% |
| Transp. & Development | $0 | $0 | $0 | $0 | 0.0% |
| Corrections Services | $0 | $0 | $0 | $0 | 0.0% |
| Public Safety Services | $0 | $0 | $0 | $0 | 0.0% |
| Youth Services | $0 | $0 | $0 | $0 | 0.0% |
| Health & Hospitals | $280,500 | $250,667 | $0 | ($250,667) | (100.0%) |
| Children & Family Services | $0 | $0 | $0 | $0 | 0.0% |
| Natural Resources | $0 | $0 | $0 | $0 | 0.0% |
| Revenue | $0 | $0 | $0 | $0 | 0.0% |
| Environmental Quality | $0 | $0 | $0 | $0 | 0.0% |
| LA Workforce Commission | $0 | $0 | $0 | $0 | 0.0% |
| Wildlife & Fisheries | $0 | $0 | $0 | $0 | 0.0% |
| Civil Service | $0 | $0 | $0 | $0 | 0.0% |
| Retirement Systems | $0 | $0 | $0 | $0 | 0.0% |
| Higher Education | $0 | $10,000 | $0 | ($10,000) | (100.0%) |
| Special Schools & Comm. | $29,329 | $26,459 | $0 | ($26,459) | (100.0%) |
| Elem. & Secondary Ed | $0 | $0 | $0 | $0 | 0.0% |
| Health Care Srvc. Division | $138,609 | $0 | $0 | $0 | 0.0% |
| Other Requirements | $0 | $0 | $0 | $0 | 0.0% |
| **General Appropriation Total** | **$558,156** | **$1,086,594** | **$0** | **($1,086,594)** | **(100.0%)** |
| Ancillary | $0 | $0 | $0 | $0 | 0.0% |
| Judiciary | $0 | $0 | $0 | $0 | 0.0% |
| Legislative | $0 | $0 | $0 | $0 | 0.0% |
| Capital Outlay - Cash Portion | $785,000 | $1,340,000 | $0 | ($1,340,000) | (100.0%) |
| **Other Approp. Bills' Total** | **$785,000** | **$1,340,000** | **$0** | **($1,340,000)** | **(100.0%)** |
| **Non-Approp. Required** | **$0** | **$0** | **$0** | **$0** | **0.0%** |
| **Grand Total** | **$1,343,156** | **$2,426,594** | **$0** | **($2,426,594)** | **(100.0%)** |

(1) Budgeted as of June 30, 2011.

(2) Appropriated in Act 12 of 2011 Regular Session. Does not include carry-forward BA-7s.

## FEDERAL FUNDS BY DEPARTMENT

| DEPARTMENT | Actual FY 10 | Budgeted FY 11 (1) | Appropriated FY 12 (2) | Dollar Change | Percent Change |
|---|---|---|---|---|---|
| Executive | $3,142,771,083 | $3,428,572,720 | $2,884,739,241 | ($543,833,479) | (15.9%) |
| Veterans Affairs | $23,825,640 | $27,930,440 | $31,987,772 | $4,057,332 | 14.5% |
| State | $0 | $0 | $0 | $0 | 0.0% |
| Justice | $4,253,490 | $6,482,622 | $5,875,954 | ($606,668) | (9.4%) |
| Lt. Governor | $5,650,533 | $5,998,769 | $6,626,002 | $627,233 | 10.5% |
| Treasury | $0 | $0 | $0 | $0 | 0.0% |
| Public Service Commisson | $3,892 | $858,532 | $0 | ($858,532) | 0.0% |
| Agriculture & Forestry | $13,449,027 | $8,464,139 | $9,154,921 | $690,782 | 8.2% |
| Insurance | $605,726 | $2,318,273 | $2,025,981 | ($292,292) | (12.6%) |
| Economic Development | $1,570,131 | $447,155 | $7,014,450 | $6,567,295 | 1468.7% |
| Culture, Rec. & Tourism | $7,798,190 | $12,468,165 | $8,681,406 | ($3,786,759) | (30.4%) |
| Transp. & Development | $17,237,580 | $22,518,504 | $14,251,862 | ($8,266,642) | (36.7%) |
| Corrections Services | $1,808,407 | $2,190,374 | $1,480,697 | ($709,677) | (32.4%) |
| Public Safety Services | $28,842,584 | $41,899,690 | $37,510,012 | ($4,389,678) | (10.5%) |
| Youth Services | $508,465 | $789,488 | $891,796 | $102,308 | 13.0% |
| Health & Hospitals | $5,954,697,164 | $5,721,756,912 | $5,187,225,886 | ($534,531,026) | (9.3%) |
| Children & Family Services | $732,118,891 | $766,505,199 | $756,925,387 | ($9,579,812) | (1.2%) |
| Natural Resources | $133,826,700 | $149,720,393 | $149,182,010 | ($538,383) | (0.4%) |
| Revenue | $359,000 | $394,000 | $394,000 | $0 | 0.0% |
| Environmental Quality | $19,502,180 | $27,076,763 | $25,269,665 | ($1,807,098) | (6.7%) |
| LA Workforce Commission | $204,883,671 | $200,945,506 | $172,019,687 | ($28,925,819) | (14.4%) |
| Wildlife & Fisheries | $68,162,672 | $88,039,474 | $87,535,079 | ($504,395) | (0.6%) |
| Civil Service | $0 | $0 | $0 | $0 | 0.0% |
| Retirement Systems | $0 | $0 | $0 | $0 | 0.0% |
| Higher Education | $138,773,073 | $168,437,899 | $158,783,006 | ($9,654,893) | (5.7%) |
| Special Schools & Comm. | $22,029 | $85,086 | $105,086 | $20,000 | 23.5% |
| Elem. & Secondary Ed | $1,229,098,376 | $1,539,179,674 | $1,426,349,742 | ($112,829,932) | (7.3%) |
| Health Care Srvc. Division | $0 | $83,203,302 | $79,447,612 | ($3,755,690) | (4.5%) |
| Other Requirements | $0 | $5,061,957 | $3,981,260 | ($1,080,697) | (21.3%) |
| **General Appropriation Total** | **$11,729,768,504** | **$12,311,345,036** | **$11,057,458,514** | **($1,253,886,522)** | **(10.2%)** |
| | | | | | |
| Ancillary | $0 | $9,275,878 | $31,500,000 | $22,224,122 | 239.6% |
| Judiciary | $0 | $0 | $0 | $0 | 0.0% |
| Legislative | $0 | $0 | $0 | $0 | 0.0% |
| Capital Outlay - Cash Portion | $42,023,358 | $35,181,351 | $15,825,571 | ($19,355,780) | (55.0%) |
| **Other Approp. Bills' Total** | **$42,023,358** | **$44,457,229** | **$47,325,571** | **$2,868,342** | **6.5%** |
| | | | | | |
| **Non-Approp. Required** | **$0** | **$0** | **$0** | **$0** | **0.0%** |
| | | | | | |
| **Grand Total** | **$11,771,791,862** | **$12,355,802,265** | **$11,104,784,085** | **($1,251,018,180)** | **(10.1%)** |

(1) Budgeted as of June 30, 2011.

(2) Appropriated in Act 12 of 2011 Regular Session. Does not include carry-forward BA-7s.

**ONE-TIME FUNDING FOR FY 12**
**(House Rule 7.19)**

| | |
|---|---|
| **Various Funds Sweeps** | |
| 2% Fire Insurance Fund | $592,166 |
| Insurance Fraud Prevention Fund | $76,931 |
| Agricultural Products Processing Development Fund | $480 |
| Formosan Termite Initiative Fund | $37,393 |
| DNA Testing Post-Conviction Relief for Indigents Fund | $28,500 |
| Archaeological Curation Fund | $29,767 |
| Legislative Capitol Technology Enhancement Fund | $6,800,000 |
| School & District Accountability Rewards Fund | $3 |
| Calcasieu Parish Fund | $401,852 |
| Tobacco Tax Health Care Fund | $831,195 |
| Bossier Parish Truancy Fund | $19,000 |
| Teacher Educational Aid for Children | $216 |
| Variable Earnings Transaction Fund | $27,266 |
| LA Economic Development Fund | $37,673,208 |
| UNO Slidell Technology Park Fund | $362,478 |
| Casino Gaming Proceeds Fund | $3,060 |
| Greater New Orleans Sports Foundation Fund | $8,900 |
| Algiers Economic Development Foundation Fund | $4,007 |
| New Orleans Urban Tourism & Hospitality Training in Economic Dev Found Fund | $306,251 |
| Beautification Project for New Orleans Neighborhoods Fund | $304,822 |
| Friends of NORD Fund | $304,822 |
| General Aviation & Reliever Airport Grant Program Fund | $3 |
| Railroad Crossing Safety Fund | $3,069 |
| Municipal Fire & Police Civil Service Operation Fund | $183,654 |
| DOI-Administrative Fund | $187,393 |
| Academic Improvement Fund | $1,452,000 |
| Automobile Theft & Insurance Fraud Prevention Authority Fund | $14,639 |
| DOJ-Debt Collection Fund | $339,545 |
| Mineral & Energy Operation Fund | $1,726,792 |
| LA Fire Marshal Fund | $5,150,610 |
| Motorcycle Safety, Awareness, & Operator Training Program Fund | $75,000 |
| Concealed Handgun Permit Fund | $1,450,000 |
| Right-to-Know Fund | $220,000 |
| Underground Damages Prevention Fund | $256,803 |
| Pet Overpopulation Fund | $4,440 |
| Explosives Trust Fund | $975,000 |
| OMV Customer Service & Technology Fund | $132,051 |
| DPS Police Officer Fund | $440,000 |
| LA Life Safety & Property Protection Trust Fund | $190,000 |
| LA Highway Safety Fund | $1,954 |
| Industrialized Building Program Fund | $15,000 |
| Fraud Detection Fund | $36,547 |
| Rehabilitation for the Blind & Visually Impaired Fund | $1,000,889 |
| Incentive Fund | $4,000,000 |
| Manufactured Home Tax Fairness Fund | $52 |
| Rural Development Fund | $1,265 |
| LA Environmental Education Fund | $10,434 |
| FEMA Reimbursement Fund | $41,022,977 |
| Artificial Reef Development Fund | $26,613,236 |
| Scenic Rivers Fund | $1,962 |
| Reptile & Amphibian Research Fund | $1,441 |
| Utility & Carrier Inspection/Supervision Fund | $9,053 |
| Telephonic Solicitation Relief Fund | $115,192 |
| Self-Insurance Fund | $119,000,000 |
| | **$252,443,318** |

| | |
|---|---|
| **Excess fees & self-generated revenues collections - Office of State Lands** | |
| State Lands Self-Generated Revenues | **$1,000,000** |
| **Property Sale** | |
| DHH Facility Support Fund | **$10,590,000** |
| **LA Housing Finance Agency** | |
| LA Housing Finance Agency Unrestricted or Unencumbered Fund Assets | **$25,100,000** |
| **State Police - Criminal Identification Fund** | |
| Criminal Identification Fund | **$864,468** |
| **Mega-Project Development Fund** | |
| LA Mega-Project Development Fund | **$81,448,446** |
| **TOTAL** | **$371,446,232** |
| LESS: 27th Pay Period - Overcollections Fund deposit | ($37,645,735) |
| LESS: Judgments | ($18,000,000) |
| | **$315,800,497** |
| House Rule 7.19 Threshold | **$356,600,000** |
| Amount under threshold | **($40,799,503)** |

## NUMBER OF POSITIONS BY DEPARTMENT

| DEPARTMENT | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | Budgeted 2010-11 | Approp. 2011-12 | Change 2010-11 to 2011-12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Executive | 1,718 | 1,889 | 2,065 | 2,361 | 1,951 | 2,046 | 2,064 | 2,114 | 2,327 | 2,187 | 2,146 | 2,312 | 2,257 | (55) |
| Veterans Affairs (a) | 0 | 0 | 0 | 0 | 410 | 556 | 554 | 642 | 830 | 809 | 816 | 825 | 830 | 5 |
| State | 277 | 291 | 291 | 283 | 229 | 285 | 290 | 328 | 348 | 342 | 337 | 335 | 317 | (18) |
| Justice | 439 | 442 | 452 | 456 | 431 | 516 | 509 | 524 | 531 | 521 | 507 | 503 | 480 | (23) |
| Lt. Governor | 8 | 9 | 9 | 9 | 9 | 13 | 13 | 14 | 28 | 28 | 25 | 11 | 8 | (3) |
| | | | | | | | | | | | | | | |
| Treasury | 50 | 54 | 55 | 55 | 56 | 60 | 60 | 60 | 65 | 66 | 63 | 61 | 59 | (2) |
| Public Service Commissior | 116 | 116 | 119 | 134 | 122 | 122 | 122 | 122 | 122 | 94 | 103 | 97 | 97 | 0 |
| Agriculture & Forestry | 839 | 788 | 824 | 831 | 822 | 831 | 805 | 798 | 829 | 785 | 710 | 685 | 644 | (41) |
| Insurance | 296 | 272 | 272 | 273 | 273 | 277 | 277 | 280 | 289 | 281 | 274 | 267 | 265 | (2) |
| Economic Development | 365 | 345 | 92 | 100 | 101 | 100 | 99 | 100 | 119 | 131 | 131 | 128 | 124 | (4) |
| | | | | | | | | | | | | | | |
| Culture, Rec., & Tourism | 659 | 636 | 658 | 694 | 693 | 734 | 768 | 773 | 785 | 787 | 770 | 694 | 630 | (64) |
| Transp. & Development | 5,606 | 5,354 | 5,342 | 5,280 | 5,271 | 5,154 | 5,137 | 4,998 | 4,872 | 4,837 | 4,704 | 4,524 | 4,494 | (30) |
| Corrections Services | 8,017 | 8,234 | 8,130 | 8,039 | 6,423 | 6,352 | 6,113 | 6,172 | 6,517 | 6,124 | 5,985 | 5,761 | 5,284 | (477) |
| Public Safety Services | 3,028 | 2,808 | 2,802 | 2,872 | 2,940 | 2,854 | 2,837 | 2,844 | 2,936 | 2,889 | 2,812 | 2,862 | 2,675 | (187) |
| Youth Services (b) | 0 | 0 | 0 | 0 | 1,492 | 1,362 | 1,310 | 1,277 | 1,358 | 1,275 | 1,187 | 1,111 | 1,056 | (55) |
| | | | | | | | | | | | | | | |
| Health & Hospitals | 13,573 | 12,574 | 12,715 | 12,780 | 12,857 | 12,274 | 12,078 | 12,064 | 12,324 | 11,634 | 11,322 | 9,382 | 8,458 | (924) |
| Children & Family Service | 6,523 | 5,845 | 5,788 | 5,515 | 5,323 | 5,269 | 5,193 | 5,169 | 5,242 | 5,057 | 4,595 | 4,389 | 4,082 | (307) |
| Natural Resources | 490 | 442 | 474 | 491 | 496 | 508 | 494 | 495 | 507 | 510 | 508 | 380 | 380 | 0 |
| Revenue | 1,053 | 1,015 | 1,020 | 977 | 942 | 929 | 928 | 934 | 947 | 877 | 819 | 820 | 802 | (18) |
| Environmental Quality | 1,060 | 1,063 | 1,054 | 1,002 | 1,018 | 1,021 | 1,020 | 986 | 994 | 933 | 933 | 847 | 805 | (42) |
| LA Workforce Commissior | 1,263 | 1,240 | 1,168 | 1,206 | 1,208 | 1,208 | 1,196 | 1,107 | 1,091 | 1,063 | 1,263 | 1,219 | 1,191 | (28) |
| Wildlife & Fisheries | 832 | 809 | 797 | 792 | 786 | 797 | 798 | 795 | 802 | 800 | 783 | 775 | 775 | 0 |
| Civil Service | 182 | 183 | 180 | 181 | 176 | 175 | 174 | 167 | 172 | 187 | 189 | 212 | 212 | 0 |
| Retirement Systems (c) | 260 | 259 | 268 | 290 | 306 | 307 | 307 | 307 | 358 | 357 | 357 | 343 | 340 | (3) |
| Higher Education (d) | N/A (e) | N/A (e) | 32,202 | 33,143 | 34,400 | 35,024 | 34,117 | 33,115 | 34,489 | 35,231 | 34,082 | 34,569 | 27,703 (e) | (6,866) |
| Special Schools & Comm. | 923 | 1,030 | 1,021 | 1,045 | 1,045 | 1,073 | 1,051 | 979 | 875 | 868 | 806 | 774 | 750 | (24) |
| Dept. of Education | 1,052 | 1,061 | 1,005 | 1,037 | 1,022 | 900 | 831 | 818 | 857 | 747 | 739 | 682 | 654 | (28) |
| Health Care Srvc Division | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,215 (f) | 6,929 | (286) |
| | | | | | | | | | | | | | | |
| **Approp. Bill Total** | **48,629** | **46,759** | **78,803** | **79,846** | **80,802** | **80,747** | **79,145** | **77,982** | **80,614** | **79,420** | **76,966** | **81,783** | **72,301** | (9,482) |
| | | | | | | | | | | | | | | |
| Ancillary Bill | 1,027 | 961 | 950 | 958 | 837 | 966 | 968 | 958 | 984 | 956 | 801 | 769 | 721 | (48) |
| | | | | | | | | | | | | | | |
| **Total with Ancillary** | **49,656** | **47,720** | **79,753** | **80,804** | **81,639** | **81,713** | **80,113** | **78,940** | **81,598** | **80,376** | **77,767** | **82,552** | **73,022** | (9,530) |

(a) FY 04 is Veterans Affairs first fiscal year as a department.
(b) Act 7 of the 2004 Regular Session created Youth Services as an independent organizational unit in the Department of Public Safety & Corrections.
(c) Funding for Retirement Systems operating budgets are no longer appropriated. Figures reflect positions budgeted by the systems.
(d) Colleges and universities do not have authorized position numbers prior to FY 11. Higher education positions prior to FY 11 are from Civil Service reports showing the number of filled full-time equivalent positions.
(e) Civil Service reports used for higher education authorized positions are unavailable in FYs 00 and 01.
(f) FY 11 is first year all MOF & TO within HCSD were included in Executive Budget & general appropriations bill.

**Capital Outlay Appropriation**
**Act 22 of 2011**

| Means of Finance Category | Appropriation Less Vetoed Items |
|---|---|
| **Cash Section** | |
| State General Fund (Direct) | $0 |
| Interagency Transfers | $21,111,595 |
| Self-Generated Revenues | $104,006,350 |
| **Statutory Dedications** | |
| Overcollections Fund | $0 |
| Unclaimed Property Leverage Fund | $7,500,000 |
| Penalty and Interest Account | $309,000 |
| LA State Parks Improvement & Repair Fund | $4,000,000 |
| Aquatic Plant Control Fund | $35,000 |
| Rockefeller Wildlife Refuge & Game Preserve Fund | $3,120,000 |
| State Hwy Improvement Fund | $30,400,000 |
| Transportation Trust Fund - Regular | $152,441,705 |
| Transportation Trust Fund - TIMED | $0 |
| Transportation Trust Fund - Federal | $764,200,000 |
| Wildlife Habitat Natural Heritage Trust Fund | $0 |
| Capital Outlay Escrow Replinishment Fund | $0 |
| **Total Statutory Dedications** | **$962,005,705** |
| Federal Funds | $15,825,571 |
| Reappropriated Cash | $32,826,701 |
| Reappropriated Interest Earnings | $737,240 |
| Revenue Bonds | $168,120,000 |
| **TOTAL CASH SECTION** | **$1,304,633,162** |
| **General Obligation Bond Section** | |
| Priority 1 | $1,636,970,000 |
| Priority 2 | $124,065,000 |
| Priority 3 | $7,700,000 |
| Priority 4 | $15,915,000 |
| Priority 5 | $905,820,000 |
| **TOTAL GENERAL OBLIGATION BONDS** | **$2,690,470,000** |
| **Bonds NRP/RBP (See Footnote on Page 15)** | **$3,689,311** |
| **Act 22 of 2011** | **$3,998,792,473** |

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

| Cash Section | Act 20 of 2009 FY 10 | Act 21 of 2010 FY 11 | Act 22 of 2011 FY 12 | Difference FY 11 to 12 |
|---|---|---|---|---|
| General Fund | $794,318,000 | $0 | $0 | $0 |
| Reappropriated Cash | $3,389,206 | $32,763,807 | $32,826,701 | $62,894 |
| Interagency Transfer | $24,112,530 | $54,177,455 | $21,111,595 | ($33,065,860) |
| Self-Generated Revenues | $67,261,446 | $27,263,000 | $104,006,350 | $76,743,350 |
| Federal (Includes TTF-Federal) | $834,935,400 | $648,595,221 | $780,025,571 | $131,430,350 |
| Transportation Trust Fund (TTF-Regular) | $204,227,249 | $158,145,975 | $152,441,705 | ($5,704,270) |
| Tran. Infra. Model for Econ. Dev. (TIMED) | $20,210,090 | $0 | $0 | $0 |
| Other Statutory Dedication | $66,735,000 | $56,673,164 | $45,364,000 | ($11,309,164) |
| Revenue Bonds | $1,258,353,400 | $1,215,923,400 | $168,120,000 | ($1,047,803,400) |
| Reappropriations of Interest Earnings | $0 | $719,321 | $737,240 | $17,919 |
| **Total Cash Section** | **$3,273,542,321** | **$2,194,261,343** | **$1,304,633,162** | **($889,628,181)** |

| General Obligation (G. O.) Bond Section | | | | |
|---|---|---|---|---|
| Priority I | $1,535,945,000 | $1,553,335,000 | $1,636,970,000 | $83,635,000 |
| Priority II | $62,070,000 | $151,307,000 | $124,065,000 | ($27,242,000) |
| Priority III | $2,500,000 | $0 | $7,700,000 | $7,700,000 |
| Priority IV | $0 | $0 | $15,915,000 | $15,915,000 |
| Priority V | $600,215,000 | $793,343,000 | $905,820,000 | $112,477,000 |
| **Total G. O. Bond Section** | **$2,200,730,000** | **$2,497,985,000** | **$2,690,470,000** | **$192,485,000** |
| NRP/RBP * | $33,621,055 | $21,974,374 | $3,689,311 | ($18,285,063) |
| **Total Capital Outlay Bill Less Vetoes** | **$5,507,893,376** | **$4,714,220,717** | **$3,998,792,473** | **($715,428,244)** |

**Notes:**
The Capital Outlay Appropriations for each year above are net of items vetoed by the Governor.
The Federal means of finance category includes Federal Funds and Transportation Trust Funds-Federal.

*NRP (Not Requiring a Priority) is the allocation of previously sold bonds.
*RBP (Reimbursement Bond Proceeds) is the appropriation of funding made available from prepayments of reimbursement bond contracts.

# Section II

# FISCAL ACTIONS

## 2011 REGULAR SESSION

Fiscal Year 2011-2012

## Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

### 2011 Regular Session

| Instrument | Description | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|---|---|---|---|
| | SESSION ACTIONS - REVENUE | | | | | | |
| Sales Tax - General | | | | | | | |
| Acts 385 / 387<br>Regular Session<br>SB 254<br>HB 35 | Exempts construction materials purchased by the Make It Right Foundation for residential construction from state & local sales tax. Effective July 1, 2012. | | | ($112,000) | ($112,000) | | |
| Act 374<br>Regular Session<br>HB 282 | Exempts purchases and rentals by the For!Kids Foundation (golf events to raise money for children's service organizations) from state & local sales tax. Effective July 1, 2011. | | ($40,000) | ($40,000) | ($40,000) | ($40,000) | ($40,000) |
| Act 331<br>Regular Session<br>SB 82 | Exempts certain breastfeeding items from state sales tax. Effective October 1, 2011. | | ($75,000) | ($100,000) | ($100,000) | ($100,000) | ($100,000) |
| Act 372<br>Regular Session<br>HB 247 | Expands exemption for certain nonprofit events to allow certain ones with a for-profit financing component (targets the New Orleans Jazz and Heritage Festival. Effective October 1, 2011. | | ($1,000,000) | ($1,000,000) | ($1,000,000) | ($1,000,000) | ($1,000,000) |
| Act 379<br>Regular Session<br>HB 508 | Exempts from state sales tax purchases of the entire vehicle and modifications to it for persons with permanent orthopedic disabilities. Effective October 1, 2011 but retroactive to purchases made after January 1, 2011 and availale to purchases made through June 30, 2013. | | DECREASE | DECREASE | DECREASE | | |
| Act 296<br>Regular Session<br>HB 606 | Expands the state sales tax exemption for purchases, leases, and repairs of certain radiation therapy equipment and software. | | ($80,000) | ($38,000) | ($11,000) | ($11,000) | ($11,000) |
| Corporate Income & Franchise Tax | | | | | | | |
| Act 359<br>Regular Session<br>HB 456 | Expands the Enterprize Zone Program to allow the residential portion of a defined transit-oriented development to be eligible for program benefits (sales tax rebates, job credits, investment credits). | | | ($853,000) | ($576,000) | | |
| Act 410<br>Regular Session<br>SB 72 | Extends the 5%/6% Quality Jobs payroll subsidy program for six years from January 1, 2012 to January 1, 2018. | | | ($500,000) | ($3,000,000) | ($8,000,000) | ($14,000,000) |

Actions Affecting Major State Tax, License and Fee Estimates
and Estimates of Net Available State General Fund Revenue

2011 Regular Session

| Instrument | Description | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|---|---|---|---|
| Act 353<br>Regular Session<br>HB 381 | Expands the Quality Jobs Program by treating health coverage offered to employees with the same valuation as health coverage accepted by employees, if at least 50% of employees accept the coverage. Works to qualify more employees and their payroll into the program's payroll subsidies. | | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE |
| Act 146<br>Regular Session<br>SB 159 | Extends the availability of the Port Investor Tax Credit, which reimburses port investment expenses 5% per year for 20 years. Currently effective until January 1, 2015, and extended by this bill for two years until January 1, 2017. | | | | | DECREASE | DECREASE |
| Act 56<br>Regular Session<br>SB 187 | Extends the availability of the Cane River Heritage Area Tax Credit, which provides $1,500 per business and $1,500 per employee. Currently effective until January 1, 2012, and extended by this bill for two years until January 1, 2014. | | | ($2,700) | ($2,700) | | |
| Act 112<br>Regular Session<br>HB 592 | Extends the availability of the Atchafalaya Trace Heritage Area Development Zone Tax Credit, which provides $1,500 per business and $1,500 per employee. Currently effective until January 1, 2012, and extended by this bill for two years until January 1, 2014. | | | ($8,400) | ($8,400) | | |
| Act 126<br>Regular Session<br>SB 28 | Extends the availability of the Apprenticeship Tax Credit, which provides $1 per hour of employment per apprentice up to 1,000 hours per apprentice ($1,000). Currently effective until January 1, 2011, and extended by this bill for four years until January 1, 2015. | | ($500,000) | ($1,000,000) | ($1,500,000) | ($1,500,000) | ($1,000,000) |
| Act 416<br>Regular Session<br>SB 134 | Extends the availability of the Technology Commercialization Tax Credit, which provides refundable credits for 40% of eligible expenditures and 6% of eligible payroll. Currently effective until December 31, 2011, and extended by this bill for six years until December 31, 2017. | | ($500,000) | ($500,000) | ($500,000) | ($500,000) | ($500,000) |
| Act 407<br>Regular Session<br>SB 135 | Modifies and extends the Research & Development Tax Credit program. Changes employment requirements to be eligible for certain levels of credit rate (effectively restricts credits for large firms) and extends availability of credits from December 31, 2013 for six years until December 31, 2019. | | $6,300,000 | $7,300,000 | ($10,000,000) | ($34,500,000) | ($41,700,000) |
| Act 381<br>Regular Session<br>HB 632 | Changes apportionment provisions for broadcasters from a viewer basis to a domiciled business customer basis. Effective for 2012 income tax year and the 2013 franchise tax year. | | | DECREASE To Legal Tax Base | DECREASE To Legal Tax Base | DECREASE To Legal Tax Base | DECREASE To Legal Tax Base |

## Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

### 2011 Regular Session

| Instrument | Description | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|---|---|---|---|
| Individual Income Tax | | | | | | | |
| Act 121 Regular Session SB 13 | Increases the deduction for nonpublic school tuition costs by removing the 50% limitation, but retaining the $5,000 per child maximum. Effective for tax years beginning January 2011. | | ($5,300,000) | ($5,300,000) | ($5,300,000) | ($5,300,000) | ($5,300,000) |
| Act 409 Regular Session SB 63 | Extends the 25% tax credit for rehabilitation of historic commercial structures for four years, from January 1, 2012 to January 1, 2016. | | | ($6,000,000) | ($14,000,000) | ($14,000,000) | ($8,000,000) |
| Act 415 Regular Session SB 123 | Modifies the Digitial Media Tax Credit program to make credits refundable (currently nonrefundable) and to allow an optional direct redemption from the state at 85% of face value. | | | ($800,000) | ($1,000,000) | ($1,500,000) | ($1,600,000) |
| Act 412 Regular Session HB 348 | Expands eligibilty for tax credits available for rehabilitation of certain residential structures and raises the credit rate to 25% (from 10%, 15%, and 20%) and 50% for blighted properties (from 10%). Available through tax year 2016. | | | ($200,000) | ($200,000) | ($200,000) | ($200,000) |
| Act 392 Regular Session HB 319 | Provides a tax credit up to $1,000 for expenses of incorporating certain accessible and barrier-free design elements into home. Effective for tax years beginning 2012. | | | DECREASE | DECREASE | DECREASE | DECREASE |
| Act 414 Regular Session HB 597 | Reopens the Angel Investor Tax Credit program. This version provides 35% tax nonrefundable but transferable tax credits to wealthy taxpayers for investments in businesses participating in the program. Total annual credits that can be awarded are $5 M, and a total of $20 M of credits can be awarded during this version of the program. Amounts that can be claimed are initially delayed and then spread evenly over five years. Effective upn governor signature and through July 1, 2015. | | | | ($1,000,000) | ($2,000,000) | ($3,000,000) |

## Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

### 2011 Regular Session

| Instrument | Description | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|---|---|---|---|
| Tobacco Tax | | | | | | | |
| Act 341 Regular Session SB 210 | Exempts cigars and pipe tobacco sampled on premises during the International Premium Cigar and Pipe Retailers Association convention that may be held in New Orleans during FY 15 and FY 16. | | | | | ($50,000) | ($50,000) |
| | Total Adjustments To Major State Tax, License And Fee Estimates | $0 | ($1,195,000) | ($9,154,100) | ($38,350,100) | ($68,701,000) | ($76,501,000) |
| | SESSION ACTIONS - DEDICATIONS | | | | | | |
| State Highway Improvement Fund | | | | | | | |
| Act 390 Regular Session HB 238 | Dedicates the remaining portion of vehicle license tax revenue that is not already dedicated to the Transportation Trust Fund or Highway Fund #2 to the State Highway Improvement Fund. Effective July 1, 2012. | | | $1,900,000 | $1,900,000 | $1,900,000 | $1,900,000 |
| | Adjustments To Dedications of Major State Tax, License, and Fee Estimates | $0 | $0 | $1,900,000 | $1,900,000 | $1,900,000 | $1,900,000 |
| | TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST | $0 | ($1,195,000) | ($11,054,100) | ($40,250,100) | ($70,601,000) | ($78,401,000) |

## Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

### 2011 Regular Session

| Instrument | Description | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|---|---|---|---|
| | OTHER ITEMS OF INTEREST | | | | | | |
| Tobacco Settlement Re-Directed To TOPS Fund | | | | | | | |
| Act 386<br>Regular Session<br>SB 52 / SB 53 | A constitutional amendment is proposed to re-direct tobacco settlement annual proceeds away from deposit into the Millennium Trust Fund and into the TOPS Fund. Two years of proceeds are re-directed for FY12 (the FY11 payment and the FY 12 payment), then each year's single payment thereafter.<br><br>Effectively brings on budget a revenue flow into the Tobacco Settlement revenue item in Taxes. Licenses, and Fees, and dedicates it to the Tobacco Settlement (TOPS Fund) in Dedications.<br><br>Effective upon adoption of the constitutional amendment contained in SB 53 of this session, to be submitted at the October 22, 2011 statewide election. | | $80,000,000 | $40,000,000 | $40,000,000 | $40,000,000 | $40,000,000 |
| Renewal of Cigarette Tax and Dedication of Proceeds To Health Excellence Fund | | | | | | | |
| Act 386<br>Regular Session<br>SB 52 / SB 53 | A constitutional amendment is proposed to continue an existing 4¢/20-pack tax on cigarettes levied in R.S. 47:841(B)(3) beyond its scheduled expiration of June 30, 2012, and these revenues are dedicated to the Health Excellence Fund. Since the expiration of this levy is already anticipated in the official revenue forecast, from a budgeting perspective, this is effectively a new revenue source, beginning with FY 13.<br><br>Effectively retains on budget a revenue flow in the Tobacco Tax revenue item in Taxes. Licenses, and Fees, and dedicates it to the Tobacco Settlement (Health Excellence Fund) in Dedications.<br><br>Effective upon adoption of the constitutional amendment contained in SB 53 of this session, to be submitted at the October 22, 2011 statewide election. | | | $12,000,000 | $12,000,000 | $12,000,000 | $12,000,000 |
| Budget Stabilization Fund Revisions | | | | | | | |
| Act 383<br>Regular Session<br>SB 171 / SB 147 | A constitutional amendment is proposed to provide for the resumption of automatic mineral revenue flows into the budget Stabilization Fund after a withdrawal from the Fund has occurred. When mineral above the base threshold is available, any withdrawal pauses unanticipated flows for that year and the ensuing year, then replenishment occurs at an annual rate of 1/3 of the last withdrawal amount until replenished or the maximum allowed balance is reached.<br><br>The last withdrawal was $198.4 M for use in FY 10. This amendment requires 1/3 of that amount to be deposited into the Fund in FY 12, then 1/3 in FY 13, and the balance in FY14, subject to the maximum allowed balance (currently $155.5 M below the current balance).<br><br>Effective upon adoption of the constitutional amendment contained in SB 147 of this session, to be submitted at the October 22, 2011 statewide election. | | ($66,133,000) | ($66,133,000) | ($22,234,000) | | |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 01 -100 | Executive | Executive Office | Funding associated with termination pay expenses in the Executive Office. The Executive Office budget for FY 12 for termination pay is $80,622 with the addition of these funds. According to the Executive Office, the FY 11 year-end termination expenses were $62,937 (budgeted amount is $40,622). | $40,000 | $40,000 | 0 |
| 01 -107 | Executive | Division of Administration | Increase in IAT authority from Capital Outlay for Facility Planning & Control (FP&C) expenditures associated with training of Facility Project Managers ($11,000), travel expenditures ($25,000) and engineering and architectural contracts to review plans on capital outlay projects ($287,444). Language within HB 2 allows FP&C to charge up to 6% of the total project for administrative expenditures. According to the Division of Administration (DOA), historically FP&C administrative costs are approximately 2% to 5% depending upon the project. | $0 | $323,444 | 0 |
| 01 -107 | Executive | Division of Administration | Increases federal funding within the Executive Administration Program from the State Broadband Data & Development Grant, as funded by the American Recovery & Reinvestment Act (ARRA) of 2009. According to the DOA, 95% of these funds will be used for professional services which include broadband service provider outreach, service and network data collection, data validation, geospatial mapping and web mapping application development. The DOA was awarded $6,649,679 of which $593,114 was expended in FY 10. With the additional $1.5 M in federal authority, the FY 12 budgeted amount for this grant is $2,544,214. | $0 | $1,500,000 | 0 |
| 01 -107 | Executive | Division of Administration | The increased IAT funding is associated with the implementation of a hosted Statewide Detection Solution software, which is a pilot project within the LA Workforce Commission's Unemployment Insurance and Workers Compensation Program. The original source of funds is Federal funds from the LA Workforce Commission. This is anticipated to be a 3-year project with $1.5 M appropriated in FY 11. The increased IAT funding of $790,790 will provide a total of $1,721,231 for: software license - $1,078,671, consulting services - $360,000, hosting services - $282,560. There is $930,441 of funding within the FY 11 base budget.<br><br>Due to this system being an enterprise system with more than one state agency planning to use it, the decision was made for the DOA to host and operate the system. The system is currently 75% completed with a projected Go-Live date sometime at the end of FY 12. The Workforce Commission is the pilot agency and at this point no additional agencies will be included in FY 12. | $0 | $790,790 | 0 |
| 01 -107 | Executive | Division of Administration | Pursuant to R.S. 39:1496.1, the DOA is required to oversee energy efficiency contracts entered into by state agencies. Due to energy efficiency contracts issued in FY 11, the 2.5% reimbursement (R.S. 39:1496.1(E)(3)(a)(i)) will be activated and deposited into the Energy Performance Contract Fund. Per statute, state agencies entering into these types of contracts will require the proposer to pay 2.5% of the value of the performance based energy efficiency contract, which will be deposited into the fund. These funds will be used to fund contracts with third party energy consultants to evaluate proposals, assist agencies with contract negotiations and verify annual energy cost savings. | $0 | $240,000 | 0 |
| 01 -109 | Executive | Coastal Protection & Restoration | Increases salaries ($95,618) and related benefits ($45,120) associated with 2 new positions in the Project Support Section. These positions are needed to handle increased workload. Since the formation of the Office of Coastal Protection & Restoration, the number of contracts has significantly increased and a backlog has occurred, resulting in delays in development and processing and payment of invoices. The source of funding is the Coastal Protection & Restoration Fund. | $0 | $140,738 | 2 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 01 -111 | Executive | Homeland Security & Emergency Prep | GOSHEP currently administers the FEMA Pilot Reconstruction Program, which provides funding to eligible homeowners for expenditures related to the demolition and the reconstruction of buildings (including homes) as a result of hurricanes Katrina and Rita. Of the $13.2 B allocated to the state from HUD as a result of the 2005 hurricanes, approximately $129.3 M has been allocated to the Local Government Emergency Infrastructure Program from which these funds are allocated. These grant funds reimburse local government entities for payments made to the homeowner. Impacted individuals are allowed to receive up to $150,000 in grant funding from GOSHEP's Hazard Mitigation Grant Program and another $50,000 from these CDBG funds for the total maximum grant funds of $200,000 for demolition and reconstruction. Action Plan amendment No. 35, published 9/21/2009, allows these Local Government Emergency Infrastructure Program funds to be spent on critical services under the FEMA Hazard Mitigation Grant Program, which is currently administered by GOSHEP. The Pilot Reconstruction Project will address hazard mitigation issues in the following hurricane (Katrina/Rita) impacted parishes: Calcasieu, Jefferson, Lafayette, Lafourche, Orleans, Plaquemine and St. Tammany. The program defines reconstruction as, demolition of an existing structure deemed infeasible for elevation and the rebuilding of a new structure on the same lot. The Joint Legislative Committee on the Budget (JLCB) approved budget authority for this program in the amount of $1 M in FY 11. GOSHEP anticipates granting approximately $6 M in FY 12. | $0 | $5,000,000 | 0 |
| 01 -112 | Executive | Military Department | Provides for benefits to survivors of national guardsmen who lost their lives between the period of 9/11/2001 and 7/6/2007. During this time, 32 members of the LA National Guardsmen (LNG) lost their lives during periods of activation by the governor or the President of the United States. The payment of a lump sum of $250,000 to each guardsman's beneficiary would cost $8 M (32 LNG deaths x $250,000) from the Overcollections Fund. In addition, $100,000 would be paid to 2 members who were injured during this time period and were determined to be eligible for the $100,000 permanent and total disability payment. Act 406 of 2011 provides for these benefits to be paid for deaths or permanent and total disabilities subsequent to 9/11/2001.<br><br>Act 260 of 2007 provided benefits for LNG that were either killed or injured (100% permanent and total disabled) during periods of activation that were ordered by the governor on or after 7/1/2007. Those members who have 100% permanent and total disability are eligible for a lump-sum payment of $100,000. Beneficiaries of LNG killed while on active duty participating in military business would receive a lump-sum payment of $250,000. Since this legislation was enacted, there have been no payments associated with 100% permanent and total disability with 2 cases still pending. However, there have been 12 payments of $250,000 to beneficiaries of LNG members killed during this time period. Six (6) payments were made in FY 10 and 6 additional payments in FY 11. | $0 | $8,200,000 | 0 |
| 01 -116 | Executive | LA Public Defender Board | Statutory Dedications funding from the LA Public Defender Fund for expenditures for anticipated case filings being entered into the defender board's new customized case management system. The new case management system will allow board staff to supervise all districts across a greater number of performance categories, including caseload, time spent per case, disposition and recidivism. The system, which became operational in June 2011, will allow staff to run reports, identify problems and develop needs-based training, make policy recommendations, adjust its distribution of resources and ensure that the state is able to comply with its constitutional obligation to create a uniform public defense system. According to the board, the contractor charges the board $1.10 per case that is being inputted into the system. The board anticipates 300,000 cases from the 42 various public defender offices around the state will be entered in the system, which will result in a cost of $330,000 ($1.10 x 300,000 new case records statewide). | $0 | $330,000 | 0 |
| 01 -124 | Executive | LA Stadium & Exposition District | Increases Statutory Dedications funding ($2.1 M) to the LSED from the following funds: New Orleans Sports Franchise Fund ($1.5 M from tax on hotel rooms in Orleans Parish which is dedicated to the LSED to fund contractual obligations of the state to the Saints and Hornets); the New Orleans Sports Franchise Assistance Fund ($300,000 from slot proceeds to fund contractual obligations to the Saints and Hornets); and the LSED License Plate Fund ($300,000 from the sale of "World Champion New Orleans Saints" vehicle license plates which is used to pay debt service and to fund improvements to the Superdome). | $0 | $2,100,000 | 0 |
| 01 -124 | Executive | LA Stadium & Exposition District | Provides statutorily dedicated funding from the New Orleans Sports Franchise Fund ($500,000) and LA Stadium & Exposition District License Plate Fund ($200,000) for operating expenditures including contractual obligations of the LA Superdome and the New Orleans Arena. | $0 | $700,000 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 01 -126 | Executive | Board of Tax Appeals | Workload increase due to an increase in the number of cases filed with the board. According to prior year actual performance data presented within the FY 12 Supporting Document, the board had a 282% increase in the number of cases filed and docketed with the board, or a 666 case increase from 236 cases in FY 09 to 902 cases in FY 10. According to the board, prior to October 2009, a portion of these cases were not given to the board for review. These cases were resolved by the Department of Revenue's Collections Division. However, due to a policy change, these cases are now being referred to the board for review and hearing, which has resulted in increased workload. The prior year actual performance information for the number of cases filed and docketed with the board is as follows: FY 06 - 91 cases, FY 07 - 233 cases, FY 08 - 234 cases, FY 09 - 236 cases, FY 10 - 902 cases. The 2 additional positions will be an attorney and a paralegal.<br><br>In addition, in the case of Michael versus St. Martin, the LA Supreme Court ruled that the Board of Tax Appeals has the authority to hear and decide on class action lawsuits, which could result in additional workload to the board. | $128,056 | $128,056 | 2 |
| 01 -129 | Executive | LA Commission on Law Enforcement | Increase of $500,000 federal authority for the Crime Victims Assistance (VOCA) and $500,000 federal authority for Violence Against Women (VAWA) grant awards from the U.S. Department of Justice. The Violence Against Women grants are utilized to assist states, Indian Tribal governments and local governments to develop and strengthen effective law enforcement and prosecution strategies to combat violent crimes against women and to develop and strengthen victim services in cases involving crimes against women. The FY 12 funding for this grant is $3.4 M. The Victims of Crime Assistance grants are to stimulate state participation, support for victim services program and promote victim cooperation with law enforcement. The FY 12 funding for this grant is $6.5 M. | $0 | $1,000,000 | 0 |
| 01 -254 | Executive | LA Racing Commission | Increases statutorily dedicated funding for the Equine Drug testing contract with the LSU School of Veterinary Medicine, which increases from $1,331,383 to $1,373,455 due to inflationary costs (3.16%). In FY 09, the Racing Commission adopted Anabolic Steroid Testing and the model rules enacted by the Association Racing Commissioners International (ARCI). The contract is a 3-year contract from 7/1/2009 - 6/30/2012 and is funded with the Pari-mutuel Live Racing Facility Gaming Control Fund. Previous contract payments are as follows: FY 10 - $1,290,600; FY 11 - $1,331,383; and FY 12 - $1,373,455. | $0 | $42,072 | 0 |
| 01 -255 | Executive | Financial Institutions | Increase in SGR for anticipated additional travel expenditures due to required training courses for compliance examiners as well as travel associated with quarterly meetings for the State Regulatory Board of Managers by the Deputy Chief Examiner. From FY 09 to FY 11 the agency has lost approximately 17 experienced examiners to retirement (FY 09 - 1 position, FY 10 - 4 positions, and FY 11 - 12 positions) and anticipates a reduction of 2 positions in FY 12.<br><br>Due to the loss of the experienced positions, the additional travel is needed to train new staff. According to the Office of Financial Institutions (OFI), it takes approximately 3 to 5 years to train new examiners. The OFI anticipates funding approximately 49 classes in FY 12 which include: Conference of State Bank Supervisors Certified Operations Examiner School; FDIC's Asset Liability Management School; FDIC's Loan Analysis School; and FDIC's Exam Management School. | $0 | $157,790 | 0 |
| | | | **Major Enhancements for Executive** | **$168,056** | **$20,692,890** | **4** |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 03 -130 | Veterans' Affairs | Dept. Veterans' Affairs | The new veterans' cemetery in Leesville will open in January 2012. The construction of the cemetery is funded by the U.S. Department of Veterans Affairs and the LA Department of Veterans' Affairs will operate and maintain the cementary. The 5 positions include a mobile equipment operator, horticultural specialist supervisor, and 3 horticultural specialists. | $219,807 | $219,807 | 5 |
| 03 -130 | Veterans' Affairs | | All veterans' homes have increased receipt of Federal funds associated with an increased U.S. Department of Veterans Affairs (USVA) per diem rate. The rate has increased from $77.53 to $94.59. In addition to increased Federal funds, the Southwest Veterans Home increased SGR by $192,252 due to cost of living increases provided by USVA for patients. The homes were increased by the following amounts: | $0 | $1,858,094 | 0 |

| Homes | SGR | FED | Total |
|---|---|---|---|
| Jackson | $0 | $359,415 | $359,415 |
| Monroe | $0 | $154,669 | $154,669 |
| Jennings | $192,252 | $299,472 | $491,724 |
| Bossier | $0 | $544,906 | $544,906 |
| Reserve | $0 | $307,380 | $307,380 |
| Total | $192,252 | $1,665,842 | $1,858,094 |

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 03 -130 | Veterans' Affairs | Dept. Veterans' Affairs | Increases funding for the Veterans' Honor Medal Program ($49,370) and increased rent due to the department moving to the Galvez Building ($24,663). Funding will be used for the new options for providing medals. Act 59 of 2011 allows the department to give medals to veterans by mail, through the parish service office, or at a ceremony with the governor. The total funding for the Honor Medal Program for FY 12 is $91,500. | $74,033 | $74,033 | 0 |
| | | | **Major Enhancements for Veterans' Affairs** | **$293,840** | **$2,151,934** | **5** |
| 04a-139 | State | Secretary of State | Increases SGF for scheduled elections (3 statewide elections and 1 municipal election). The FY 12 total budget for scheduled elections is $19.1 M. | $4,046,838 | $4,046,838 | 0 |
| | | | **Major Enhancements for State** | **$4,046,838** | **$4,046,838** | **0** |
| 04b-141 | Justice | Attorney General | Increases overall budget authority for the Advocacy Center Community Living Ombudsman Program from $915,175 to $1,157,999, which equates to an increase of $242,824. This enhancement increases IAT revenue by $222,824 (medicaid match funding from DHH) and SGR by $20,000. | $0 | $242,824 | 0 |
| 04b-141 | Justice | Attorney General | Increases funding from the LA Fund ($1.675 M) for an arbitration proceeding to determine whether tobacco manufacturers who signed the tobacco master settlement agreement are entitled to a refund of payments received by the state in 2004. The FY 12 appropriation for arbitration is $1.675 M. | $0 | $1,675,000 | 0 |
| 04b-141 | Justice | Attorney General | Increases Federal funds to be used by Lafayette Parish Sheriff's Department for acquisition of equipment related to sex offender registration. | $0 | $95,700 | 0 |
| | | | **Major Enhancements for Justice** | **$0** | **$2,013,524** | **0** |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 04e-158 | Public Service Commission | Public Service Commission | Increases Statutory Dedications funding from the Utility & Carrier Supervision & Inspection Fund for IT implementation and maintenance as well as office supplies for Public Service Commission (PSC) programs. The increase includes $14,764 for office supplies, $21,145 for system maintenance and improvements to the mapping software, $11,965 for ongoing maintenance and improvements to the Star PSC system which allows e-filing of required documents, and $8,993 for audio and video availability of PSC meetings. | $0 | $56,867 | 0 |
| 04e-158 | Public Service Commission | Public Service Commission | Increases Statutory Dedications funding from the Utility & Carrier Supervision & Inspection Fund for continuing education for commissioners and staff related to regulatory requirements mandated by the National Associations and Federal Regulatory Agencies. The adjustment includes $63,357 in continuing education funding and $74,083 in regulated continuing education. The continuing education will relate to regulatory issues necessary for the PSC to perform its mission. | $0 | $137,440 | 0 |
| 04e-158 | Public Service Commission | Public Service Commission | Increase Statutory Dedications funding from the Utility & Carrier Supervision & Inspection Fund is to facilitate a timely response to the ongoing regulatory changes and initiatives at the federal level resulting from the American Recovery & Reinvestment Act (ARRA). This adjustment is not indicative of an on-going cost due to ARRA funds received and utilized directly by the PSC. The adjustment is to provide an adequate response to regulatory changes and requirements at the federal level due to stimulus funds. | $0 | $75,160 | 0 |
| | | | **Major Enhancements for Public Service Commission** | **$0** | **$269,467** | **0** |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | MANAGEMENT & FINANCE - Funding ($133,165 SGF and $182,726 IAT) for the rent of 9 facilities occupied by the Department of Agriculture & Forestry owned by the LA Agricultural Finance Authority (LAFA). Funding is also included for the maintenance and repair of facilities throughout the state. This partially restores $1.6 M in funding and 28 positions reduced in FY 10 associated with the facility maintenance activity. The reduction in FY 10 transferred the maintenance function to LAFA (owner of the facilities) but did not transfer associated funding. The source of the IAT is from the Department of Health & Hospitals as payment for the agency storing the state's antiviral cache of medications. The Department will utilize these funds for rental payments. | $133,165 | $315,891 | 0 |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | AGRICULTURAL & ENVIRONMENTAL SCIENCES - Increases Statutory Dedications funding from the LA Agricultural Finance Authority Fund in order to make projected bond debt payments in FY 12. The total debt service payments projected for FY 12 totals $9,913,087. R.S. 27:392(B)(4) dedicates $12 M of racetrack slot proceeds into the LA Agricultural Finance Authority Fund annually. | $0 | $304,570 | 0 |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | AGRICULTURAL & ENVIRONMENTAL SCIENCES - Increases Statutory Dedications funding (Boll Weevil Eradication Fund) in the Boll Weevil Eradication Program due to an increase in cotton acreage planted. In FY 12, the Boll Weevil Eradication Program will be able to operate solely on the assessments it generates through fees on cotton acreage planted (currently $6 per acre). Revenues for the Boll Weevil Eradication Fund are projected on 330,000 acres and with this additional revenue the maintenance program will be fully funded through Statutory Dedications. The current revenue estimate by the agency assumes approximately an additional 89,450 acres will be planted during FY 12 compared to actual collections in FY 10 and estimated collections for FY 11. | $0 | $536,656 | 0 |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | ANIMAL HEALTH & FOOD SAFETY - IAT funding from the Department of Wildlife & Fisheries to annualize a Seafood Safety Testing Program in partnership with the Department of Wildlife & Fisheries, the Department of Health & Hospitals, and the Department of Environmental Quality. The original source of funding is a grant from British Petroleum Exploration & Production, Inc. (BP) received by the Department of Wildlife & Fisheries. The Department of Agriculture & Forestry will provide the lab testing component of this joint enterprise to ensure the state's seafood resources are safe for consumption. | $0 | $563,500 | 0 |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | ANIMAL HEALTH & FOOD SAFETY - Provides additional federal budget authority to receive unspecified grants from the federal government. During the FFY 10, this program received $147,527 in federal grant funding through 4 programs related to animal health and food safety, of which $127,962 are recurring awards. This adjustment funds these recurring awards in the amount of $127,962 and adds capacity for potential future grants up to an additional $100,000. | $0 | $227,962 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 04f -160 | Agriculture & Forestry | Agriculture & Forestry | FORESTRY - Funding for the purchase of new firefighting vehicles and accessories through federal grants. The grant funds will provide for the purchase of 25, 1/2 ton, regular cab, 4 wheel drive alternative fuel pickup trucks to serve as a firefighting unit and crew transportation. When not used for firefighting duties, the vehicles will be used in other program areas such as the Federal Excess Property Program, the Forest Productivity Program, and the Insect & Disease/Invasive Species Program administered by the Office of Forestry. These funds will also replace 3, 1/2 ton cargo vans used as service vehicles (radio technician) to maintain the statewide radio system and the Department's fleet mobile radios. | $0 | $550,000 | 0 |
| 04f -160 | Agriculture & Forestry | Agriculture & Forestry | AUXILIARY PROGRAM: Increases SGR funding based on anticipated increased revenues from seedling sales. | $0 | $481,760 | 0 |
| 04f -160 | Agriculture & Forestry | Agriculture & Forestry | Increases funding ($1,022,216 SGF and $271,192 Statutory Dedications) for multiple activities, including: the LA State Seed Testing Laboratory to ensure high quality commercial seed distribution throughout the state; Agronomics and Apiary Programs to cover plant pest monitoring; and the Agricultural Chemistry Lab to support inspection, analysis, and regulatory functions required by statute in order to ensure safety of the state's food supply and quality of its natural environment. Revenues generated from Statutory Dedications are insufficient to fund these statutorily required activities. The department absorbed costs associated with these activities but requires additional revenues to maintain the programs. The Statutory Dedications funding is comprised of $241,402 from the Seed Commission Fund and $29,790 from the Horticulture Commission Fund. | $1,022,216 | $1,293,408 | 0 |
| 04f -160 | Agriculture & Forestry | Agriculture & Forestry | FORESTRY - Funding for aircraft maintenance, repairs, fuel and supplies for an airplane acquired from the Department of Transportation & Development. The plane is to be used jointly by the Department of Agriculture & Forestry, DOTD and the Governor's Office. The plane was used by DOTD for aerial photography. It will be retrofitted to accommodate additional passenger space while maintaining the capacity for aerial photography. The Department of Agriculture & Forestry will sell an older model airplane in order to keep its fleet size static. | $623,672 | $623,672 | 0 |
| | | | **Major Enhancements for Agriculture & Forestry** | **$1,779,053** | **$4,897,419** | **0** |
| 04g-165 | Insurance | Commissioner of Insurance | Additional SGR funds for the IT Virtual Desktop Integration Project, which will produce a virtual desktop environment for department staff. According to the department's IT-10, this project will realize savings in time, effort and expenditures by moving from the traditional personal computer environment to a client environment where the computing power and storage is performed on servers instead of personal computers. Some of the benefits include: 1.) Ability to work on any device and get full desktop environment wherever you log into the system; 2.) Applications will run faster; 3.) Efficient license management for the department; 4.) Effective security for user; and 5.) Will be able to purchase computers with less memory, smaller processors and smaller storage. The department is projecting efficiencies in the amount of $13.1 M in FY 12. The $174,500 are one-time costs to purchase the software ($79,500), conduct an environmental assessment $3,000, install the virtual software ($37,500), deployment ($7,500), virtual desktop staff training ($12,000), virtual desktop training supplies ($20,000) and virtual desktop installation ($15,000). An IT-10 is an information technology request form that must be approved by the Division of Administration - Office of Information Technology. The agency must describe the project, its costs and benefit to the Division of the Administration. | $0 | $174,500 | 0 |
| 04g-165 | Insurance | Commissioner of Insurance | Additional SGR funds for the IT Workflow & SharePoint Project, which will standardize in a central location internal documents that require various reviews and approval. The project will include the Microsoft SharePoint Server, which will allow workflow of internal documents from the creation of the document to supervisor approval, to repository to store the document. This new technology will allow multiple individuals within the department to work on a document at the same time in real time. | $0 | $469,362 | 0 |
| | | | **Major Enhancements for Insurance** | **$0** | **$643,862** | **0** |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 05 -251 | Economic Development | Office of Secretary | This increase in federal spending authority relates to a federal grant that is pending with the Office of Economic Adjustment within the U.S. Department of Defense. Upon approval, it will fund a study of the repurpose and marketing plan for the Avondale Shipyard facility (Northrop Grumman) near New Orleans that is scheduled to close by 2013. | $0 | $1,650,000 | 0 |
| 05 -252 | Economic Development | Business Development | This adjustment increases the appropriation to utilize a portion of the fund balance from the Entertainment, Promotion & Marketing Fund by $300,000 to enhance the LA entertainment.gov website which provides information concerning economic development incentives and other information relating to the entertainment industry in LA. The increased appropriation will also support other marketing tools that promote film, music, digital media and live performance activities in the state. The Entertainment, Promotion & Marketing Fund is filled with application fees for entertainment related tax credits and, by statute (R.S. 47:6007(D)(4)(ii)(aa) for film and R.S. 47:6034(E)2(a)(i)(aa)(III) for music and theater production) are to be expended solely on the promotion and marketing of the industry. Interest and any unused or unencumbered fund balances remain in the fund annually. The FY 11 appropriation from the Entertainment Promotion & Marketing Fund was $185,000 and the balance of the fund at the end of FY 11 was $442,212. | $0 | $300,000 | 0 |
| 05 -252 | Economic Development | Business Development | Increases SGF to operate the New Orleans lab in its first year of operation. The operating labs in Baton Rouge and Shreveport show reductions due to tenant contributions. Due to full tenant capacity, the Baton Rouge wet lab is expected to reach self-sufficiency in FY 13 and will no longer require state funds. FY 12 total appropriation for all 3 wet labs is $2,072,465 with New Orleans budgeted at $1,387,005 (an increase of $949,305), Baton Rouge at $246,700 (a reduction of $191,620 from FY 11) and Shreveport at $438,320 (no change). The wet labs are essentially incubators for fledgling businesses in targeted industries, such as biomedical, environmental and food technologies. | $757,865 | $757,865 | 0 |
| 05 -252 | Economic Development | Business Development | Increases federal budget authority to accommodate an impending allocation for the Capital Access and Linked Deposit Programs. These programs were created in the Small Business Jobs Act of 2010 and will provide states with funds to implement a small business credit initiative. | $0 | $4,389,450 | 0 |
| 05 -252 | Economic Development | Business Development | Provides federal authority for the State Trade & Export Promotion (STEP) Grant application which is expected to be approved in the near future. The grant is for state trade and export promotion and will be paid out over 3 years. There is a state match which will be met using the existing expenditures related to foreign representatives currently under contract with LED. No new state dollars are necessary to draw down these Federal funds. | $0 | $975,000 | 0 |
| | | | **Major Enhancements for Economic Development** | **$757,865** | **$8,072,315** | **0** |
| 06 -263 | Culture, Recreation & Tourism | State Museum | Increases SGF funding for the LA Political Hall of Fame Museum (Special Legislative Project). Total funding for FY 12 is $191,314. | $41,314 | $41,314 | 0 |
| 06 -264 | Culture, Recreation & Tourism | State Parks | Provides funding and positions for Palmetto Island State Park. The park opened on 10/28/2010. FY 11 funding for the park was $462,047. FY 12 will be the first full year of funding for the park and total funding for FY 12 is $619,311 ($121,222 SGF; $410,089 State Park Improvement Fund; and $88,000 SGR). There are 10 positions associated with the park. | $0 | $157,264 | 8 |
| 06 -267 | Culture, Recreation & Tourism | Tourism | Provides additional pass-through SGR funding from the LA Tourism Promotion District for the Special Olympics. Total appropriation from the fund in FY 12 is $250,000. | $0 | $157,000 | 0 |
| 06 -267 | Culture, Recreation & Tourism | Tourism | Provides pass-through SGR funding from the LA Tourism Promotion District for NCAA Men's Final Four to be held at the New Orleans Arena 3/31-4/2/2012. | $0 | $2,000,000 | 0 |
| | | | **Major Enhancements for Culture, Recreation & Tourism** | **$41,314** | **$2,355,578** | **8** |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 07 -273 | Transportation & Development | Administration | OFFICE OF MANAGEMENT & FINANCE - Provides funding for 2 Office of Information Technology projects including replacement of the data domain and personal computer (PC) workstations. The replacement of PC workstations follows the department's 5-year replacement schedule. The replacement of the data domain will assist with functionality of the LaGov system. | $0 | $438,283 | 0 |
| | | | **Major Enhancements for Transportation & Development** | **$0** | **$438,283** | **0** |
| 08A-409 | Corrections | Dixon Correctional Institute | In the Administration Program, additional funding for IAT expenditures due to increased electrical and natural gas charges paid to East LA State Hospital. Dixon Correctional Institute has an IAT agreement with the hospital to cover costs associated with the utilities. | $155,655 | $155,655 | 0 |
| | | | **Major Enhancements for Corrections** | **$155,655** | **$155,655** | **0** |
| 08B-419 | Public Safety | State Police | Increases SGR from LACE (local area compensated enforcement) detail and escort fees to provide for increased overtime worked by troopers for said detail. LACE is an intergovernmental agreement intended to supplement regular duty traffic enforcement. In order to curtail vehicular crashes through traffic violation enforcement, as part of an intergovernmental agreement parties agree to establish a LACE detail. The detail shall specifically patrol the areas of the jurisdiction of the troop which have a history of high crash rates and noncompliance with traffic laws. FY11 = $2,980,943; FY12 = $10,735,594. | $0 | $7,754,651 | 0 |
| 08B-419 | Public Safety | State Police | Increases SGR to provide funding for the transfer of the Missing & Exploited Children Information Clearinghouse from the Department of Family & Children Services (DFCS) to State Police. One (1) unfunded position was transferred from DFCS. | $0 | $102,859 | 0 |
| 08B-419 | Public Safety | State Police | Increases IAT funding for Capitol Police from various state agencies. Capitol Police provides security services for all state owned buildings statewide that are located outside the Capitol Park Area. Increased funding is required to provide adequate budget for salaries and related benefits for Capitol Police personnel, as well as the contract for private security services. | $0 | $210,380 | 0 |
| 08B-419 | Public Safety | State Police | Increases Statutory Dedications funding from the Insurance Fraud Fund to provide for undercover investigations by increasing overtime, travel, acquisition of communications equipment (i.e. cellphone capture and trace equipment, bait car system, license plate reader system), and investigative expense. | $0 | $198,000 | 0 |
| 08B-419 | Public Safety | State Police | Increases SGR for supplies and acquisitions for the Aviation Unit (helmets, uniforms and holsters). | $0 | $18,700 | 0 |
| 08B-419 | Public Safety | State Police | Increases funding for a task force for urban areas for enhanced criminal investigation activities. | $500,000 | $500,000 | 0 |
| 08B-420 | Public Safety | Motor Vehicles | Increases SGR for expenses related to credit card payments accepted over the internet, conversant, and through customer service agents. Increase charges include 15 cents per credit card transaction and 8 cents per minute for the OMV phone system. | $0 | $75,000 | 0 |
| 08B-420 | Public Safety | Motor Vehicles | Increases SGR funding for contract cost for drivers license/ID cards issuance/renewal contract. OMV is producing an actual credential for renewals rather than a sticker/label, resulting in an increase in the contract cost. The contract cost is based on the number of drivers license/ID cards issued. The FY 11 anticipated cost was $2.535 M. FY 12 anticipated cost is $2.937. | $0 | $401,512 | 0 |
| 08B-421 | Public Safety | Legal Affairs | Increases SGR or administrative hearings costs paid to the Civil Service- Division of Administrative Law. | $0 | $152,817 | 0 |
| 08B-422 | Public Safety | State Fire Marshal | Increases Statutory Dedications funding from the Fire Marshal Fund for overtime to provide for enforcement activities related to the following acts which no funding was previously provided:<br><br>Act 862 of 2010 (emergency response standards for certain facilities (No amount of overtime determined.)<br>Act 367 of 2010 and Act 749 of 2008 (Emergency Elevator Access) - $53,714.<br>Act 89 of 2009 (prohibits the sale of novelty lighters) - $53,714.<br>Act 130 of 2009 (multi-jurisdictional arson task force operated by the fire marshal) - $19,900.<br>Act 813 of 2008 & Act 12 of 2005 (building code reviews/inspections) - $214,856.<br>Act 409 of 2007 (Cigarette Fire Safety & Firefighter Protection Act) - $134,285<br>Act 364 of 2007 (Industrialized Building Act ) - $24,791<br>Additional funding to help clear up the plan review backlog - $398,740 | $0 | $900,000 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 08B-422 | Public Safety | State Fire Marshal | Increases Statutory Dedications funding from Fire Marshal Fund to provide training on newly adopted codes and standards of the State Uniform Construction Code. The Fire Marshal adopted new building codes (effective August 2010). Training will be provided on the newly adopted standards of the State Uniform Construction Code to building officials, third party providers, HVAC contractors and regulatory agencies. | $0 | $250,000 | 0 |
| 08B-422 | Public Safety | State Fire Marshal | Increases Statutory Dedications from Fire Marshal Fund for fire prevention and suppression activities in Agriculture Department. | $0 | $250,000 | 0 |
| 08B-425 | Public Safety | LA Highway Safety Commission | Increases IAT revenue from the Federal Highway Safety Administration through Department of Transportation for occupancy protection initiatives. | $0 | $1,350,000 | 0 |
| | | | **Major Enhancements for Public Safety** | **$500,000** | **$12,163,919** | **0** |
| 08 -403 | Youth Services | Juvenile Justice | Increases IAT authority for the Office of Juvenile Justice - Contract Services Program. The IAT funding will come from the Department of Children & Family Services through TANF funds. There are youth supervised by OJJ that may be eligible for the department to receive TANF funds. In the event youth are eligible, then OJJ will be able to use TANF funds to pay for certain programs. | $0 | $6,000,000 | 0 |
| | | | **Major Enhancements for Youth Services** | **$0** | **$6,000,000** | **0** |
| 09 -300 | Health & Hospitals | Jefferson Parish Human Services Authority | Increases IAT budget authority from the Office of Behavioral Health's (OBH) SGF for Community Support Services provided to children and their families that establish links to natural supports in the community and enhance overall outcomes for mental health related issues. | $0 | $51,572 | 0 |
| 09 -303 | Health & Hospitals | Developmental Disabilities Council | Increases in Federal funds budget authority due to the Developmental Disabilities (DD) Grant authorized by the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (the DD Act). Under the DD Act, each state developmental disabilities council is funded annually. The LA Developmental Disabilities Council (LADCC) has a fund balance from previous DD grants available to expend in FY 12. In FY 12, the 2010 DD grant allocation is estimated at $1,414,387. The additional $79,234 in Federal budget authority will allow LADDC to expend the fund balance from previous DD grants. | $0 | $79,234 | 0 |
| 09 -304 | Health & Hospitals | Metropolitan Human Services District | Provides funding to continue mental health and addictive disorders services provided by Assertive Community Teams (ACT) and Forensic Assertive Community Treatment Teams (FACT) to adults with severe and persistent mental illness who are in need of the most intense non-institutional treatment. The increase will cover the costs of new physician services for the FACT team. MHSD total appropriation for FY 12 is $2,579,953. | $291,266 | $291,266 | 0 |
| 09 -304 | Health & Hospitals | Metropolitan Human Services District | Increases IAT budget authority for expenditures related to the Medicaid Application Center (MAC) in MHSD ($49,000). These are funds previously set aside in the Medical Vendor Administration Program for the establishment and funding of MACs to provide Medicaid enrollment for the State. The remaining $1.25 M is Disproportionate Share Hospital (DSH) funds being held in the Medical Vendor Payments Program for the 1115 Medicaid Waiver Program to make DSH payments to providers. The waiver money will be used primarily for the continuation of primary care services. | $0 | $1,299,000 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Information Technology enhancement. Provides funding ($125,000 SGF and $375,000 Federal) to hire a contractor through RFP process to conduct Pre-Admission Screening Review on all individuals entering a nursing facility. Screenings are required by federal regulations and reviewed by CMS. The source of Federal funds is Medicaid Administration federal financial participation. | $125,000 | $500,000 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Funding ($1,169,903 SGF and $10,529,124 Federal) for performance enhancements to the Medicaid Eligibility Determination (MEDS) system. The source of Federal funds is Medicaid Administration federal financial participation. The MEDS system maintains records of individuals eligible for services throughout LA's Medicaid Program. The Department of Health & Hospitals anticipates significant eligibililty changes will be required to be made to the MEDS system as a result of the Patient Protection & Affordable Care Act (PPACA). Individuals up to 133% of the federal poverty level (including childless adults and non categorically eligible under Medicaid) will be eligible for Medicaid. In addition, the Health Insurance Exchanges will require integration with the MEDS system (the exchanges will coordinate eligibility with Medicaid through the MEDS system. The department has identified the following needs for the MEDS system:<br><br>1. Development of a web based interface relative to the exhanges.<br>2. Add business rules to capture and provide reporting for new eligibles.<br>3. Develop an interface with IRS for determining financial eligibility.<br>4. Develop an on-line application systems. | $1,169,903 | $11,699,027 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Funding for the Coordinated System of Care ($6,185,801 SGF; $6,251,495 IAT; and $12,858,054 Federal). The source of Federal funds is Medicaid Administration federal financial participation. This funding will be utilized to contract with a State Management Organization (SMO) for providing coordinated services to certain eligibles in the Office of Behavioral Health. | $6,185,801 | $25,295,350 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Funding ($1,435,684 SGF and $4,307,051 Federal) to implement the International Classification of Diseases (ICD-10) diagnosis codes. The source of Federal funds is Medicaid Administration federal financial participation. The International Classification of Diseases is used to code and classify morbidity data from inpatient and outpatient records and physicians offices. Funding will be used for a consulting contract to ensure appropriate planning to implement the appropriate ICD 10 diagnostic and coding revisions. Funding will ensure LA Medicaid is in compliance with federal changes to the diagnostic code language used to report why a service was considered medically necessary for direct patient care. | $1,435,684 | $5,742,735 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Funding ($750,000 SGF and $6.75 M Federal) for Health Information Exchange. The source of Federal funds is grant funds from the U.S. Department of Health & Human Services, Office of the Secretary. This project will facilitate the exchange of health information among a broad stakeholder group including hospitals, physicians, dentists, opthalmologists, ancillary service providers, payers, and public health organizations. | $750,000 | $7,500,000 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Funding ($78,645 SGF and $707,805 Federal) for Independent Verification and Validation (IV & V) contractor to assist with the replacement of the Medicaid Management Information System (MMIS) according to Centers for Medicare & Medicaid Service standards. This adjustment is an estimate of the FY 12 cost associated with an IV & V contractor to provide certain deliverables through the implementation of the MMIS replacement. MMIS requires CMS certification, and the department indicates that CMS encourages states to utilize such a contractor. The source of Federal funds is Medicaid Administration federal financial participation.<br><br>$1,213,550 - Existing Operating Budget (EOB)<br>12 - Number of months funded in EOB<br>$2,000,000 - Projected Expenditures for FY 12<br><br>$786,450 - Additional Funding Need for FY 12 | $78,645 | $786,450 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Funding for professional services contract ($300,000 SGF and $300,000 Federal) to administer the Low Income Needy Care Collaborative Agreements (LINCCA) and Physician Upper Payment Limit. The source of Federal funds is Medicaid Administration federal financial participation. According to the department, program monitoring and financial audit services will be provided under this contract related to payments made under the LINCCA Program. | $300,000 | $600,000 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Funding ($2,458,675 SGF and $2,458,675 Federal) for a contractor to implement additional utilization management in the Radiology Utilization Management (RUM) Program, and enhanced claims editing for certain surgery procedures. The source of Federal funds is Medicaid Administration federal financial participation. There is an offsetting savings in Medical Vendor Payments. This contractor will perform additional review procedure codes than currently reviewed under the Radiology Utilization Management (RUM) program (implemented in February 2010), by implementing prior authorization procedures for Ultrasound Utilization and Cardiac Imaging. Additionally, the contractor will perform enhanced claim editing. Information provided by the department indicates this contractor will not review the medical necessity of a surgery procedure performed, but will ensure that the clinical information submitted warrants inpatient hospitalization.<br><br>As a result of this contract, the department anticipates a reduction in Medicaid claims payments for FY 12 in the amount of $8,873,086. This reduction is reflected in the Medical Vendor Payments Program, Payments to Private Providers. | $2,458,675 | $4,917,350 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Increases funding ($239,113 SGF and $239,112 Federal) for payment of overtime. The source of Federal funds is Medicaid Administration federal financial participation. According to the department, overtime will be required to implement and manage several new initiatives anticipated to begin in FY 12, including Coordinated Care Networks and the Coordinated System of Care. | $239,113 | $478,225 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Annualizes funding ($178,594 SGF and $297,656 Federal) for an External Quality Review Organization. The source of Federal funds is Medicaid Administration federal financial participation. The Centers for Medicare & Medicaid Services (CMS) requires any state that implements Medicaid managed care through a managed care organization (MCO) to contract with an external quality review organization (EQRO). An EQRO evaluates quality performance and verifies quality data submitted by the MCO's. Additionally, the department has indicated these organizations submit an annual 'report card' reflecting quality data for all MCO's participating in the state. | $178,594 | $476,250 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Funding ($181,026 SGF and $230,847 Federal) for renewal of the Medicaid Eligibility Data System (MEDS) maintenance contract. The source of Federal funds is Medicaid Administration federal financial participation. MEDS is a software that is state-owned and operates on the Department of Children & Family Services Mainframe. The system captures, maintains, and transfers Medicaid eligibility data (to DHH's fiscal intermediary for billing/payment purposes). This contract provides maintenance and support for the department's Medicaid eligibility system. Information provided by DHH indicates the current contract expires 4/30/2012. The department anticipates a 25% increase in the next contract. The FY 12 cost estimate is based on 2 months costs (May and June) @ $205,936 per month. | $181,026 | $411,873 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding ($1,299,360 SGF and $2,938,608 Federal) for an anticipated increase in 8 new Federally Qualified Health Centers (FQHC) and 10 new Rural Health Clinics (RHC) projected to enroll in the Medicaid Program in FY 12. The source of Federal funds is Title 19 federal financial participation. The increased funding represents Medicaid claims payments for Medicaid eligible encounters at these health centers. These safety net providers offer primary care services and supplies typically in rural areas that are considered medically underserved. DHH, Bureau of Primary Care & Rural Health, anticipates these 18 additional providers will obtain Centers for Medicare & Medicaid Services (CMS) licensing and certification in FY 12.<br><br>Based on the April Medicaid Monthly Financial Report, DHH projects to spend approximately $38.7 M in claims payments to FQHC and $49.8 M in payments to RHC in FY 11. Based on a phased-in enrollment of these providers in FY 12, spending is projected to increase by $2,212,148 to FQHC and $2,025,820 to RHC. | $1,299,360 | $4,237,968 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding ($233,000 SGF and $526,948 Federal) for Healthy Babies initiative which screens pregnant women for tobacco use, alcohol use, drug use, domestic violence and depression. The source of Federal funds is Title 19 federal financial participation. | $233,000 | $759,948 | 0 |

# Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding ($475,339 SGF and $1,075,018 Federal) to Medicaid enrolled Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) to cover the cost of inflation on prospective payment system rates as determined by the published Medicare Economic Index (MEI). The source of Federal funds is Title 19 federal financial participation. The MEI is a measure of inflation for physicians. The MEI is updated annually, and is based on a formula that factors in physician practice costs, medical equipment cost, and general wage levels. The MEI is used in determining allowable charges for physician services. According to DHH, this adjustment will put the state in compliance with the Centers for Medicare & Medicaid Services (CMS), as these inflationary payment increases are currently required through the Medicaid State Plan (agreement between the state and CMS relative to the policies of the state's Medicaid program). The department has estimated an MEI inflation factor of 1.53% over FY 12. The department's calculation is reflected below.<br><br>Total anticipated payments / FY 12 projected MEI / FY 12 additional funding required<br>FQHC $40,273,266 1.53% $616,181<br>RHC $61,057,250 1.53% $934,176<br>$1,550,357 | $475,339 | $1,550,357 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding hospice services for children as required by the Affordable Care Act ($52,152 SGF and $117,948 Federal). The source of Federal funds is Title 19 federal financial participation. Information provided by DHH indicates the ACA mandates hospice services for children. This increase in Medicaid claims is based on 15 children receiving hospice services in FY 12 for an average of 3 months at a cost of $3,780 per month. | $52,152 | $170,100 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Net increase in funding ($83,016,569) for nursing home rebase for FY 12. The FY 12 budget includes 2 separate adjustments related to nursing home rates. One adjustment eliminates (sunsets) the FY 11 nursing home rebase, however the budget also provides for an additional rebase to nursing home rates. The source of the Statutory Dedications funding is from the Medicaid Trust Fund for the Elderly, and the source of Federal funds ($57,563,689) is Title 19 federal financial participation.<br><br>($130,075,302) Reduce FY 11 nursing home rebase and rate adjustments<br>$213,091,871 Funding nursing home rebase for FY 12<br>$83,016,569 Net nursing home rebase adjustment | $0 | $83,016,569 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding the impact of the Patient Protection & Affordable Care Act (ACA) pharmacy rebate changes ($19,818,681 SGF and $44,821,506 Federal). The source of Federal funds is Title 19 federal financial participation. Provisions of the ACA resulted in additional rebates to states in FY 11, of which 100% of these rebates are required to be paid back to the federal government. Manufacturers that participate in the Medicaid Drug Rebate Program are required to pay rebates for covered outpatient drugs that are dispensed to Medicaid recipients. Beginning 1/1/2010, the ACA increased the minimum rebate amounts that drug manufacturers are required to pay, and amounts associated with these rebate increases be returned to the federal government. This adjustment increases SGF in FY 12 to repay the federal government for such rebates sent and used in LA in FY 11. Pharmaceutical rebates are used as a source of revenue in the Medicaid Pharmacy Program and are used to make pharmacy provider payments. | $19,818,681 | $64,640,187 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding ($929,030 SGF and $2,101,075) to increase inpatient hospital rates for small rural hospitals per Act 327 of 2007. The source of Federal funds is Title 19 federal financial participation. The act requires DHH to raise the rates annually by the Medicare market basket inflation factor. Information provided by the DHH indicates this payment methodology is included in the LA State Plan. The adjustment is based on the following calculations.<br><br>Payment Rate / **x** paid days / Annual amount / x 4.4% / 45 day lag / FY 12 amount (less lag)<br>Acute $1,547.24 42,299 $65,446,705 $2,879,655 $355,026 $2,524,629<br>Psych $840.46 15,591 $13,103,612 $576,559 $71,083 $505,476<br>$78,550,317 $3,456,214 $426,109 **$3,030,105** | $929,030 | $3,030,105 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Increases funding ($378,008 SGF and $854,897 Federal) in the Private Providers Program for a rate increase for Durable Medical Equipment (DME). The source of Federal funds is Title 19 federal financial participation. DME is a state plan service that provides equipment and supplies (such as wheelchairs and leg braces) to eligible Medicaid recipients. Information provided by the department indicates this increase is associated with equipment items not priced on the Medicare fee schedule (therefore manually priced). Because some equipment is custom made, DHH has to negotiate the rates with the providers in the industry. This increase is based on a 5% increase in FY 11 expenditures associated with certain procedure codes. | $378,008 | $1,232,905 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Additional funding ($9,955,043 SGF and $22,514,115 Federal) in the Medicaid Private Providers Program for a projected increase in pharmacy expenditures. The source of Federal funds is Title 19 federal financial participation. Expenditures for FY 12 are anticipated to increase due to growth in claims volume. The department's estimate is based on FY 10 Gross Pharmacy payments multiplied by approximately 3.86% (projected growth). Growth is based on a 4-year average utilization increase (FY 07 - FY 10). | $9,955,043 | $32,469,158 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Annualization of partial funding in Medicaid payments anticipated to be reimbursed to 16 Rural Health Clinics and 5 that enrolled in FY 11 and will continue to provide 12 months of service to Medicaid eligibles in FY 12. The increased funding represents Medicaid claims payments for Medicaid eligible encounters at these health centers. The source of Federal funds ($2,922,978) is Title 19 federal financial participation. The increase is based on an average monthly cost (payments) of approximately $40,220 for Federally Qualified Health Centers and an average monthly cost (payments) of approximately $38,958 for Rural Health Clinics. | $1,292,449 | $4,215,427 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding to annualize cost of rebased rural hospital rates required annually per Act 327 of 2007. This adjustment annualizes the rural hospital rate amounts that were effective on 7/1/2010. The source of Federal funds ($581,661) is Title 19 federal financial participation. The estimated impact of this annualization is reflected below.<br><br>Rate 7/1/10 / Rate 6/30/10 / Rate change / x paid days / Annual amount / 45 day lag<br>Acute $1,547.24 / $1,369.96 / $177.28 / 42,299 / $7,498,767 / $924,505<br>Psych $840.46 / $885.02 / ($44.56) / 15,591 / ($694,735) / ($85,652)<br>$6,804,032 / $838,853 | $257,192 | $838,853 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding for the increase in the number of Medicaid applicants seeking Refugee Medical Assistance. Information provided by the DHH indicates this is a short-term program to ensure refugees receive medical assistance while in the U.S. Medicaid enrollees under this program are eligible for the full range of Medicaid covered services. This projected increase in expenditures (100% Federal funds) is based on the following estimate.<br><br>$137,000 FY 11 Existing Operating Budget<br>$556,816 FY 12 Projected Expenditures<br>$419,816 Additional Funds Required in FY 12 | $0 | $419,816 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Utilization increase for FY 12. The source of the Federal funds ($89,473,732) is Title 19 federal financial participation. The anticipated aggregate payment increase is reflected below.<br><br>Adult Dentures $133,350<br>Ambulatory Surgical Clinics $132,047<br>Durable Medical Equipment $819,322<br>EPSDT (Early Screening) $8,078,195<br>Early Steps $282,357<br>Family Planning $693,661<br>FQHC's $1,243,352<br>Hemodialysis $924,867<br>Home Health $1,290,895<br>Hospice $2,003,293<br>Hospital Inpatient $22,004,485<br>Hospital Outpatient $9,022,338<br>ICF DD Community Homes $7,311,738<br>Lab and X-Ray $2,998,145<br>LT-PCS $6,096,957<br>Case Management $653,743<br>Mental Health - Inpatient $463,672<br>Mental Health Rehab $2,004,997<br>Nursing Homes $26,858,750<br>PACE $321,380<br>Physician services $14,138,036<br>Rural Health Clinics $1,606,865<br>Transportation $2,202,725<br>Waivers (all) $17,507,358<br>Other private providers $243,716<br>**FY 12 increase $129,036,244** | $39,562,512 | $129,036,244 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Increases federal funding for certified public expenditures in the Public Providers Program & Medicare Buy-ins & Supplements Program due to implementation of Coordinated System of Care.<br><br>$4,934,246 CPE's in Public Providers<br>$2,449,861 CPE's in Medicare Buy-ins<br>$7,384,107 | $0 | $7,384,107 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding for State Management Organization (SMO) in the Medicare Buy-ins & Supplements Program for the Coordinated System of Care. The source of IAT funds ($5,732,906) is from the Office of Behavioral Health, the Office of Juvenile Justice and the Department of Children & Family Services. The Statutory Dedications funding ($3,322,026) is from the Overcollections Fund. The source of Federal funding ($35,786,203) is Title 19 federal financial participation. | $5,769,587 | $50,610,722 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Increases Federal funding for health information technology initiatives. The Centers for Medicare & Medicaid Services (CMS) has implemented (through the American Recovery & Reinvestment Act of 2009) incentive payments to eligible professionals and eligible hospitals that participate in the Medicare and Medicaid programs for the adoption and meaningful use of certified Electronic Health Record technology. This increase is 100% federal grant funding through the Health Information Technology Grant. Through the Electronic Health Records Incentive Program, certain medical professionals (physicians, nurse practitioners, etc) and hospitals are eligible for incentive payments for implementing or upgrading electronic health record technology. Information provided by the department indicates an eligible provider can receive up to $63,750 over 6 years under the program. Providers are required to register through the federal government (provider driven application process) and must meet certain qualifications. The DHH makes incentive payments on behalf of the federal government. In FY 11 there was approximately $12 M at 12/1/2010 freeze date. FY 12 total is approximately $102 M. | $0 | $90,321,357 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Funding to increase recipients covered by the LaHIPP Program. The source of Federal funds is Title 19 federal financial participation. This estimate is based on an increase of 1,200 new cases added in FY 12 (100 new cases a month), or an average of $2,540 in premium payments per case. | $916,451 | $3,048,501 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Increases SGF in the Medicare Buy-ins & Supplements Program for "Clawback". The clawback, or phased down state contribution, represents payments that are made by LA Medicaid to the federal Medicare Program (as required by the Centers for Medicare & Medicaid Services) on a monthly basis to cover the cost of the Medicare Prescription Drug Program, Part D. As of January 2006, dual eligibles receive prescription drug benefits from Medicare and 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 receive their prescription drug benefit under Medicaid. Dual enrollees are enrolled in both Medicaid and Medicare. This funding is the result of a projected increase in the monthly per capita expenditure. | $32,225,614 | $32,225,614 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Increases funding ($2,185,007 SGF and $6,952,586 Federal) for Part A and Part B premiums which are due to the mandatory rate adjustments annually in January in the Medicare Buy-In Program. The source of Federal funds is Title 19 federal financial participation. LA Medicaid's Medicare Savings Program (MSP) pays Medicare premiums for certain low-income Medicare beneficiaries (Buy-In process). Part A provides various forms of inpatient hospital coverage and Part B provides various medical services and supplies (doctor's visits, outpatient care, etc.) This adjustment is based on the following:<br><br>Part B premium increase from $115.40 to $120.10<br>Part A premium increase from $450 to $454<br><br>FY 11 Premiums Budgeted $271,569,397<br>FY 12 Premiums Requested $280,706,990<br>FY 12 Adjustment $9,137,593 | $2,185,007 | $9,137,593 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Annualizes FY 11 BA-7 which was approved for 1115 waiver. This funding provides DSH payments to various clinics in the greater New Orleans area. The source of IAT is Community Development Block Grant funds and the source of Federal funds is Title 19 federal financial participation. | $0 | $4,624,809 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Provides funding ($4,599,000 SGR and $10,401,000 Federal) for Medicaid Upper Payment Limit (UPL) payments for hospital based physician services. The source of Federal funds is Title 19 federal financial participation. | $0 | $15,000,000 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Provides funding ($22,317,902 SGR and $50,473,689 Federal) for Medicaid Upper Payment Limit (UPL) payments for non-state, non-rural public hospitals. The source of Federal funds is Title 19 federal financial participation. | $0 | $72,791,591 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Provides funding ($4,445,700 SGR and $10,054,300 Federal) for Medicaid Upper Payment Limit (UPL) payments for ambulance services. The source of Federal funds is Title 19 federal financial participation. | $0 | $14,500,000 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Increase in funding ($23,433,184 SGR; $7,061,818 Statutory Dedication, and $68,966,760 Federal) for Coordinated Care Network implementation beginning January 2012. This funding represents claims lag payments to cover the cost associated with making both Medicaid claims payments and simultaneous Per Member Per Month (PMPM) payments for individuals enrolled in Medicaid Managed Care in FY 12. Premium payments to the managed care networks are appropriated in the Medicare Buy-ins Program for FY 12, and these funds were transferred from the Private Providers Program ($261,725,384). The source of Federal funds is Title XIX federal financial participation. The source of the Statutory Dedications funding is from the Medical Assistance Trust Fund and the source of the SGR is collections from the DHH. | $0 | $99,461,762 | 0 |
| 09 -307 | Health & Hospitals | Office of Secretary | Increases Health Information Technology funds ($218,868 SGF and $551,794 Statutory Dedications) to be used as a 10% match to American Recovery & Reinvestment Act of 2009 funds awarded to the Healthcare Quality Forum. | $218,868 | $770,662 | 0 |
| 09 -320 | Health & Hospitals | Aging & Adult Services | Increases Title 19 Medicaid IAT funds from the Medicaid Program for the Money Follows the Person Demonstration (MFP) Project in the Administration, Protection & Support Program. The MFP Rebalancing Demonstration Program was authorized by Congress in Section 6071 of the Deficit Reduction Act of 2005 (DRA) and was designed to provide assistance to states to balance their long-term care systems (less institutionalization and more community-based services) and help Medicaid enrollees transition from institutions to the community. In 2007, the Medicaid Program received a MFP demonstration grant award of $30.9 M for 5 years. Of the $30.9 M, $8.8 M is available for the Office of Aging & Adult Services (OAAS) to assist with transition of 440 individuals from nursing homes to community living settings through 2014. My Place Louisiana is the state's program for the federal Centers for Medicare & Medicaid Services Money Follows the Person (MFP) Rebalancing Demonstration. To date, OAAS has transitioned 59 individuals from nursing homes into community living under MFP. | $0 | $1,518,466 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -320 | Health & Hospitals | Aging & Adult Services | Increases SGR funding from the LA Housing Finance Agency in the Administration, Protection & Support Program. The source of SGR is Federal funds from the Tenant Based Rental Assistance (TBRA) Program under the HOME Investment Partnership Program from the U.S. Department of Housing & Urban Development (HUD). The HOME Investment Partnership Program is administered through the LA Housing Finance Agency. TBRA is a rental subsidy program funded by HUD. The TBRA funds are meant to supplement the Money Follows the Person Demonstration (MFP) Project by helping low-income individuals afford housing costs by providing assistance with security and utility deposits and short-term rent assistance (up to 2-months). Using TBRA funds will provide "bridge" funding to make rental housing more affordable while individuals are on waiting lists for Section 8 housing choice vouchers, waiting to receive permanent rental vouchers through the Permanent Supportive Housing (PSH) Program, and waiting to resume receipt of their SSI or SSDI check. OAAS will use TBRA funds as well as the PSH Program to assist individuals who are transitioning from institutional care to community living under the MFP Program. OAAS will contract with Quadel Housing Consultants to oversee the TBRA Program. | $0 | $179,999 | 0 |
| 09 -326 | Health & Hospitals | Public Health | Annualization of Rural Utility Distance Learning & Telemedicine Federal grant award from the U.S. Department of Agriculture. Grant funds will be used for the installation of video conferencing and telemedicine equipment in parish health units in rural areas of the State. | $0 | $498,424 | 0 |
| 09 -330 | Health & Hospitals | Behavioral Health | Funding needed for contracts and 14 additional positions in order to service clients and comply with court order to remove clients from waiting list in 30 days or less to place them into competency restoration inpatient hospital at the East LA Mental Health System (ELMHS) Hospital. The 14 positions will be used for increased institutionalization needs as clients are taken off waiting list and for screening the clients for their level of mental illness in the jails. Two contracts will be entered into, one for a front-end facility comprised of approximately 20-25 beds run by a private provider (will be chosen by RFP before) in order to assist with competency restoration. The OBH contract with Harmony House was amended to add 25 beds for a step-down facility for when clients have left these beds or institutionalization to have transitional housing, services, and assessment before returning to the community. | $8,226,302 | $8,226,302 | 14 |
| 09 -330 | Health & Hospitals | Behavioral Health | Increases IAT budget authority within OBH to receive SGF transfers from DOE, OJJ, and DCFS for 4 non-TO FTE positions, which will be used for the start-up programmatic work associated with the Behavioral Health Partnership (including CSoC). These positions are current behavioral health related positions funded within DCFS, OJJ, and DOE with agency specific knowledge that will help them integrate behavioral health care in the new coordinated managed care system under OBH. Each agency will be contributing the following:<br><br>**Salary** / **Related Benefits**<br>DCFS (2) $164,787 $47,532<br>DOE (1) $79,142 $23,190<br>OJJ (1) $72,227 $23,161 | $0 | $410,039 | 0 |
| 09 -330 | Health & Hospitals | Behavioral Health | Annualizes 9 months of funding received in FY 11 for the Assertive Community Teams (ACT), Intensive Case Management services, and the Therapeutic Residential Housing Program.<br>**ACT Teams** - Services that will include physician treatment, mostly in the form of medication management, at the local level to help individuals stay in their communities. Services are based on a national, evidence-based model previously implemented by OBH.<br>**Intensive Case Management** - Services promote recovery and independence through the coordination of services and ongoing supports to consumers as their needs evolve, acting as a critical component in the continuum of care, allowing consumers to step up or down into more intensive service delivery systems, such as ACT, Forensic Community Assertive Treatment (FACT), or inpatient services.<br>**Therapeutic Residential Housing Program -** Includes the treatment of substance abuse addiction within the framework of a "therapeutic community." The therapeutic community model is a consciously designed treatment environment in which residents learn to make changes in behaviors and attitudes that will enable them to lead a drug-free life. Through the program, individuals and their families learn constructive communication and living skills. | $2,653,200 | $2,653,200 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Increase IAT funding for the Money Follows the Person (MFP) Rebalancing Demonstration grant. The source of IAT is Federal funds from the U.S. Department of Health & Human Services, Centers for Medicare & Medicaid Services (CMS). The MFP Rebalancing Demonstration Program is designed to provide assistance to states to balance their long-term care systems and help Medicaid enrollees' transition from institutions to the community. Provisions of the Affordability Care Act (ACA) extends the MFP Demonstration Program 5 years, through 9/30/2016, and appropriates additional MFP funds. The total amount of additional MFP funds over 5 years is $6,270,319.<br>FY 11 $1,328,535<br>FY 12 $1,668,430<br>FY 13 $1,588,299<br>FY 14 $1,184,797<br>FY 15 $500,258<br>Total $6,270,319 | $0 | $339,895 | 0 |
| | | | **Major Enhancements for Health & Hospitals** | **$139,841,502** | **$799,449,012** | **14** |
| 10 -360 | Children & Family Services | Children & Family Services | Increases funding in the Prevention & Intervention Program ($650,000) and the Field Services Program ($550,000) for Young Adult Program (YAP). YAP provides support to youth aging out of foster care until their 21st birthday. Services provided include assistance with monthly board payments, assistance with Medicaid for health related costs, educational assistance not provided by other financial aid, short-term emergency mental health, clothing for job search or as required by educational institutions, transportation assistance, and school supplies for high school or GED preparation. | $1,200,000 | $1,200,000 | 0 |
| | | | **Major Enhancements for Children & Family Services** | **$1,200,000** | **$1,200,000** | **0** |
| 12 -440 | Revenue | Office of Revenue | Increases SGR funding to upgrade the front-end processing system using the Vista Capture application from VB.6 to VB.net and the server from SQL 2000/2003 to SQL 2008. The Vista Capture system processes paper tax returns, payments, and correspondence for output to the integrated tax system. The upgrade will provide increased functionality and create an environment which is more compatible with other LDR systems. The amount of the increase is based on vendor responses to an RFP. | $0 | $880,734 | 0 |
| 12 -440 | Revenue | Office of Revenue | Increases SGR funding for tax form changes and system compliance or upgrades related to tax collection issues. It includes $50,000 to renew the contract providing maintenance and support services for GenTax, the integrated tax processing package that supports the Department of Revenue in tax administration. The total amount budgeted for GenTax maintenance and support is $3.25 M. The adjustment also contains $49,500 for contracts related to Business Process Management, which will allow more efficient processing and remittance of forms and payments as required by the LDR mission. Finally, this adjustment allows $49,500 for the development and implementation of electronic services as mandated by the legislature or necessary within the business unit allowing the state to more efficiently and accurately collect payments and disburse funds. | $0 | $149,000 | 0 |
| 12 -440 | Revenue | Office of Revenue | Increases SGR for rent in the State Archives Building in Baton Rouge where the Department of Revenue leases 24,154 square feet of office space for the Office of Alcohol & Tobacco Control (18,054 square feet) and the Charitable Gaming program (6,111 square feet). Through 8/31/2011, the space is leased for $20.59 per square foot. On 9/1/2011 through 8/31/2016, the rental rate is $22.00 per square foot. Thus, rental expenses will increase by 24,154 * $1.41 or $34,057. As a tenant, LDR must also share in a pro rata share of certain operational costs of the building, which increases the appropriation need by $3,553. The current appropriation for the building is $507,651. In the FY 12 the total appropriation for the building is $545,261, an increase of $37,610 (rental increase of $34,057 and operational cost increase of $3,553). | $0 | $37,610 | 0 |
| 12 -440 | Revenue | Office of Revenue | Increases SGR for the Office of Charitable Gaming (OCG) to install and begin using a system that will provide daily electronic monitoring of video bingo machines instead of the monthly reports submitted by distributors. Implementation of this system will divert resources from the manual data collection process now being utilized to regulate the industry as mandated through licensing, inspections and audits. Between 2007 and 2010, the number of video bingo locations has increased from 22 to 55 with the number of machines increasing from 558 to 1,443. This increase has necessitated more stringent enforcement procedures, and this system will help OCG accomplish that task. | $0 | $260,000 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 12 -440 | Revenue | Office of Revenue | Increases SGR for a complete upgrade of the Mapper Application which tracks license renewals, financial reports and report data from entities regulated by the Office of Charitable Gaming. The system will be upgraded from a mainframe platform to a more current, reliable and compatible platform in a web-based environment. Once operational, the system will be run by existing staff using vendor assistance as needed with $150,000 per year anticipated maintenance cost. The first year implementation costs are $824,000 including $624,000 for professional services and $200,000 for hardware and software. | $0 | $824,000 | 0 |
| | | | **Major Enhancements for Revenue** | **$0** | **$2,151,344** | **0** |
| 16 -512 | Wildlife & Fisheries | Office of Secretary | Increases IAT funding from the Governor's Office of Homeland Security & Emergency Preparedness to the Enforcement Program to receive a Department of Homeland Security Maritime Response Grant for a cooperative endeavor agreement to provide training, supplies, and acquisitions of equipment for a maritime special response team. The team is composed of wildlife agents and state police. State police trained wildlife agents in SWAT training and wildlife agents train state police in boat crewmanship. The team is able to respond to emergencies on the water. | $0 | $281,347 | 0 |
| 16 -512 | Wildlife & Fisheries | Office of Secretary | Increases federal budget authority for the Enforcement Program to enable the department to accept a Port Security Grant from the U.S. Department of Homeland Security/FEMA. The Enforcement Division will use these funds to enhance the state's port and maritime infrastructure to prevent, protect, and respond to and recover from threats of acts of terrorism. | $0 | $1,026,353 | 0 |
| 16 -513 | Wildlife & Fisheries | Office of Wildlife | Increases SGR from the National Wild Turkey Federation to fund wild turkey habitat improvement projects on wildlife management areas. | $0 | $30,000 | 0 |
| 16 -513 | Wildlife & Fisheries | Office of Wildlife | Provides funding from the Oil Spill Contingency Fund to assist the LA Oil Spill Coordinator's Office in assessing damages to natural resources from unauthorized discharges of oil and in coordinating all activities related to oil spill prevention on the Wildlife Management Areas that are under the jurisdiction of the Office of Wildlife. Total funding for this purpose in FY 12 is $195,400. | $0 | $97,400 | 0 |
| 16 -513 | Wildlife & Fisheries | Office of Wildlife | Provides authority out of the MC Davis Conservation Fund established within the Conservation Fund by Act 404 of 2011. Any potential revenue generated from the MC Davis property will be deposited into this new fund. Those sources include 5% of mineral revenues, surface activity fees such as pipeline rights of way, seismic shoots, and fur and alligator revenues. | $0 | $120,000 | 0 |
| 16 -513 | Wildlife & Fisheries | Office of Wildlife | Provides SGR funding from the U. S. Fish & Wildlife Service to support the reintroduction of Whooping Cranes on the White Lake Conservation Area. | $0 | $100,000 | 0 |
| 16 -514 | Wildlife & Fisheries | Office of Fisheries | Statutory Dedications funding from the Artificial Reef Development Fund for operational expenses related to a fish hatchery and the construction of an artificial reef off the coast of LA. This budget authority is being provided as a contingency for BP approving funding for this initiative. The department has asked for funding from BP, but has not been approved thus far. | $0 | $3,200,000 | 0 |
| 16 -514 | Wildlife & Fisheries | Office of Fisheries | Provides budget authority for Federal funds to be received from the U.S. Department of Commerce that will fund a financial literacy program and a recreational seafood marketing campaign by the Seafood Promotion & Marketing Board to boost the state's recreational fishing industry. | $0 | $315,000 | 0 |
| 16 -514 | Wildlife & Fisheries | Office of Fisheries | Annualizes SGR Funding from BP to promote LA seafood products. This funding will allow the Seafood Promotion & Marketing Board to address seafood markets and support market industries by repairing the brand damage to the LA seafood industry, regaining market share, and changing national perception of the LA seafood industry as a result of the Deepwater Horizon event in the Gulf of Mexico. | $0 | $6,382,629 | 0 |
| 16 -514 | Wildlife & Fisheries | Office of Fisheries | Annualization of a BA-7 which provided funding from BP for a Seafood Safety Testing Program. The department will test seafood collected from LA waters that may be impacted by the Deepwater Horizon Event. | $0 | $5,433,558 | 0 |
| | | | **Major Enhancements for Wildlife & Fisheries** | **$0** | **$16,986,287** | **0** |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 17 -560 | Civil Service | State Civil Service | Additional funding ($84,689 IAT and $5,311 SGR) to continue a contract to electronically manage state's selection and hiring process via internet. The contract with NeoGov was renewed for FY 12 at a cost of $81,000 annually for 5 years. The remaining $9,000 will be used by the department for operating expenses. | $0 | $90,000 | 0 |
| | | | **Major Enhancements for Civil Service** | **$0** | **$90,000** | **0** |
| 19A-620 | Higher Education | UL System | Provides funding for operation of the ePortal Program at the Picard Center on the ULL Campus. Funds are derived from the Video Poker Device Purse Supplement Fund. | $338,000 | $338,000 | 0 |
| 19A-661 | Higher Education | Student Financial Assistance | Provide additional SGF for TOPS based on tuition increases passed by the Legislature (Act 915 of 2008 and Act 741 of 2010). | $36,537,572 | $36,537,572 | 0 |
| 19A-661 | Higher Education | Student Financial Assistance | Adjustment for TOPS awards as projected by the Office of Student Financial Assistance based on upward revisions in student counts and award amounts for FY 12. | $3,387,721 | $3,387,721 | 0 |
| 19A-671 | Higher Education | Board of Regents | Funding is provided for the Medical & Allied Health Professional Education Scholarship & Loan Program, pursuant to Act 150 of 2011. Of this $350,000 amount, $200,000 in statutorily dedicated funds are from the Medical & Allied Health Professional Education Scholarship & Loan Fund. The remaining $150,000 in IAT funds originate from DHH Medicaid upper payment limit reimbursement agreements. | $0 | $350,000 | 0 |
| | | | **Major Enhancements for Higher Education** | **$40,263,293** | **$40,613,293** | **0** |
| 19B-655 | Special Schools & Comm. | LA Special Education Center (LSEC) | Small Rural School Achievement Program (REAP) Grant that will be used to obtain additional educational materials and equipment. In the past, LSEC used the funds to purchase additional computers, educational software, or other equipment like switch toys for the children to use. Whether LSEC will receive the federal funding again for FY 13 is unknown. | $0 | $20,000 | 0 |
| 19B-673 | Special Schools & Comm. | New Orleans Center for Creative Arts-Riverfront | Increases to IAT funding from the Minimum Foundation Program (MFP) to be utilized for salaries for 5 new teachers in order for the school to implement a full-day school program with 60 incoming freshman. Includes a full academic curriculum. | $0 | $302,640 | 0 |
| | | | **Major Enhancements for Special Schools & Comm.** | **$0** | **$322,640** | **0** |
| 19 -678 | Elem. & Secondary Educ. | State Activities | INNOVATION PROGRAM - Provides SGR authority for a 3-year grant received from the Bill & Melinda Gates Foundation associated with the Integration Project, to articulate LA's strategy to raise the quality of standards and assessments, and to enhance measures and supports for educator effectiveness. | $0 | $4,008,173 | 0 |
| 19 -681 | Elem. & Secondary Educ. | Subgrantee Assistance | Increase in Education Excellence Funds in order to appropriate the balance of available revenue projections made by the Revenue Estimating Conference on 3/7/2011. | $0 | $5,186,662 | 0 |
| 19 -681 | Elem. & Secondary Educ. | Subgrantee Assistance | SCHOOL & DISTRICT INNOVATIONS PROGRAM - Provides SGR authority for a 3-year grant received from the Bill & Melinda Gates Foundation associated with the Integration Project, to articulate LA's strategy to raise the quality of standards and assessments, and to enhance measures and supports for educator effectiveness. | $0 | $459,240 | 0 |
| 19 -681 | Elem. & Secondary Educ. | Subgrantee Assistance | Provides Federal Education Jobs Fund money for assistance to local school districts that incurred expenses in either saving or creating jobs providing educational and related services for early childhood, elementary and secondary education pursuant to P.L. 111-226. | $0 | $57,000,000 | 0 |

## Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 19 -682 | Elem. & Secondary Educ. | Recovery School District | Increases SGR budget authority for the receipt of a new grant, Investing in Innovation Fund (i3). The i3 fund, part of school reform in the American Recovery & Reinvestment Act (ARRA), will be used to turn around the lowest performing 5% of schools in New Orleans. The grant is to expand the implementation of and investment in, innovative practices that are demonstrated to have an impact on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, increasing high school graduation rates, or increasing college enrollment and completion rates. The charter school model will be used to aid in the transformation of a failing school. | $0 | $1,200,000 | 0 |
| 19 -682 | Elem. & Secondary Educ. | Recovery School District | Increases SGR budget authority for the Teacher Incentive Fund grant award. The TIF Program aligns performance pay with meaningful evaluations, highly effective professional development, and teacher career advancement. Teachers and leaders will be measured annually along several criteria, including student value-added growth and school and classroom observations. Teachers who have demonstrated significant student achievement growth can be promoted to leadership roles and receive supplemental compensation. These master teachers and mentor teachers will be responsible for coordinating the program and providing guidance and professional development to other teachers in their schools. The source of funds for this program is Federal authorized in 2006 by P.L. 109-149. This grant was awarded to a local nonprofit, New Schools for New Orleans, which in turn will transfer funds to the Recovery School District and is received as SGR. | $0 | $2,200,000 | 0 |
| 19 -682 | Elem. & Secondary Educ. | Recovery School District | Provides funding to the Instruction Program for legal expenses related to Eddy Oliver et al v. Orleans Parish School Board. This lawsuit is a 2005 class action for wrongful termination of Orleans Parish School Board employees. | $130,000 | $130,000 | 0 |
| 19 -695 | Elem. & Secondary Educ. | Minimum Foundation Program (MFP) | SGF in the Minimum Foundation Program is increased by $67.8 M for FY 12 as a result of an increase in student enrollment and other adjustments in the formula ($27,012,233), and the addition of the LA School for Math, Science & the Arts student ($1,616,232), the New Orleans Center for Creative Arts full day students ($377,624), and students from Type 2 Charter Schools that were authorized prior to 7/1/2008 ($38,833,489). | $67,839,578 | $67,839,578 | 0 |
| | | | **Major Enhancements for Elem. & Secondary Educ.** | **$67,969,578** | **$138,023,653** | **0** |
| 20 -451 | Other Requirements | Local Housing of State Adult Offenders | Additional funding provided for an additional day of operations due to leap year on 2/29/2012 for both local housing of state offenders and work release. The daily rate to house an offender at the local level is $24.39 and the daily rate of work release is $12.25 for contract programs and $16.39 for non-contract programs. The source of revenue is the Overcollections Fund. | $0 | $517,545 | 0 |
| 20 -451 | Other Requirements | Local Housing of State Adult Offenders | Increases funding to the Local Reentry Services Program regarding prisoners housed in local facilities. The program provides pre-release education and transition services for offenders who have been committed to state custody and are housed at the local level. | $1,600,000 | $1,600,000 | 0 |
| 20 -901 | Other Requirements | State Sales Tax Dedications | Increases the appropriation from various statutorily dedicated funds related to hotel and motel room rental sales taxes dedicated back to local entities. Funds will be disbursed as follow: Shreveport Bossier Convention & Tourist Bureau ($200,000); Jackson Parish Tourist Commission ($100,000); Iberville Parish for tourism ($300,000); St. Mary Tourist Commission ($385,000); and St. Mary Parish Government ($100,000). | $0 | $1,085,000 | 0 |
| 20 -945 | Other Requirements | State Aid to Local Govt. Entities | Increases the FY 12 budget authority for the Calcasieu Parish Fund to reflect Revenue Estimating Conference projections. The FY 12 recommended amount from fund is $803,250. | $0 | $20,250 | 0 |
| 20 -945 | Other Requirements | State Aid to Local Govt. Entities | Increases the FY 12 budget authority for the Bossier Parish Truancy Program Fund to reflect Revenue Estimating Conference projections. The FY 12 recommended amount from fund is $565,250. | $0 | $14,250 | 0 |
| 20 -945 | Other Requirements | State Aid to Local Govt. Entities | In accordance with Act 443 of 2010, increased funding in the amount of $1,773,367 to be paid to the LA Quarter Horse Breeders Association and the LA Thoroughbred Breeders Association. The act provided for legislative appropriation of the monies for the award directly to the association, bypassing the state Racing Commission. | $0 | $1,773,367 | 0 |

# Major Enhancements in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 20 -966 | Other Requirements | Supplemental Pay to Law Enforcement | Increased SGF to fund supplemental payments to Deputy Sheriffs at $500 per month for 12 months. The FY 12 recommended funding totals $55,176,000. | $662,040 | $662,040 | 0 |
| 20 -966 | Other Requirements | Supplemental Pay to Law Enforcement | Increased SGF needed to fund supplemental payments for 6,540 municipal police officers at $500 monthly. The FY 12 recommended funding totals $39,244,083. | $27,718 | $27,718 | 0 |
| | | | **Major Enhancements for Other Requirements** | **$2,289,758** | **$5,700,170** | **0** |
| | | | **Major Enhancements of FY 2012** | **$259,306,752** | **$1,068,438,083** | **31** |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 01 - | Executive | Department Wide | Reduces funding for the group insurance rate increase as follows: Executive Office ($36,910); Inspector General ($8,187); Mental Health Advocacy Services ($15,025); LA Tax Commission ($36,564); DOA ($500,311); GOHSEP ($25,025); Military ($74,100); LA Public Defender Board ($6,892); Board of Tax Appeals ($2,042); LCLE ($16,606); and Elderly Affairs ($34,637). | -$747,960 | -$756,299 | 0 |
| 01 -100 | Executive | Executive Office | Non-recurring one-time funding (Overcollections Fund) for activities associated with the reconnaissance and feasibility level documentation for the South Central LA study resolution adopted by the U.S. House of Representatives' Committee on Transportation & Infrastructure to improve hurricane and flood protection for the areas of Iberia, St. Mary, and St. Martin parishes. | $0 | -$125,000 | 0 |
| 01 -100 | Executive | Executive Office | Non-recurring one-time funding (Overcollections Fund) for expenses associated with the Witness Protection Services Board. The Board is designated to oversee the state's witness protection services program and coordinate the efforts of state and local law enforcement agencies to protect the health, safety and welfare of critical witnesses or immediate family members of critical witnesses. The FY 12 budget for the Witness Protection Services Board is $130,061. | $0 | -$10,000 | 0 |
| 01 -101 | Executive | Indian Affairs | Annualization of FY 11 mid-year reduction pursuant to Executive Order BJ 2010-20. The specific expenditures reduced include: ($50,000) salaries; ($18,747) related benefits; ($3,101) travel; ($700) operating services; ($275) supplies; and ($4,049) IAT expenditure category. | -$76,872 | -$76,872 | 0 |
| 01 -102 | Executive | Inspector General | Annualization of FY 11 mid-year reductions and elimination of a vacant position (administrative coordinator). The specific expenditure categories reduced include salaries ($23,275) and related benefits ($17,207). | -$40,482 | -$40,482 | -1 |
| 01 -107 | Executive | Division of Administration | Reduces one-time moving expenses incurred in FY 11. State departments that moved into Benson Towers in FY 11 were charged with moving expenditures. | $0 | -$951,383 | 0 |
| 01 -107 | Executive | Division of Administration | During the FY 10 budget development process, $354,048,265 in Federal funds was appropriated to the Division of Administration (DOA). These funds are associated with the American Recovery & Reinvestment Act (ARRA) of 2009. The policy decision was made to have the State Fiscal Stabilization Funds for Government Services and Education Services flow through the DOA. Due to these funds expiring in FY 11, this adjustment non-recurs the federal budget authority.<br><br>The total grant award for the government services portion was $128,955,784 of which $64.5 M was appropriated in FY 11. The agencies with these funds in their FY 11 budgets include: Lt. Governor ($1.2 M); Secretary of State ($21.7 M); State Treasury ($0.5 M); Justice ($6.2 M); Agriculture & Forestry ($12.9 M); and Culture, Recreation & Tourism ($21.8 M).<br><br>The total grant award for the educational services portion was $579,592,482 of which $290 M was appropriated in FY 11. The agencies with these funds in their FY 11 budgets include: LSU System ($133.1 M); University of LA System ($95.3 M); Southern University System ($18.7 M); and LA Community & Technical College System ($42.5 M). | $0 | -$354,048,265 | 0 |
| 01 -107 | Executive | Division of Administration | Non-recurring one-time funding associated with the new statewide financial system, LaGov. The original source of the IAT is Transportation Trust Fund (TTF-R) from DOTD for one-time costs associated with bringing DOTD online (effective 11/15/2010). Due to budget constraints in FY 11 and due to the risk inherent in a statewide rollout, the Division of Administration (DOA) chose to "pilot" the implementation of the new system for DOTD only. DOTD expended approximately $7.8 M TTF-R in FY 11 for: Agile Assets Software License - $2.57 M; Agile Assets Software Maintenance - $1.6 M; Agile Assets Hosting - $0.5 M; DOTD Project Personnel - $9,422; Iand mplementation Services - $3.1 M. Of the $7.8 M appropriated in FY 11, approximately $4 M of expenditures had already been paid by the DOA from previous fiscal years. However, due to the Agile Assets portion of ERP integration only being utilized by DOTD, the DOA sought to recoup these costs in FY 11.<br><br>For FY 12, there is $1,231,497 of IAT authority (original source TTF-R) remaining within the DOA's budget, which will provide ongoing maintenance of the existing Agile Assets system in the amount of $0.7 M and post implementation professional services in the amount of $0.5 M. | $0 | -$6,574,523 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 01 -107 | Executive | Division of Administration | Annualization of FY 11 mid-year reductions and elimination of 15 positions. The positions include: 4 from the Office of Information Technology (OIT); 7 from the Office of Information Services (OIS); and 4 from the Office of Computing Services (OCS). According to the DOA, there were 3 positions that were laid off, 9 positions that retired, 1 position that was moved to sections within the DOA to be paid from a non-SGF means of financing (temporary job appointments) and 2 positions moved to other state agencies. The specific expenditures reduced include: salaries - $1,572,591; related benefits - $277,802; operating services - $2,235,000; supplies - $140,393; travel - $70,163; IAT expenditure category - $120,260; other charges - $346,165; and professional services - $293,765. | -$5,056,139 | -$5,056,139 | -15 |
| 01 -109 | Executive | Coastal Protection & Restoration | Non-recurring one-time funding from the Oil Spill Contingency Fund for expenditures related to the Barrier Island Project. The Office of Coastal Protection & Restoration received funding in the amount of $360 M from British Petroleum (BP) for the construction of barrier berms. These berms were constructed along the Chandeleur Islands east of the Mississippi River (East Barrier Berm) and from Shell Island to Scofield Island west of the river (West Barrier Berm). As of June 30th, approximately $254 M has been spent on this project. An amendment added $60 M from the Oil Spill Contingency Fund for FY 12. It is anticipated that this funding will be spent on berm enhancements, such as Scofield and East Shell Islands. | $0 | -$300,000,000 | 0 |
| 01 -109 | Executive | Coastal Protection & Restoration | Reduces IAT budget authority that was needed to receive funding from DPS associated with reimbursements for expenses incurred as a result of the Deepwater Horizon Event. The source of funding is the Oil Spill Contingency Fund. | $0 | -$9,060,340 | 0 |
| 01 -111 | Executive | Homeland Security & Emergency Prep | Reduction of 33 positions of which 4 positions were originally reduced in accordance with Executive Order BJ 2010-20. The means of financing impacted by these reductions include: $2,421,289 SGF; $20,241 SGR; $37,127 from the Interoperability Communications Fund; and $350,014 Federal funds. | -$2,421,289 | -$2,828,671 | -33 |
| 01 -111 | Executive | Homeland Security & Emergency Prep | Reduces one-time IAT funding from the Disaster Recovery Unit, which designated GOHSEP to administer funding for the Interoperable Communications Program. These funds are approved by HUD from LA's amendment #4 to the Disaster Recovery Action Plan for hurricanes Gustav and Ike under P.L. 110-329. GOHSEP applied for these funds in the fall 2009 and was awarded $17,099,040 in August 2010. A JLCB approved BA-7 in fall 2010 appropriated $13,686,634 in FY 11, while the remaining $3,412,406 will be appropriated in FY 12, which is accounted for within this adjustment ($13,686,634 - $3,412,406 = $10,274,228). The $3.4 M second phase of this expansion will identify sites that are capable of supporting microwave hardware that will allow sites that lose connectivity to the LWIN network to remain in the network by providing an additional or redundant path to the network. Tower analysis will be needed in order to determine which towers can support additional hardware such as a microwave dish and supporting brackets. Those towers that can support this additional hardware and are critical to emergency responders will be selected for this upgrade. Towers that cannot support this hardware will have satellite equipment added. This work will be performed primarily in high-risk areas of the state located in coastal parishes. The second phase of this project will be completed in FY 12. Overall, these funds will be utilized to continue to implement the LA Wireless Information Network (LWIN) which began in 2005 after hurricanes Katrina and Rita and is used primarily by first responders statewide. The LWIN is currently composed of 102 active sites across the state with 18 sites in various stages of deployment for a total of 120 sites. | $0 | -$10,274,228 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 01 -111 | Executive | Homeland Security & Emergency Prep | Reduces funding ($286,031 SGF, $8,168 SGR and $2,504,016 Federal) for travel ($9,500), operating services ($159,381), supplies ($10,118), professional services ($115,000), other charges ($2,504,016), and IAT expenditures ($200) due to the following cost saving initiatives by the agency: elimination of warehouse rental space for commodities in Port Barre, LA; reduction in use of contracts for emergency training and a first responder training contract; elimination of employee professional development contract; reduction of cell phones; and reduction of commodity purchase budget authority, which is discussed below.<br><br>GOSHEP will not purchase any replacement meals ready to eat (MREs) or bottled water for storage in FY 12. In FY 11, approximately $0.8 M ($0.4 M SGF) was appropriated to replacement supplies. Since there is no funding in FY 12 for the purchase of commodities, the following inventory levels will be maintained until expiration of those items: 2011 Hurricane Season - 385,920 MREs & 1.8 M bottles of water; 2012 Hurricane Season - 385,920 MREs & 1.8 M bottles of water (all water will expire in August 2012); and 2013 Hurricane Season - 288,000 MREs & zero bottles of water. Recommendations from GOSHEP require the state to maintain 550,000 MREs and 1.1 M bottles of water (medium risk). The cost per MRE is approximately $4.50, while the cost per bottled water is $0.18. | -$286,031 | -$2,798,215 | 0 |
| 01 -111 | Executive | Homeland Security & Emergency Prep | Reduction in SGF ($218,173) and Federal funds ($185,133) associated with the consolidation of the back office functions of GOHSEP, and the Office of Juvenile Justice (OJJ) within the Department of Public Safety & Corrections Services - Public Safety Services. In FY 11, GOHSEP had 5 positions within its IT Section and 7 positions within its Human Resources Section. Due to this consolidation, 2 IT positions were eliminated for a savings of $209,561 ($150,362 SGF and $59,199 Federal) and 2 HR positions were eliminated for a savings of $193,745 ($67,811 SGF and $125,934 Federal). In addition, GOHSEP transferred 2 IT positions and associated funding in the amount of $136,959 to DPS to provide the IT back office function for the agency. Also, GOHSEP transferred 3 HR positions and associated funding in the amount of $181,411 to DPS to provide the HR back office function for the agency. | -$218,173 | -$403,306 | -4 |
| 01 -112 | Executive | Military Department | Reduces IAT authority associated with reimbursements for expenses incurred as a result of the Deepwater Horizon Event. IAT funding is from the Department of Public Safety & Corrections - Public Safety Services. These funds were utilized to pay state employees salaries and overtime, fuel for state/mobile command vehicles, travel and per diem, and supplies/operating services. The Department of Military Affairs indicates a total of $222,384 was spent for this purpose in FY 11. | $0 | -$1,277,500 | 0 |
| 01 -116 | Executive | LA Public Defender Board | Reduction in non-recurring federal grant funds received from the Department of Justice, Bureau of Justice Assistance. The original grant was awarded in FY 10 in the amount of $250,000 under the Capital Case Litigation Initiative (CCLI). The grant term runs through August 2011. These funds are provided to train defenders and prosecutors who handle capital cases in LA as well as to pay the cost of a grant coordinator. The purpose of the grant is to improve the quality of capital representation and to increase the number of qualified capital defense attorneys in LA. | $0 | -$206,926 | 0 |
| 01 -116 | Executive | LA Public Defender Board | Non-recurring grant funds received from the MacArthur Foundation, which are given to the National Juvenile Defender Center (NJDC) in Washington D.C. to distribute to states with the goal of reforming juvenile indigent defense. The grant funds support the Juvenile Indigent Defense Action Network (JIDAN) which is a network of 8 states working on juvenile justice reform chosen by the MacArthur Foundation. | $0 | -$62,606 | 0 |
| 01 -129 | Executive | LA Commission on Law Enforcement | Non-recurring funding associated with the American Recovery & Reinvestment Act (ARRA) of 2009 as these grant funds expired in FY 11. The commission received ARRA funds from the U.S. Department of Justice: 1.) $21,400,860 - Edward Byrne Memorial Justice Assistance Grant; 2.) $2,132,194 - Violence Against Woman Act; and 3.) $1,025,894 - Victims of Crime Act. Overall, these federal stimulus funds were intended to assist state, local and tribal law enforcement (including support for hiring and job preservation) to combat violence against women, to fight internet crimes against children, to improve the functioning of the criminal justice system, and support youth mentoring. | $0 | -$6,500,000 | 0 |
| 01 -129 | Executive | LA Commission on Law Enforcement | Reduces federal funding associated with the Hurricane Criminal Justice Infrastructure Recovery Grant Program ($1 M) and the Arrest & Protection Grant ($500,000). The Hurricane Criminal Justice Infrastructure Recovery Grant Program provides emergency funding to support state and local criminal justice initiatives in communities identified as being in great need and significantly impacted by the 2005 hurricanes. The FY 12 appropriated amount is $500,000. The Arrest & Protection Grant is dedicated to the New Orleans Family Justice Center. The FY 12 appropriated amount is $1 M. | $0 | -$1,500,000 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 01 -129 | Executive | LA Commission on Law Enforcement | Reduces SGF funding due to the consolidation of the Chief of Police Training Program with the Peace Officers Standards & Training Program. The Chief of Police Training Program will now be funded with statutorily dedicated funding from the Crime Victims Reparation Fund. | -$90,000 | -$90,000 | 0 |
| 01 -129 | Executive | LA Commission on Law Enforcement | Reduces statutorily dedicated budget authority from the Drug Abuse & Education Treatment Fund to realign expenditure authority with actual collections. The FY 12 recommended amount for the fund is $433,117. The past 3 fiscal year actual collections for this fund are: FY 08 - $157,736; FY 09 - $155,907; and FY 10 - $158,479. | $0 | -$300,000 | 0 |
| 01 -133 | Executive | Elderly Affairs | Non-recurring statutorily dedicated funding from the Overcollections Fund for various councils on aging and senior centers. In FY 12, there is approximately $7.9 M in SGF allocated for various councils on aging ($2.8) and senior centers ($5.1). | $0 | -$1,499,000 | 0 |
| | | | **Major Reductions for Executive** | **-$8,936,946** | **-$704,439,755** | **-53** |
| 03 -130 | Veterans' Affairs | Dept. Veterans' Affairs | Reduces funding for the group insurance rate increase. | -$36,250 | -$36,250 | 0 |
| | | | **Major Reductions for Veterans' Affairs** | **-$36,250** | **-$36,250** | **0** |
| 04a-139 | State | Secretary of State | Annualization of FY 11 mid-year reductions, which includes reductions to: out-of-state travel; supplies; election expenses (i.e. precinct rental and drayage, maintenance, supplies, etc.); retirement; student workers; and operating expenses for museums, information technology projects. | -$2,430,964 | -$2,430,964 | 0 |
| 04a-139 | State | Secretary of State | Eliminates funding ($586,287 SGF and $607,894 SGR) for 18 vacant positions. The positions include elections technicians, archives specialists, police officers, administrative specialists, tourism counselors, commercial specialists, and laborer. | -$586,287 | -$1,194,181 | -18 |
| 04a-139 | State | Secretary of State | Reduces SGF for travel, operating services, supplies, and other charges. | -$635,174 | -$635,174 | 0 |
| 04a-139 | State | Secretary of State | Reduces funding for the group insurance rate increase. | -$180,348 | -$180,348 | 0 |
| | | | **Major Reductions for State** | **-$3,832,773** | **-$4,440,667** | **-18** |
| 04b-141 | Justice | Attorney General | Annualization of FY 11 mid-year reductions, which reduces funding for postage, computer supplies, office supplies, auto supplies, and travel. | -$390,000 | -$390,000 | 0 |
| 04b-141 | Justice | Attorney General | Elimination of 23 vacant positions and associated funding ($1,250,217 SGF, $441,665 IAT and $247,407 Statutory Dedication from Video Poker). | -$1,250,217 | -$1,939,289 | -23 |
| 04b-141 | Justice | Attorney General | Non-recurring one-time funding from the Overcollections Fund for legal service corporations. The corporations include Capital Area, Acadian, North LA, and Southeast LA. | $0 | -$150,000 | 0 |
| 04b-141 | Justice | Attorney General | Reduces funding from the Tobacco Settlement Fund for the tobacco settlement arbitration due to utilization of non-recurring revenue. The FY 12 recommended amount for arbitration totals $1.675 M in Statutory Dedications from the LA Fund. | $0 | -$1,020,663 | 0 |
| 04b-141 | Justice | Attorney General | Reduces federal grant funding for Orleans Parish Post-conviction DNA Testing Project. Funding was used to provide for the cataloging of all evidence related to homicide or rape cases in possession of the Orleans Parish Clerk of Court. Total funding for FY 12 is $338,539. | $0 | -$564,267 | 0 |
| 04b-141 | Justice | Attorney General | Reduces IAT budget authority for litigation expenses associated with the Deepwater Horizon Event. | $0 | -$10,185,596 | 0 |
| 04b-141 | Justice | Attorney General | Reduces funding for the group insurance rate increase. | -$150,379 | -$150,379 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| | | | **Major Reductions for Justice** | **-$1,790,596** | **-$14,400,194** | **-23** |
| 04c-146 | Lieutenant Governor | Lt. Governor | Annualization of FY 11 mid-year reductions including 2 positions (Director of Scheduling and Legislative Affairs Manager); and elimination of 1 vacant position, along with associated funding for salaries and related benefits. | -$368,367 | -$368,367 | -3 |
| 04c-416 | Lieutenant Governor | Lieutenant Governor | Reduces funding for the group insurance rate increase. | -$5,911 | -$5,911 | 0 |
| | | | **Major Reductions for Lieutenant Governor** | **-$374,278** | **-$374,278** | **-3** |
| 04d-147 | Treasury | State Treasury | Elimination of 2 vacant accountant positions and associated SGR funding. | $0 | -$129,515 | -2 |
| | | | **Major Reductions for Treasury** | **$0** | **-$129,515** | **-2** |
| 04e-158 | Public Service Commission | Public Service Commission | Non-recurring federal appropriation related to the American Recovery & Reinvestment Act (ARRA) grant for State Electricity Regulators Assistance. These funds were used to provide training, education and outreach in key emerging areas related to the regulatory activity stimulated by the energy initiatives within the ARRA. | $0 | -$858,532 | 0 |
| | | | **Major Reductions for Public Service Commission** | **$0** | **-$858,532** | **0** |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | Annualization of FY 11 mid-year reductions in travel, acquisitions and major repairs; and the elimination of 19 positions and associated funding. | -$1,430,853 | -$1,430,853 | -19 |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | AGRICULTURAL & ENVIRONMENTAL SCIENCES - Eliminates SGF portion of funding for the Boll Weevil Eradication Program. In FY 12, the Boll Weevil Eradication Program will be able to operate solely on the assessments it generates through fees on cotton acreage planted (currently $6 per acre). The current revenue estimation by the Department assumes an additional 89,450 acres (approximate) will be planted during FY 12 compared to actual collections in FY 10 and estimated collections for FY 11. | -$1,835,285 | -$1,835,285 | 0 |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | ANIMAL HEALTH & FOOD SAFETY - Reduction of funding due to the expiration of a grant from the Governor's Office of Homeland Security & Emergency Preparedness. These grant funds were first awarded in FFY 08 through a Homeland Security Grant. These funds were used to update the state's Agricultural Assessment, develop a regional database, to continue building and sustaining capabilities through an Agricultural Emergency Response Team, and to develop public and private partnerships to reduce and mitigate the consequences of a potential emergency incident. The means of financing is IAT from the Governor's Office of Homeland Security. | $0 | -$200,000 | 0 |
| 04f-160 | Agriculture & Forestry | Agriculture & Forestry | Reduces funding for the group insurance rate increase. | -$672,175 | -$672,175 | 0 |
| | | | **Major Reductions for Agriculture & Forestry** | **-$3,938,313** | **-$4,138,313** | **-19** |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 04g-165 | Insurance | Commissioner of Insurance | Reduces SGR funding for 2 vacant positions (compliance examiners) within the Office of Receivership. The potential expenditure breakdown of this reduction is salaries ($101,036) and related benefits ($45,821). | $0 | -$146,857 | -2 |
| 04g-165 | Insurance | Commissioner of Insurance | Non-recurring Federal funds budget authority received from the U.S. Department of Health & Human Services (HHS). LA was granted $1 M of which $646,146 was appropriated via approved BA-7 in FY 11 and $353,854 is recommended for FY 12. This reduction in authority essentially keeps $353,854 of authority in FY 12.<br><br>These funds are associated with the Affordable Care Act, which consists of the Patient Protection & Affordable Care Act of 2010 and the Health Care & Education Reconciliation Act of 2010, signed by the President on 3/23/2010. No state match is required for these federal grant funds. Provisions within the legislation provide for the HHS, in conjunction with the States, to establish a process for the annual review of health insurance premiums to protect consumers from unreasonable, unjustified and/or excessive rate increases. Specific components of this oversight include: 1) all increases in health insurance rates over the prior year that meet the established unreasonable threshold; and 2) justifications for unreasonable increases in rates prior to their implementation. According to HHS, Congress appropriated $250 M for this grant program for FFYs 10 - 14. All states are eligible in cycle I awards for up to $1 M. | $0 | -$292,292 | 0 |
| | | | **Major Reductions for Insurance** | **$0** | **-$439,149** | **-2** |
| 05 - | Economic Development | Department Wide | Reduces funding for the group insurance rate increase as follows: Office of the Secretary ($36,818) and Business Development ($37,611). | -$74,429 | -$74,429 | 0 |
| 05 -252 | Economic Development | Business Development | This adjustment represents a reduction in the appropriation for the Rapid Response Fund. The total appropriation for Rapid Response Fund in FY 12 in the Department of Economic Development budget is $9.85 M. An additional appropriation of $150,000 from the Rapid Response Fund now takes place in the new agency 20-931 LED Debt Service/State Commitments. Together, these appropriations sum to the $10 M made available in the Fund at the start of each fiscal year. The total Rapid Response Fund appropriation in FY 11 was $15 M. | $0 | -$5,000,000 | 0 |
| 05 -252 | Economic Development | Business Development | This adjustment represents a decrease in the Regional Awards Matching Grants Program (RAMGP) Tier 1 awards with $1,360,000 remaining in budget. The Tier 1 grants are distributed to the 8 regional economic development entities based on population. | -$340,000 | -$340,000 | 0 |
| 05 -252 | Economic Development | Business Development | Eliminates funding for the contractual expenses for the 7 regional representatives of the Department of Economic Development who serve as outreach agents for the department. This is not a reduction in T.O. However, a representative for each of these regions has been under contract for about 10 years in this capacity so they effectively operated as staff. The department indicates that it will fund one regional representative in FY 12. | -$577,989 | -$577,989 | 0 |
| | | | **Major Reductions for Economic Development** | **-$992,418** | **-$5,992,418** | **0** |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 06 - | Culture, Recreation & Tourism | Department Wide | Reduces funding for the group insurance rate increase as follows: Office of the Secretary ($27,969); State Library ($56,231); State Museum ($36,021); State Parks ($173,966); and Cultural Development ($16,858). | -$311,045 | -$311,045 | 0 |
| 06 -261 | Culture, Recreation & Tourism | Office of Secretary | Annualization of mid-year reductions ($80,348) and the elimination of 2 vacant positions, along with associated funding for salaries and related benefits ($323,239). Annualization of mid-year reductions includes 1 position and travel. | -$403,587 | -$403,587 | -3 |
| 06 -261 | Culture, Recreation & Tourism | Office of Secretary | Eliminates funding for CRT Leadership Academy. This is a program for CRT employees that teaches management methods to future managers. | -$65,000 | -$65,000 | 0 |
| 06 -262 | Culture, Recreation & Tourism | State Library | Annualization of mid-year reductions ($561,416) and the elimination of 5 additional vacant positions, along with associated funding for salaries and related benefits ($372,693). Mid-year budget reductions included 6 vacant positions, travel, supplies, professional services and acquisitions. | -$934,109 | -$934,109 | -11 |
| 06 -263 | Culture, Recreation & Tourism | State Museum | Annualization of mid-year reductions ($149,210) and elimination of 14 additional vacant positions, along with associated funding for salaries and related benefits ($880,608). Mid-year reductions include 2 vacant positions, professional services, and other charges. | -$1,029,818 | -$1,029,818 | -16 |
| 06 -264 | Culture, Recreation & Tourism | State Parks | Annualization of mid-year budget reductions ($709,556) and elimination of an additional 25 vacant positions, along with associated funding for salaries and related benefits ($1,511,013). Mid-year reductions include 10 vacant positions, travel, operating services, professional services, and other charges. | -$2,220,569 | -$2,220,569 | -35 |
| 06 -264 | Culture, Recreation & Tourism | State Parks | Eliminates one-time funding for initial start-up costs for the Stay-n-Play located at the Black Bear Golf Course. Funding is from the State Parks Repair & Improvement Fund. Funding remains at $1,152,500 in FY 12. | $0 | -$51,184 | 0 |
| 06 -264 | Culture, Recreation & Tourism | State Parks | Reduction in travel, operating services, supplies, professional services, other charges, and interagency transfer categories based on historical expenditures. | -$253,000 | -$253,000 | 0 |
| 06 -265 | Culture, Recreation & Tourism | Cultural Development | Annualization of mid-year budget reductions, ($81,708) and the elimination of 2 vacant positions, along with associated funding for salaries and related benefits ($134,864). Mid-year budget reductions include travel, operating services, other charges. Positions targeted for elimination have not yet been identified as of this date. | -$216,572 | -$216,572 | -2 |
| 06 -265 | Culture, Recreation & Tourism | Cultural Development | Reduces federal funding for travel, operating services, supplies, professional services, other charges, and interagency transfer categories based on historical expenditures. | $0 | -$278,862 | 0 |
| 06 -265 | Culture, Recreation & Tourism | Cultural Development | Non-recurring National Endowment for the Arts ARRA funds. Funding was utilized for the Arts in Education model school program. | $0 | -$310,800 | 0 |
| 06 -265 | Culture, Recreation & Tourism | Cultural Development | Non-recurring one-time funding from the Overcollections Fund for special legislative projects. Reductions include the elimination of funding for Jefferson Performing Arts Society ($210,000) and LA Endowment for the Humanities ($500,000). Also, reductions include Statewide Arts Grants ($250,000) and Decentralized Arts Grants ($315,000). Funding for FY 12 for arts grants is $2.4 M. | $0 | -$1,275,000 | 0 |
| 06 -267 | Culture, Recreation & Tourism | Tourism | Elimination of 5 vacant positions, along with associated funding for salaries and related benefits. Positions targeted for elimination have not yet been identified as of this date. | $0 | -$289,373 | -5 |
| 06 -267 | Culture, Recreation & Tourism | Tourism | Non-recurring one-time funding for Special Legislative Projects. Funding was from the Overcollections Fund and projects include the West Florida Republic Commission ($25,000) and the Byerly House Visitors & Community Center in Lake Providence ($5,000). | $0 | -$30,000 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 06 -267 | Culture, Recreation & Tourism | Tourism | Eliminates pass-through funding from the LA Tourism Promotion District for the Sugar Bowl. This funding was not utilized by the Sugar Bowl in FY 11. | $0 | -$1,395,000 | 0 |
| | | | **Major Reductions for Culture, Recreation & Tourism** | **-$5,433,700** | **-$9,063,919** | **-72** |
| 07 -275 | Transportation & Development | Public Works & Intermodal Transportation | WATER RESOURCES & INTERMODAL - Non-recurring one-time funding from the Overcollections Fund for the following Special Legislative Projects (SLP): $75,000 for the Grant Parish Levee Board and $25,000 for maintenance and construction expenses of the Fifth Levee District. | $0 | -$100,000 | 0 |
| 07 -276 | Transportation & Development | Engineering & Operations | Personnel Reductions. The Department of Transportation & Development eliminated 30 positions in lieu of cutting from other line items to fully fund salaries and related benefits. This reduces 5 positions in the CCCD Bridge Program and 25 positions in the Operations Program. The position eliminations correlate to: the anticipated closure of the St. Francisville/New Roads Ferry in FY 12 with the opening of the John James Audubon Bridge (14 positions in the Operations Program), the closure of the Melville Ferry in FY 11 (5 positions in the Operations Program), and the anticipated outsourcing of the LA 1 Toll Operation (5 positions in the CCCD - Bridge Program and 6 positions in the Operations Program). | $0 | $0 | -30 |
| 07 -276 | Transportation & Development | Engineering & Operations | CCCD - BRIDGE - Non-recurring one-time SGR funding for the following Special Legislative Projects (SLP): $550,088 for landscaping and beautification on the Westbank Expressway and $550,088 for landscaping and beautification on General DeGaulle Drive. | $0 | -$1,100,176 | 0 |
| 07 -276 | Transportation & Development | Engineering & Operations | PLANNING & PROGRAMMING - Non-recurring one-time funding from the Overcollections Fund for the following Special Legislative Projects (SLP): $100,000 for environmental studies and plans for the LA 408 extension to LA 16; $100,000 for the Zachary Taylor Parkway Commission; and $25,000 for a feasibility study for the Ascension-Livingston Parkway. | $0 | -$225,000 | 0 |
| 07 -276 | Transportation & Development | Engineering & Operations | DISTRICT OPERATIONS - Non-recurring one-time funding from the Overcollections Fund for the following Special Legislative Projects (SLP): $300,000 for purchase of asphalt related to overlay of LA 928 (Bluff Road) and LA 73 between LA 74 and LA 429 (Cornerview) in Ascension Parish with work to be performed by the department's District 61; $200,000 for Lafayette Parish Consolidated Government for acquisitions and improvements related to widening Kaliste Saloom Road; $424,120 for East Baton Rouge Parish for Drusilla Lane and Interline Avenue improvements; $223,160 for East Baton Rouge Parish for a right turn lane on Celtic at Bluebonnet; $93,160 for East Baton Rouge Parish for a right turn lane at Airline Highway and Barringer-Foreman; and $100,000 for the Ouachita Expressway Commission to match Federal funds. | $0 | -$1,340,440 | 0 |
| | | | **Major Reductions for Transportation & Development** | **$0** | **-$2,765,616** | **-30** |
| 08A- | Corrections | Department Wide | Reduces funding for the group insurance rate increase as follows: Administration ($2,996,629); C. Paul Phelps ($87,550); LA State Penitentiary ($534,450); LA Correctional Institute for Women ($90,320); Dixon ($200,583); Elayn Hunt ($234,505); David Wade ($139,040); Adult Probation & Parole ($232,429); and B. B. "Sixty" Rayburn ($111,247). | -$4,626,753 | -$4,626,753 | 0 |

# Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 08A-400 | Corrections | Department Wide | Department-wide reduction in positions which were reduced by the following amounts: | -$23,593,218 | -$23,593,218 | -452 |

| Agency | SGF | Positions |
|---|---|---|
| Administration | ($430,000) | (8) |
| Phelps Correctional Center | ($1,445,678) | (28) |
| LA State Penitentiary | ($7,470,352) | (156) |
| Avoyelles Correctional Center | ($922,828) | (15) |
| LA Correctional Institute for Women | ($754,298) | (12) |
| Dixon Correctional Institute | ($1,553,149) | (29) |
| J. Levy Dabadie Correctional Center | ($2,406,961) | (42) |
| Elayn Hunt Correctional Center | ($4,593,332) | (72) |
| David Wade Correctional Center | ($1,966,350) | (39) |
| B.B. Rayburn Correctional Center | ($1,850,270) | (46) |
| Probation & Parole | ($200,000) | (5) |
| Total | ($23,593,218) | (452) |

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 08A-400 | Corrections | Department Wide | The reduction in SGR excess budget authority in the Auxiliary Program of each facility are as follows: | $0 | -$3,321,668 | 0 |

| Agency | SGR |
|---|---|
| Phelps Correctional Center | ($362,194) |
| LA State Penitentiary | ($513,990) |
| Avoyelles Correctional Center | ($652,429) |
| LA Correctional Institute for Women | ($231,057) |
| Dixon Correctional Institute | ($277,921) |
| J. Levy Dabadie Correctional Center | ($495,342) |
| Elayn Hunt Correctional Center | ($200,606) |
| David Wade Correctional Center | ($426,683) |
| B.B. Rayburn Correctional Center | ($161,446) |
| Total | ($3,321,668) |

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 08A-400 | Corrections | Administration | Reduction of Federal and IAT budget authority due to one-time grant funding in FY 11. The IAT budget authority is reduced by $500,000 and Federal budget authority is reduced by $622,639 based on prior year actuals and historical expenditures. | $0 | -$1,122,639 | 0 |
| 08A-400 | Corrections | Department Wide | Department-wide annualization of the mid-year FY 11 reduction in the amount of $5.6 M and 32 positions. | -$5,574,720 | -$5,574,720 | 0 |

| Agency | SGF | Expenditures |
|---|---|---|
| Administration -Adult Services | ($325,000) | Pofessional Services |
| Phelps Correctional Center | ($30,000) | Salaries |
| LA State Penitentiary | ($1,950,000) | Salaries & Related Benefits, (20) positions |
| LA Correctional Institute for Women | ($350,000) | Salaries & Professional Services |
| Winn Correctional Center | ($58,000) | Operating Svcs, Supplies, Other Charges |
| Allen Correctional Center | ($108,000) | Operating Svcs, Supplies, Other Charges |
| Elayn Hunt Correctional Center | ($1,248,720) | Salaries, Related Benefits, Supplies, (6) positions |
| David Wade Correctional Center | ($580,000) | Salaries & Related Benefits |
| Forcht-Wade Correctional Center | ($250,000) | Salaries, (6) positions |
| B.B. Rayburn Correctional Center | ($75,000) | Salaries |
| Probation & Parole | ($600,000) | Salaries & Related Benefits |
| Total | ($5,574,720) | (32) positions |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 08A-400 | Corrections | Department Wide | Department wide reductions in other compensation, travel, operating services, supplies, and professional services. Expenditures were reduced by the following amounts by evaluating historical expenditures, prior year actuals, and lower utility costs.:<br><br>**Agency** / **SGF**<br>Phelps Correctional Center ($324,080)<br>LA State Penitentiary ($545,226)<br>LA Correctional Institute for Women ($145,000)<br>Dixon Correctional Institute ($400,500)<br>Elayn Hunt Correctional Center ($5,000)<br>David Wade Correctional Center ($114,728)<br>Forcht-Wade Correctional Center ($58,900)<br>Total ($1,593,434) | -$1,593,434 | -$1,593,434 | 0 |
| | | | **Major Reductions for Corrections** | **-$35,388,125** | **-$39,832,432** | **-452** |
| 08B-418 | Public Safety | Management & Finance | Reduces funding ($51,000 SGR and $49,000 Statutory Dedications - Riverboat Gaming Fund) for out-of-state and in-state travel to conferences and conventions. | $0 | -$100,000 | 0 |
| 08B-418 | Public Safety | Management & Finance | Annualization of FY 11 mid-year expenditure reduction, which eliminates funding for salaries and related benefits for 7 data processing positions, 2 operating engineers, 1 auditor, 1 program manager, and 3 administrative personnel ($922,208 SGR and $81,378 Statutory Dedications - Riverboat Gaming Fund). | $0 | -$1,003,586 | -14 |
| 08B-418 | Public Safety | Management & Finance | Elimination of 2 vacant positions ($82,418 SGR). | $0 | -$82,418 | -2 |
| 08B-418 | Public Safety | Management & Finance | Non-recurring IAT authority from State Police provided by British Petroleum for expenses associated with the Deepwater Horizon Event. | $0 | -$1,172,700 | 0 |
| 08B-418 | Public Safety | Management & Finance | Reduces SGR $445,000 for mainframe software maintenance cost. Reduction is possible because the agency utilized a federal grant (Drivers License Security Enhancement) to incorporate all workflow to one imaging product. A $245,000 savings resulted from elimination of one of two existing imaging products and a $200,000 savings realized through reduction in mainframe usage. | $0 | -$445,000 | 0 |
| 08B-419 | Public Safety | State Police | Annualization of FY 11 mid-year expenditure reductions. Eliminates funding for salaries and related benefits for 18 police officers (non-trooper), 9 clericals, 6 commissioned state police troopers, 2 accountants, 1 auditor, 1 criminal records analyst, 1 investigative specialist, 1 IT specialist and 1 electronic specialist. | -$3,084,084 | -$3,084,084 | -40 |
| 08B-419 | Public Safety | State Police | Elimination of 38 vacant positions ($1,477,010 SGF and $3,330,310 SGR). | -$1,477,010 | -$4,807,320 | -38 |
| 08B-419 | Public Safety | State Police | Non-recurring Statutory Dedications ($244.8 M from British Petroleum and $50 M from Natural Resources Restoration Trust Fund) for expenses associated with the Deepwater Horizon Event. | $0 | -$294,800,000 | 0 |
| 08B-419 | Public Safety | State Police | Reduces SGR funding due to a reduction in fleet operations maintenance. The reduction is achieved by converting the body shop paint system from a solvent-based system to a water-based system, along with an initiative to reduce the number of patrol hours and mileage. | $0 | -$30,000 | 0 |
| 08B-419 | Public Safety | State Police | Reduces SGR due to efficiencies realized through savings in fuel and maintenance cost. | $0 | -$544,311 | 0 |
| 08B-419 | Public Safety | State Police | Reduces funding ($153,000 SGR and $47,000 Statutory Dedications - Riverboat Gaming) due to savings realized through reduced out-of-state and in-state travel expenses. | $0 | -$200,000 | 0 |
| 08B-419 | Public Safety | State Police | Reduces funding ($375,861 SGF and $262,650 SGR) for salaries and related benefits due to the workforce reduction plan. The plan offers currently employed full-time personnel (commissioned and noncommissioned) who elect to retire the opportunity to be rehired as a part-time employee paid hourly wages. The rehired retiree would work as needed to lessen the impact to service levels resulting from the loss of institutional knowledge associated with the retirement of long-term employees. The savings is anticipated because of the reduced salaries and retirement requirements of a wage employee versus the salary requirements of a full-time employee. | -$375,861 | -$638,511 | -16 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 08B-419 | Public Safety | State Police | Non-recurring a portion of stimulus funding received as IAT revenue ($561,404) from LA Commission on Law Enforcement, which provided for child predator investigations, prescription drug diversion, and narcotics trafficking. | $0 | -$561,404 | 0 |
| 08B-420 | Public Safety | Motor Vehicles | Annualization of FY 11 mid-year expenditure reduction, which eliminates SGR funding for salaries and related benefits for 3 IT positions and 11 motor vehicle positions. | $0 | -$884,276 | -14 |
| 08B-420 | Public Safety | Motor Vehicles | Reduces SGR for out-of-state and in-state travel to conferences and conventions. | $0 | -$100,000 | 0 |
| 08B-420 | Public Safety | Motor Vehicles | Reduces positions and associated SGR funding due to reduction of drivers license road skills testing performed by personnel. OMV anticipates citizens to increase utilization of 3rd party providers. There are currently 16 such private providers statewide. Citizens are charged $30 per test. | $0 | -$817,000 | -20 |
| 08B-421 | Public Safety | Legal Affairs | Eliminates a vacant position and associated SGR funding. | $0 | -$127,750 | -1 |
| 08B-421 | Public Safety | Legal Affairs | Non-recurring one-time IAT revenue from State Police for Deepwater Horizon Event. | $0 | -$371,496 | 0 |
| 08B-422 | Public Safety | State Fire Marshal | Non-recurring IAT revenue from State Police for expenses associated with the Deepwater Horizon Event. | $0 | -$932,316 | 0 |
| 08B-425 | Public Safety | LA Highway Safety Commission | Reduces Federal funds to reflect anticipated costs based on the Request for Proposal (RFP) for an automatic DWI arrest report system. Remaining intact for FY 12 is $3 M. | $0 | -$3,000,000 | 0 |
| | | | **Major Reductions for Public Safety** | **-$4,936,955** | **-$313,702,172** | **-145** |
| 08 -403 | Youth Services | Juvenile Justice | In the Contract Services Program, other charges ($493,180) and IAT ($4,071,159) expenditure category were reduced to annualize the FY 11 mid-year reductions. The reduction does not eliminate contracts for programs, but reduces excess budget authority as the contracts were not expended to the total amounts. | -$4,564,339 | -$4,564,339 | 0 |
| 08 -403 | Youth Services | Juvenile Justice | Eliminates paid lunch time for unclassified educators at Swanson, Jetson, and Bridge City. Currently, teachers at the facilities are paid for an 8-hour workday over a 12-month period. The reduction will lower the workday to 7.5 hours. This reduction of half an hour for 53 educators will result in a savings to OJJ of $260,000. | -$260,000 | -$260,000 | 0 |
| 08 -403 | Youth Services | Juvenile Justice | Eliminates funding for 12 positions associated with the consolidation of back office functions of GOHSEP and OJJ within the Department of Public Safety - Public Safety Services. OJJ has 5 positions within its IT Section, 12 positions within its Human Resources Section, and 15 positions within its Management & Finance Section. Due to this consolidation, 2 IT positions, 6 HR positions, and 4 M&F positions will be eliminated for a savings of $496,650 in Salaries and $328,350 in related benefits. OJJ will also transfer 20 positions, which include 6 HR positions, 3 IT positions, and 11 M&F positions, and associated funding of $796,627 in salaries and $524,029 in related benefits to DPS to provide the back office function for the agency. | -$825,000 | -$825,000 | -12 |
| 08 -403 | Youth Services | Juvenile Justice | Eliminates funding ($9,092,053 SGF and $341,372 IAT) in the Contract Services Program for day treatment (special schools). The day treatment centers are alternative schools for youth who had problems in their local school districts. OJJ contracts with 2 Volunteers of America facilities in the Lafayette region for $1.9 M and 8 Associated Marine Institute facilities in the regions of Tallulah, Alexandria, Thibodaux, Baton Rouge, Lake Charles, Shreveport, and Metro New Orleans. In total, the programs serve approximately 900 youth a year. The youth will be placed back into alternative schools in their respective school districts. The IAT funding is Title I grants from the Department of Education that were used at each of the day treatment centers. | -$9,092,053 | -$9,433,425 | 0 |
| 08 -403 | Youth Services | Juvenile Justice | Reduces funding at Swanson as a result of outsourcing of mental health, health, and dental services. Currently, Swanson contracts with LSU-HSC Shreveport to provide medical, mental health, and dental services to youth at the facility. FY 11 amount of the contract was $4,271,781 through an RFP. The new contract for medical, mental health and dental services was finalized and will cost $3.55 M, a savings of $721,781. | -$721,781 | -$721,781 | 0 |
| 08 -403 | Youth Services | Juvenile Justice | Reduces funding for the group insurance rate increase. | -$666,924 | -$666,924 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| | | | **Major Reductions for Youth Services** | **-$16,130,097** | **-$16,471,469** | **-12** |
| 09 - | Health & Hospitals | | Non-recurring IAT funding from the Office of Behavioral Health (OBH) to the human service districts as a result of the Deep Water Horizon Oil Spill for outreach and crisis services through LaSpirit outreach teams. The source of the funding is SGR from a contribution by BP. The teams were comprised of a team leader, master-prepared crisis counselors, outreach workers from the communities they serve, a community cultural liaison, stress managers, and administrative support staff. The teams provided crisis counseling services to the general population with staff skilled in behavioral health screening/assessment, suicide prevention, counseling for trauma exposure/re-exposure and referral skills. Allocation of funds by district is as follows:<br><br>JPHSA (09-300) $698,854<br>FPHSA (09-301) $200,000<br>MHSD (09-304) $2,584,362<br>SCLHSA (09-309) $930,213<br>**Total $4,413,429** | $0 | -$4,413,429 | 0 |
| 09 - | Health & Hospitals | | Savings in SGF projected to be cost avoided in FY 12 as a result of the Low Income Needy Care Collaboration Agreement (LINCCA). Through LINCCA, various private hospitals will provide charity care to low income and needy LA patients at the location that these patients currently receive care. To accomplish this, the providers will set up a nonprofit corporation (LA Clinical Services) that will enter into contracts with individual physicians/providers to provide the same level of care as provided under the previous contract with the districts. Although there is no obligation, the State will make supplemental Medicaid (UPL) payments to the private hospitals. This savings for each human services district is as follows:<br><br>JPHSA (09-300) $300,000<br>FPHSA (09-301) $69,778<br>CAHSD (09-302) $467,917<br>MHSD (09-304) $997,470<br>SCLHSA (09-309) $301,893<br>**Total $2,137,058** | -$2,137,058 | -$2,137,058 | 0 |
| 09 - | Health & Hospitals | Department Wide | Reduces funding for the group insurance rate increase as follows: Jefferson Parish HSA ($94,024); Florida Parishes HSA ($85,735); Capital Area HSD ($144,046); Metropolitan HSD ($84,913); Medical Vendor Administration ($395,887); Medical Vendor Payments ($979,886); Office of the Secretary ($126,342); Office of Aging & Adult Services ($71,893); LERN ($1,052); Public Health ($831,737); Behavioral Health ($864,664); and OCDD ($719,981). | -$4,400,160 | -$4,400,160 | 0 |
| 09 -300 | Health & Hospitals | Jefferson Parish Human Services Authority | Annualization of FY 11 mid-year reductions, which reduces funding for other charges. | -$443,455 | -$443,455 | 0 |
| 09 -301 | Health & Hospitals | Florida Parishes Human Services Authority | Reduction to an array of contractual services ($635,300), pharmaceuticals and supplies ($275,000), operating services ($135,000), travel ($5,000), and salaries and related benefits including additional attrition ($278,426). The reduction in contractual services include contracts with the LSU hospitals for ER holding beds and reductions in OCDD Family Support Services contracts. The contract for ER holding beds allows LSU to increase staff and bed capacity for behavioral health indigent patients at the ER, and in turn, the hospital contacts FPHSA to communicate with the patient and provide assessments and other wraparound services. Family Support Services include caregivers helping with activities of daily living such as laundry, housekeeping, accounting assistance, and hygiene. | -$1,328,726 | -$1,328,726 | 0 |

# Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -302 | Health & Hospitals | Capital Area Human Services District | Annualization of FY 11 mid-year expenditure reductions. Of these funds, $602,094 was reduced by eliminating vacant and probational positions and laying off permanent staff whose work was absorbed amongst remaining staff; and $391,652 was reduced to meet the requirements of the hiring freeze. Reductions in personnel included the following non-T.O. positions:<br><br>Administrative Coordinator 2 - ($38,128) Accountant - ($46,690)<br>Administrative Coordinator 2 - ($33,266) Program Monitor - ($74,897)<br>Administrative Coordinator 3 - ($28,654) Psychologist - ($99,896)<br>Administrative Supervisor - ($38,105) Social Worker - ($73,466)<br>Social Services Analyst - ($36,702) Pharmacist - ($132,290)<br><br>**10 TOTAL non-T.O. reduced ($602,094)**<br>Hiring freeze ($391,652)<br>**Total annualized reduction ($993,746)** | -$993,746 | -$993,746 | 0 |
| 09 -303 | Health & Hospitals | Developmental Disabilities Council | Reduces funding for contracts with the 9 regional Families Helping Families resource centers, one of the major initiatives of the LA Developmental Disabilities Council (LADDC). The resource centers provide information on all types of services, goods, technologies, and activities that improve the quality of life to people with developmental disabilities; and help individuals with developmental disabilities understand their rights and how to advocate for themselves. During the prior 2 fiscal years, funding for the 9 regional resource centers has been reduced by $127,062 ($14,118 per resource center). In FY 12, contracts with the 9 regional Families Helping Families totals $372,933.<br><br>FY 10 - $499,995 ($55,555 per resource center)<br>FY 10 after midyear reduction - $457,020 ($50,780 per resource center)<br>FY 11 - $407,713 ($45,301 per resource center)<br>FY 11 after midyear reduction - $375,309 ($41,701 per resource center)<br>FY 12 - $372,933 ($41,437 per resource center) | -$34,780 | -$34,780 | 0 |
| 09 -304 | Health & Hospitals | Metropolitan Human Services District | Annualization of FY 11 mid-year reductions, which reduces funding for other charges. | -$628,975 | -$628,975 | 0 |
| 09 -304 | Health & Hospitals | Metropolitan Human Services District | Reduces IAT budget authority from Medical Vendor Payments for the Primary Care Access & Stabilization Grant (PCASG). PCASG will terminate on 9/30/2011. $982,177 was appropriated to MHSD for the grant in FY 11 with an additional $517,823 added through a BA-7 after the grant was extended. As such, the FY 11 total appropriation was $1.5 M. FY 12 budget authority for PCASG is $250,000. | $0 | -$1,250,000 | 0 |
| 09 -304 | Health & Hospitals | Metropolitan Human Services District | Reduces 14 non-T.O. FTE positions due to efficiencies and consolidations in clinical services delivery personnel (psychologist, 2 doctors, and 11 licensed social workers). The MHSD does not anticipates any impact on the delivery of services as a result of the reduction in these positions. | -$1,011,658 | -$1,011,658 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Annualization of FY 11 mid-year reductions ($1,368,309 SGF and $1,368,310 Federal). The source of Federal funds is Medicaid Administration federal financial participation. In FY 11, 77 positions were placed in the Unalloted category, and specific expenditures were reduced from salaries, related benefits, and other compensation. | -$1,368,309 | -$2,736,619 | -77 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Reduces funding ($295,000 SGF and $885,000) for professional services contract with Gold Standard, a company that maintains and supports the Pharmacy Benefits Management Section. The source of Federal funds is Medicaid Administration federal financial participation. The contract provided Information Technology support to certain professionals related to e-prescribing and personal digital assistants. Funding provided for this technology and IT support is non-recurred. | -$295,000 | -$1,180,000 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Reduces funding ($182,062 SGF and $182,061 Federal) for lease rental payments due to closure of eligibility field offices. The source of Federal funds is Medicaid Administration federal financial participation. The following regional offices were closed due to the FY 11 mid-year reductions:<br><br>Ascension Parish<br>St. Mary Parish<br>Acadia Parish<br>Beauregard Parish<br>LaSalle Parish<br>Catahoula/Concordia Parish<br>East/West Carroll Parish<br>Livingston Parish<br><br>DHH will continue to contract with certain community partners to assist applicants in completing Medicaid applications and gathering any required verification in order to determine financial eligibility. Information provided by DHH indicates application centers will still be available in each parish with office closures | -$182,062 | -$364,123 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Reduces funding ($5,678,911 SGF and $5,678,911 Federal) for professional services contracts by 10% in Medical Vendor Administration. The source of Federal funds is Medicaid Administration federal financial participation. Funding for the following contracts will be reduced in FY 12: Molina; Automated Health Systems; Office of Group Benefits; University of New Orleans; Statistical Resources; LSU Board of Supervisors; and Myers & Stauffer. | -$5,678,911 | -$11,357,822 | 0 |
| 09 -305 | Health & Hospitals | Medical Vendor Administration | Reduces funding ($405,625 SGF and $568,945 Federal) for administrative personnel due to the implementation of Coordinated System of Care (CSoC). The source of Federal funds is Medicaid Administration federal financial participation. The CSoC will be implemented in FY 12, and will provide managed, comprehensive behavioral health services under a contract with the Office of Behavioral Health. Behavioral Health prior authorization activities currently performed by OBH personnel will be performed by a managed care contractor.<br><br>The CSoC is a cross departmental initiative with the Office of Juvenile Justice, the Department of Children & Family Services, the DHH and the Department of Education. The CSoC intends to coordinate services for children and adults with significant behavioral health challenges that are at risk of out of home placement. | -$405,625 | -$974,570 | -13 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Reduction to the Hospital outlier pool payment ($1,124,201 SGF and $2,542,466 Federal). LA Medicaid reimburses additional payments (outlier payments) to hospitals for inpatient hospital costs when a patient's costs are significantly higher than the perspective rate. Hospitals are eligible when charges for services (adjusted to cost) exceed a certain rate by a defined amount.<br><br>The FY 12 budget includes a change in the payment methodology related to outlier payments. The qualifying charge threshold will be raised from $150,000 to $250,000, and the marginal cost reimbursement would be reduced from paying 100% to 65% of cost. For FY 12, outlier payments in the catastrophic outlier pool totals approximately $3.3 M. In addition, DHH has realigned the PICU/NICU rates to offset this outlier payments pool reduction. The adjustments are reflected below.<br><br>FY 11 projected outlier payments $54 M<br>FY 11 Hospital outlier Methodology Change ($47 M)<br>FY 12 Budget adjustment ($-3.6 M)<br>**FY 12 Outlier pool $3.4 M**<br><br>**Note:** FY 11 PICU/NICU outlier rates are increased to offset the reduction in outlier payments. The rate increase is anticipated to result in approximately $47 M in payments. | -$1,124,201 | -$3,666,667 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Savings ($3,627,319 SGF and $8,203,462 Federal) from the implementation of additional utilization management in the Radiology Utilization Management (RUM) Program, and enhanced claims editing for certain surgical procedures. The source of Federal funds is Title 19 federal financial participation. A contractor will perform additional review procedure codes than currently reviewed under the RUM Program (implemented in February 2010), by implementing prior authorization procedures for Ultrasound Utilization and Cardiac Imaging. Additionally, the contractor will perform enhanced claim editing for certain surgery procedures. Information provided by the department indicates this contractor will not review the medical necessity of a surgical procedure performed, but will ensure that the clinical information submitted warrants inpatient hospitalization.<br><br>($8,873,086) Projected savings in Private Providers Program<br>($2,957,695) Projected savings in Public Providers Program<br>($11,830,781) Total Medicaid claims savings projected for FY 12 | -$3,627,319 | -$11,830,781 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Savings from fraud prevention measures. These measures will reduce fraud by gradually delaying checkwrites (payments) to Private Providers which are currently being paid in seven days or less. Payments will be made up to 21 days from the receipt of the claim (by end of FY 12) which will allow Medical Vendor Administration more time to review claims on all providers. Fraud detection is anticipated to be a permanent policy. It is anticipated this function will be accomplished with existing staff and resources. The source of Federal funds ($68,167,538) is Title 19 federal financial participation. | -$30,141,574 | -$98,309,112 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Savings from implementation of Phase 2 of Claim Check editing. Claim check is a claim editing product that corrects claims submitted with inaccurate codes or code combinations. Information provided by the department indicates that significant savings are anticipated in provider payments to physicians, lab and radiology, outpatient hospital, durable medical equipment, and outpatient rehabilitation. The source of Federal funds ($3,911,816) is Title 19 federal financial participation. | -$1,729,684 | -$5,641,500 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Savings from pharmacy rebasing ($4,933,461 SGF and $11,157,409 Federal). The source of Federal funds is Title 19 federal financial participation. | -$4,933,461 | -$16,090,870 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Savings from restructuring the Community Care Program ($7,872,046 SGF and $17,803,248 Federal). The source of Federal funds is Title 19 federal financial participation. The new Community Care 2.0 Program provides for certain new provider participation requirements (including the requirement for practices with over 5,000 linkages to have extended hours (minimum 6 hours a week), provides for changes to the base management fee and allows providers to participate in an enhanced pay for performance pool. | -$7,872,046 | -$25,675,294 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Savings from the LA Vascular Access Program. This program is anticipated to reduce unnecessary hospitalizations associated with the use of catheters by promoting use of fistulas and grafts for hemodialysis. The program will increase payment rates to vascular surgeons that perform a fistula placement procedure. The source of federal funds ($17,817) is Title 19 federal financial participation. The projected savings are based on the calculations reflected below.<br><br>2009 Medicare fee for procedure code 36821 $629.44<br>Current Medicaid fee for 36821 $472.08<br>Difference in fees $157.36<br><br>Number of Medicaid recipients converted to a fistula 15<br><br>Estimated Cost (# recipients (15) x difference in fees ($157.36)) $2,360<br>Estimated Savings (basis for savings estimate unknown) ($28,056)<br>Net savings $25,696 | -$7,879 | -$25,696 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Savings associated with implementation of a smoking cessation program in Medicaid. The program will provide Medicaid reimbursement for smoking cessation counseling sessions (up to 8 sessions annually) for Medicaid recipients with a smoking related diagnosis. The adjustment is based on the new program cost and estimated program savings reflected below.<br><br>FY 12 Program costs: $794,049<br>Estimated number of Medicaid recipients with Tobacco use disorders in FY 12 - 55,013<br>10% utilization of smoking cessation program by recipients with a tobacco disorder - 5,502<br>cost to fund 8 counseling sessions (8 x 5,502 recip's x $18.04 reimbursement each) - $794,049<br><br>FY 12 Program savings: ($833,260)<br>Estimated Medicaid claims for tobacco related disorders - $69,438,384<br>10% of paid claims (based on 10% projected utilization of program) - $6,943,838<br>Estimated 12% reduction in Medicaid expenditures due to program - $833,260 ($6.9 M x .12) | -$12,023 | -$39,211 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Projected savings ($1,239,064 SGF and $2,901,281 Federal) in Medicaid claims in the Medicaid Private Providers Program as the result of additional dollars utilized for Buy in with regard to the LaHIPP Premium Assistance Program. The LA Health Insurance Premium Payment (LaHIPP) Program pays all or a portion of employee sponsored health insurance premiums for an employee and family (if someone in the family is on Medicaid). LaHIPP determines if it is cost effective for the state (cost less to pay the premium than to cover medical expenses under Medicaid). This savings is based on a projected increase in the number of LaHIPP claims resulting in a savings in Medicaid claims (cost avoidance). The estimates are based on the following calculations reflected below.<br><br>FY 11 Projected claims 85,260<br>FY 11 Cost Avoidance ($11,147,082)<br>FY 12 Projected claims 116,928<br>FY 12 Cost Avoidance ($15,287,427)<br>Net FY 12 Cost Avoidance ($4,140,345)<br><br>**Note:** Cost avoidance is calculated based on charges submitted from the fiscal intermediary (Molina) to DHH. The department assesses what Medicaid would have paid versus what the third party reimbursed from the Explanation of Benefits (EOB) form. | -$1,239,064 | -$4,140,345 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Annualizes reductions implemented in the Medicaid Private Providers Program as a result of the FY 11 August provider rate cuts. Due to a projected budget shortfall in FY 11, the department implemented rate cuts to various providers through an emergency rule in order to avoid a year end shortfall. An estimated 10 months savings was projected for these cuts. This adjustment implements a 12-month savings for FY 12. The August percentage cut applied by DHH was approximately 4.6% for most providers (certain waiver providers were reduced by approximately 2%). | -$6,531,261 | -$21,302,221 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Annualizes the savings from Diabetes training ($1,060,253 SGF and $2,397,843 Federal). The source of Federal funds is Title 19 federal financial participation. DHH provides reimbursements to private providers for rendering education services related to diabetes self management. The FY 12 savings estimate is based on the following projections.<br><br>**$2,283,228** FY 11 projected savings<br><br>$6,527,487 FY 12 Medicaid claim savings<br>($786,163) FY 12 projected cost of DMST training (3,999 recipients X 10 hrs. @ $196.59 per hr.)<br>**$5,741,324** FY 12 total savings ($6,527,487 less program cost of $786,163)<br><br>**$3,458,096** ($5,741,324 saving in FY 12 less $2,383,228 savings) | -$1,060,253 | -$3,458,096 | 0 |

# Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Annualizes the savings in the Medicaid Private Providers Program to reflect the projected fiscal impact for monthly prescription limits for Medicaid recipients. The Department of Health & Hospitals issued an emergency rule changing the reimbursable script limit for certain Medicaid recipients from 5 to 4 per month. Effective 2/1/2011, DHH will pay for a maximum of 4 prescriptions per calendar month, with the following recipient groups being exempt: 1) persons under 21 years of age; 2) persons who are residents of long term care institutions; and 3) pregnant women. The rule indicates that the limit can be exceeded when the prescriber determines a prescription over the limit is "medically necessary" (physician override), and indicates this need to the pharmacist. This projected decrease in Medicaid claims payments is based on the following assumptions and calculations:<br><br>$1,240,000 Estimated variance in expenditures per month as a result of prescription limit from 5 to 4<br>$992,000 Estimated that approximately 80% of claims will result in a physician override<br>$248,000 Estimated monthly annual savings<br>$2,976,000 Monthly savings annualized for FY 12 (12 months of savings) | -$912,442 | -$2,976,000 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Annualizes reductions ($23,985,885 SGF and $54,245,964 Federal) implemented in the Medicaid Private Providers Program as a result of the FY 11 January provider rate cuts. Due to a projected budget shortfall in FY 11, the department implemented rate cuts to various providers through an emergency rule in order to avoid a year end shortfall. An estimated 5 months savings was projected for these cuts. This adjustment implements a 12 month savings for FY 12. The January percentage cut applied by DHH was approximately 2% for most providers affected (certain waiver services were reduced by approximately 5.8%). | -$23,985,885 | -$78,231,849 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Reduction in Medicaid claims payments associated with Medicaid covered pre-term births from the use of 17-OH Progesterone (17P) treatment protocol program. Information provided by the DHH indicates the use of this treatment protocol by pregnant women is projected to reduce the rate of repeat pre-term births in certain women with a history of pre-term births.<br>Savings:<br>Avg cost per birth for pre-term Medicaid funded births $33,433<br>Avg cost per birth for term Medicaid funded births $3,671<br>Excess avg. cost of pre-term birth over term birth $29,763<br><br>Assume 343 (1/4 of all eligible) patients received therapy x 40% reduction in pre-term births, estimated savings of $4,083,484 (343 x .40 x $29,763)<br>Cost: (cost per treatment = $20)<br>Assume 343 patients receive therapy @ $20 per injection x 20 injections - $137,200<br>Office visit Medicaid cost associated with therapy - $88,452 ($21.49 per visit based on 99211 code)<br>Total savings less costs - $3,857,832 ($4,083,484 - $225,652)<br>Savings amount realized in FY 11 - $700,000<br>ANNUALIZED SAVINGS IN FY 12 - $3,157,832 ($3,857,832 - $700,000 in FY 11 savings.) | -$968,192 | -$3,157,832 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Non-recurring SGF ($81,875,012) and Federal funds ($13,106,707) appropriated in the Medicaid budget in FY 11. These represent unmatched funds that were budgeted to offset the loss of Disproportionate Share Hospital (DSH) payments at LSU hospitals due to the DSH audit rule. The source of the federal funds were generated from LSU cost reports. In FY 11, approximately $130.6 M was appropriated. This adjustment non-recurs $94.9 M. The balance in Medicaid is anticipated to be used as a state match source in FY 12 used to draw down federal Medicaid match in order to make supplemental payments to the LSU hospitals through an upper payment limit methodology. | -$81,875,012 | -$94,981,719 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Savings in the Medicaid Uncompensated Care Costs (UCC) Program from reducing the UCC community hospital pool. UCC payments in the community hospital pool are paid to non-state and non-rural hospitals that historically did not qualify under the Medicaid state plan (before 2007). Funding for the community hospital pool is reduced by $8 M for FY 12. The source of Federal funds ($4,887,200) is Title 19 federal financial participation.<br><br>**Community Hospital Pool Funding History**<br><br>FY 07: **$120 M**; FY 08: **$87 M**; FY 09: **$87 M**; FY 10: **$35 M**; FY 11: **$10 M**; FY 12: **$2 M** | -$3,112,800 | -$8,000,000 | 0 |
| 09 -306 | Health & Hospitals | Medical Vendor Payments | Non-recurring Statutory Dedications funding appropriated in Medicaid Recovery Funds Program (FY 11). The original source of revenue is Federal funds from the Medicaid Trust Fund for the Elderly. These funds were appropriated to make the final re-payments to the Centers for Medicare & Medicaid Services for the nursing home Federal funds disallowance. The overpayments were made to non-state governmental nursing facilities through an Intergovernmental Transfer (IGT) arrangement. The final payment was made 12/31/2010. | $0 | -$61,580,445 | 0 |
| 09 -307 | Health & Hospitals | Office of Secretary | Annualizes the FY 11 mid-year reductions by decreasing $3,151,300 SGF and associated positions. In FY 11, 37 positions were placed in the Unalloted category, and specific expenditures were reduced from salaries, related benefits, and other compensation. According to DHH, 11 of the 37 positions reduced resulted in layoffs. The balance were vacant positions. | -$3,151,300 | -$3,151,300 | -37 |
| 09 -307 | Health & Hospitals | Office of Secretary | Reduces 2 vacant positions in the Fiscal Division within the Office Management & Finance. The positions include an Accounting Technician and an Accounting Specialist. | -$133,455 | -$133,455 | -2 |
| 09 -307 | Health & Hospitals | Office of Secretary | Eliminates a non-T.O. FTE Attorney 1 position in the Legal Department. | -$73,662 | -$73,662 | 0 |
| 09 -307 | Health & Hospitals | Office of Secretary | Reduces excess budget authority ($1,775,234 IAT; $25,963 SGR and $828,093 Federal). | $0 | -$2,629,290 | 0 |
| 09 -307 | Health & Hospitals | Office of Secretary | Reduces funding as a result of a reduction in staff augmentation contracts in the Information Technology (IT) Department for FY 12. Staff augmentation contracts typically are utilized to provide IT assistance/knowlege to in-house IT staff related to both hardware and software purchases. | -$100,000 | -$100,000 | 0 |
| 09 -307 | Health & Hospitals | Office of Secretary | Non-recurring Hotel Dieu bond payment ($6 M in SGR) to the LA Public Facilities Authority. The LSU Health Care Services Division made the final debt service payment in FY 11 for the bonds used to purchase the former Hotel Dieu hospital building from the Daughters of Charity. LSU purchased the hospital in 1991 with a 20-year bond maturity date to be completed in 2011. The Office of the Secretary made annual payments on behalf of the hospitals, which were reimbursed by LSU. This reduction of budget authority is the result of historical reimbursements from the LSU Health Care Services Division to the Office of the Secretary for bond payments no longer being required. | $0 | -$6,000,000 | 0 |
| 09 -309 | Health & Hospitals | South Central LA Human Services Authority | Reduction to various mental health contractual services ($588,007), including $414,546 for the implementation of a after hours face-to-face screenings, $70,132 for children's specialty counseling services, and $103,329 for general counseling services. An additional $146,539 in addictive disorders contractual services was reduced including contracts for a deaf interpreter ($2,500), psychiatric services to children ($14,560), nursing services ($26,150) and counseling services ($103,329). Existing staff will provide nursing and counseling services. This will result in reduced service capacity. | -$734,546 | -$734,546 | 0 |
| 09 -320 | Health & Hospitals | Aging & Adult Services | Reduces funding due to the privatization of the John J. Hainkel, Jr. Home and the elimination of 135 positions ($5,964,152 Title 19 Medicaid IAT, $1,447,418 SGR, and $1,012,688 Federal). The Hainkel Home offers skilled & intermediate nursing facility services as well as adult day health care. Act 933 of 2010 authorized the Department of Health & Hospitals (DHH)/Office of Aging & Adult Services (OAAS) to enter into contract negotiations for the lease of the Hainkel Home to the New Orleans Home for the Incurables. In January 2011, DHH/OAAS entered into a 5-year lease with the New Orleans Home for Incurables starting 4/19/2011. | $0 | -$8,424,258 | -135 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -320 | Health & Hospitals | Aging & Adult Services | Reduces funding and eliminates 20 positions as a result of streamlining operations and realigning activities in the Administration, Protection & Support Program ($1,092,302 SGF, $196,381 Title 19 Medicaid IAT, and $21,820 Traumatic Head & Spinal Cord Injury Statutory Dedication). In the Adult Protective Services (APS) activity, 2 positions will be eliminated due to the closure of OAAS and OCDD institutions - Acadiana Supports & Services Center in Iota, Northeast Supports & Services Center in Ruston, and the privatization of the Hainkel Home in New Orleans. The nursing facility admission review activity will be contracted out and as a result 7 positions will be eliminated. Eleven (11) positions will be eliminated in the state and regional offices. | -$1,092,302 | -$1,310,503 | -20 |
| 09 -320 | Health & Hospitals | Aging & Adult Services | Non-recurring funding from the federal Systems Transformation Grant ($873,763) and funding from the Office of Public Health ($19,500) in the Administration, Protection & Support Program. In October 2005, the Centers for Medicare & Medicaid Services (CMS) awarded LA the $3 M 5-year Systems Transformation Grant. Grant funds were used to transform the State's long term care system by creating more affordable and accessible housing, developing a quality management program, and creating information technologies that facilitate systems change. In FY 11, the Office of Public Health transferred grant funds from the Centers for Disease Control & Prevention to the agency to implement a H1N1 vaccination campaign to prevent the spread of the flu in the elderly population. | $0 | -$893,263 | 0 |
| 09 -324 | Health & Hospitals | LA Emergency Response Network Board | A net reduction in certain professional service contracts as a result of contracts that have been completed or no longer needed by the agency.<br><br>FY 12 $1,964,233<br>FY 11 $1,601,512<br>Diff. $362,721 | -$362,721 | -$362,721 | 0 |
| 09 -326 | Health & Hospitals | Public Health | Administrative functions within OPH central and regional offices are being consolidated to reduce duplication of effort in the Personal Health Services Program. | -$1,591,301 | -$1,591,301 | -12 |
| 09 -326 | Health & Hospitals | Public Health | Non-recurring federal funding of $4,890,190 in the Personal Health Services Program for the H1N1 grant which has expired. The grant funds were from the Centers for Disease Control & Prevention to respond to ongoing cases and future emerging outbreaks of H1N1. Also, reduction of excess budget authority in SGR of $1 M. | $0 | -$5,890,190 | 0 |
| 09 -326 | Health & Hospitals | Public Health | Non-recurring Overcollections Funds (Statutory Dedications) in the Personal Health Services Program for the following Special Legislative Projects:<br><br>$175,000 David Raines Community Health Center Inc.<br>$7,500 National Kidney Foundation of LA Inc.<br>$50,000 Calcasieu Community Clinic<br>$75,000 Bonnabel High School School-Based Health Center<br>$500,000 Funds for the Lake Charles Residency Program<br>$807,500 Total | $0 | -$807,500 | 0 |
| 09 -326 | Health & Hospitals | Public Health | Annualization of FY 11 mid-year expenditure reductions in the Personal Health Services Program ($12,167,687 SGF and $1,168,944 IAT). | -$12,167,687 | -$13,336,631 | -143 |
| 09 -330 | Health & Hospitals | Behavioral Health | Annualization of FY 11 mid-year reductions in expenditures due to the integration of administrative functions in the newly created Office of Behavioral Health. | -$804,804 | -$804,804 | -11 |
| 09 -330 | Health & Hospitals | Behavioral Health | Non-recurring funding for behavioral health assessments, training, and services related to the Deepwater Horizon Oil Spill. Includes $1.1 M in IAT and $5.1 M in SGR from BP contributions that was distributed to the affected human service districts for crisis relief and outreach services. | $0 | -$6,207,544 | 0 |

# Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -330 | Health & Hospitals | Behavioral Health | Savings achieved as a result of the Low Income Needy Care Collaboration Agreement (LINCCA) from canceled mental health and addictive disorders contracts between OBH and private providers. Through LINCCA, various private hospitals will provide charity care to low income and needy populations at the location these patients currently receive care. The providers will set up a nonprofit organization (LA Clinical Services) that will enter into contracts with individual physicians/providers to provide the same level of care as provided under the previous contracts with OBH, and OBH avoids the 100% SGF cost of these contracts. Although there is no obligation, the State will make supplemental Medicaid UPL payments to the private hospitals.<br><br>Behavioral Health Community Program $2,703,846<br>Hospital Based Treatment Program $2,655,582 | -$5,359,428 | -$5,359,428 | 0 |
| 09 -330 | Health & Hospitals | Behavioral Health | Savings produced from the merger of the former Office of Mental Health and Office for Addictive Disorders into the newly formed Office of Behavioral Health. Specific savings include:<br><br>**($5,215,362) -** Regional office integration including 77 positions for a savings of $3,756,219 in salaries and $1,164,428 in related benefits. An additional $40,873 was reduced from travel expenses and $253,842 in operating services (supplies, overhead).<br>**($3,529,442) -** Integration of addictive disorders administrative personnel. Includes reduction of 34 positions with $2,225,577 in savings from salaries and $953,819 in related benefits. An additional $350,046 was reduced in operating services (supplies, overhead).<br>**($6,908,441) -** Reduction in mental health services due to merger of community mental health pharmacies. Specifically, Central LA State Hospital will be the main pharmacy for OBH; however, each region will maintain a pharmacist on-site to administer emergency medications (5 positions reduction), and all regions will begin utilizing the Patient Assistance Program for lower cost brand name drugs (approximately $1,033,441). There was a 5 positions reduction in regional management for a savings of $325,000, and $4.2 M in client permanent supportive housing funds were shifted from SGF to Federal funds. The Crisis Receiving Center in New Orleans was reduced by $1 M and the Sex Offender Program was reduced by $350,000. | -$15,653,245 | -$15,653,245 | -121 |
| 09 -330 | Health & Hospitals | Behavioral Health | Savings associated with the reduction of 141 positions from salaries and related benefits funded in IAT from the Medical Vendor Payments Program due to the closure of 118 civil beds at the East LA Mental Health System Hospital. An initiative was begun in FY 10 to reduce institutionalization and increase rehabilitation efforts through the community and with family and natural supports rather than hospitalization in an effort to reduce state spending. The reduction was completed 6/30/2011. This is unrelated to the Secure Forensic Facility at ELMHS. | $0 | -$3,815,822 | -141 |
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Eliminates SGR in the Auxiliary Program (Patient Recreation Fund Account) designated for Northeastern Supports & Services Center. In FY 11, Northeastern was consolidated into the Northwestern Supports & Services Center. The Patient Recreation Fund Account provides individually determined supports and services to residents. These activities are funded by the sale of merchandise in the patient canteen. | $0 | -$75,000 | 0 |
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Non-recurring funding from the Community & Family Support System Fund (Statutory Dedication) in the Administration Program for 3 one-year restricted job appointments to assist with waiver approval backlog and capacity issues. Proceeds from the sale of Metropolitan Developmental Center were deposited into the Community & Family Support System Fund. (Special Legislative Projects) | $0 | -$228,000 | 0 |
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Non-recurring funding from the Community & Family Support System Fund (Statutory Dedication) in the Community-Based Program for 18 one-year restricted job appointments statewide to increase regional capacity to focus on Supports Intensity Scale (SIS)/LA PLUS assessment training needs, reviews and waiver approval processes and one-time expenditures for support and services to enable people to live more independently in the community. Proceeds from the sale of Metropolitan Developmental Center were deposited into the Community & Family Support System Fund.<br><br>FY 11 Appropriation $4,384,078<br>FY 11 Projected Expenditures $3,170,389<br>FY 12 Available Budget $1,213,689 | $0 | -$3,170,389 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Reduction of Title 19 Medicaid IAT as a result of a 20% reduction of residents and elimination of 113 positions at Pinecrest Supports & Services Center (97 residents and 57 positions), North Lake Supports & Services Center (56 residents and 13 positions), and Northwest Supports & Services Center (31 residents and 43 positions). The residents determined to be low need individuals according to the Supports Intensity Scale (SIS)/LA PLUS will receive waiver services or moved into a smaller ICF/DD facility. The projected savings are based on the difference between the Medicaid reimbursement rate for public ICF/DD facilities versus the private rate ($208.54). Medicaid reimbursement rate for the public ICF/DD facilities are as follows: $625.59 for Pinecrest, $537.87 for North Lake, and $414.82 for Northwest. | $0 | -$10,088,727 | -113 |
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Annualization of mid-year expenditure reductions at the Pinecrest Supports & Services Center (Title 19 Medicaid IAT). Elimination of 41 positions due to the closure of 4 therapeutic/community homes on the campus of the Leesville Center and a 22 positions reduction at Pinecrest Supports & Services Center ($1,590,218). Also, a reduction of approximately 3% in operating expenses at the Pinecrest Supports & Services Center ($4,778,560). | $0 | -$6,368,778 | -63 |
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Annualization of mid-year expenditure reduction at the Greater New Orleans Supports & Services Center. Elimination of contracts at Greater New Orleans Supports & Services Center ($660,529 SGF). Also, at the end of December 2010, the Bayou Region Supports & Services Center was closed ($751,046 Title 19 Medicaid IAT). | -$660,529 | -$1,411,575 | 0 |
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Reduces funding due to the privatization of the Acadiana Supports & Services Center ($9,639,125 Title 19 Medicaid IAT and $569,600 SGR). On 3/7/2011, OCDD released a Request for Information (RFI) from providers interested in leasing the Acadiana Supports & Services Center in FY 12. | $0 | -$10,208,725 | 0 |
| 09 -340 | Health & Hospitals | Office for Citizens w/ Developmental Disabilities | Annualization of FY 11 mid-year expenditure reductions at the North Lake Supports & Services Center (Title 19 Medicaid IAT). Elimination of 4 positions at North Lake Supports & Services Center ($333,231) and a reduction of approximately 3% in operating expenses ($1,281,058). | $0 | -$1,614,289 | -4 |
| | | | **Major Reductions for Health & Hospitals** | **-$229,926,541** | **-$582,807,705** | **-892** |
| 10 -360 | Children & Family Services | Children & Family Services | Non-recurring IAT funding in the Administration & Executive Support Program from the Department of Public Safety & Corrections as a result of the Deepwater Horizon Event. The original source of IAT funds was an award from BP Exploration & Production (BP), Inc. The funds were for the following expenditures related to the oil spill: salaries and related benefits; travel; operating services; supplies; and other charges for information on distribution of food and food stamps. In addition, funds were used to provide information on the Supplemental Nutrition Assistance Program (SNAP formerly food stamps) to citizens regarding what services are available, how and where to apply and provide assistance with pre-screening services and taking food stamp applications. Also, funding was used to reimburse food banks for food distributed to families. | $0 | -$7,159,290 | 0 |
| 10 -360 | Children & Family Services | Children & Family Services | Non-recurring Supplemental Social Services Block Grant (SSBG) federal funding in the Prevention & Intervention Services Program. DCFS received a 2009 Supplemental SSBG allotment of $129,737,880 in FY 10, of which DCFS was budgeted $30,987,880. In FY 11 DCFS expended the remaining $1,645,122 Supplemental SSBG funds in their budget. The funds were used to provide services to children and families in impacted areas by the hurricanes and enhancing service delivery. | $0 | -$1,645,122 | 0 |
| 10 -360 | Children & Family Services | Children & Family Services | Non-recur IAT funds in the Community & Family Services Program from Division of Administration, Office of Community Development for Community Development Block Grant (CDBG) funding. In 2006, LA received $25.9 M in CDBG funding that was targeted to homelessness relief efforts. The CDBG funds were used for recovery of homeless shelters, transitional housing, and Single Room Occupancy congregate housing, Permanent Supportive Housing, Safe Havens, Housing First, Homeless Prevention and rapid Re-Housing Support Services. The CDBG funds expired at the end of the grant close out period on 9/30/2010. | $0 | -$11,926,685 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 10 -360 | Children & Family Services | Children & Family Services | Annualization of FY 11 mid-year reductions of $2,493,716 ($1,234,672 SGF and $1,259,044 Federal) for salary and related benefits of 56 positions in the Administration & Executive Support Program (50 positions) and the Field Services Program (6 positions). The positions were in the field office and performed functions associated with eligibility and enrollment of public service programs such as SNAP, Child Welfare, and Support Enforcement Services. | -$2,493,716 | -$2,493,716 | -56 |
| 10 -360 | Children & Family Services | Children & Family Services | Reduces funding ($2,662,500 SGF and $2,662,500 Federal) in operating expenses: travel, operating services, supplies, associated with office closures and reductions within the Enrollment & Eligibility Activity in the Field Services Program including $3.5 M for rent, office closures and consolidations. Eligibility & Enrollment Activity provides eligibility and enrollment services for Family Independence Temporary Assistance (FITAP), Disaster Relief, Transitional Services to former FITAP recipients, Strategies To Empower People (STEP), Supplemental Nutrition Assistance Program (SNAP), and Child Care Services. The office closures are part of the reorganization of the Department of Children & Family Services. As of this writing, 17 parish offices have been identified for closure or consolidation. The source of Federal funds are from: Temporary Assistance for Needy Families (TANF) block grant for temporary monthly cash payments; Social Security Act, Section 1113 and P.L. 86-571 for payments to U.S. citizens returning from a foreign country due to mental illness or destitution; Refugee Resettlement Act of 1980 (P.L. 212) for payments to needy refugees; and Child Care & Development Block Grant for child care assistance payment. | -$2,662,500 | -$5,325,000 | 0 |
| 10 -360 | Children & Family Services | Children & Family Services | Reduces funding for the Modernization Project. The goal of the project is to transform the service delivery of DCFS to allow clients multiple ways to apply for services and access services. As a result, clients will no longer have to visit physical DCFS office locations or travel to multiple locations to do business with DCFS. The modernization project includes: (1) customer service call center; (2) electronic case records and document imaging; (3) customer portal that has a web based application for services and allows clients to access their case record to view basic case information; (4) provider portal that allows providers to view and update basic information regarding invoices, payments, and fees; and (5) worker portal that allows DCFS staff to update and maintain client case information. | -$1,500,000 | -$1,500,000 | 0 |
| 10 -360 | Children & Family Services | Children & Family Services | Reduces funding for the group insurance rate increase. | -$1,890,065 | -$1,890,065 | 0 |
| | | | **Major Reductions for Children & Family Services** | **-$8,546,281** | **-$31,939,878** | **-56** |
| 11 -431 | Natural Resources | Office of Secretary | Non-recurring IAT funding from the Office of Public Safety for the Deepwater Horizon Event in FY 11. The source of funding is the Oil Spill Contingency Fund. | $0 | -$267,337 | 0 |
| 11 -432 | Natural Resources | Conservation | Non-recurring IAT funding from the Office of Public Safety for the Deepwater Horizon Event in FY 11. The source of funding is the Oil Spill Contingency Fund. | $0 | -$1,561,820 | 0 |
| 11 -432 | Natural Resources | Conservation | Reduces funding for the group insurance rate increase. | -$136,715 | -$136,715 | 0 |
| 11 -434 | Natural Resources | Mineral Resources | Non-recurring IAT funding from the Office of Public Safety for the Deepwater Horizon Event in FY 11. The source of funding is the Oil Spill Contingency Fund. | $0 | -$101,136 | 0 |
| 11 -435 | Natural Resources | Coastal Restoration & Management | Non-recurring IAT funding from the Office of Public Safety for the Deepwater Horizon Event in FY 11. The source of funding is the Oil Spill Contingency Fund. | $0 | -$445,424 | 0 |
| 11 -435 | Natural Resources | Coastal Restoration & Management | Non-recurring Statutory Dedications from the Oil Spill Contingency Fund for coastal activities related to the Deepwater Horizon Event in FY 11. Funding was placed in the budget by Act 41 of 2010. This budget authority was inadvertently placed in this agency and was not utilized. | $0 | -$60,000,000 | 0 |
| | | | **Major Reductions for Natural Resources** | **-$136,715** | **-$62,512,432** | **0** |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 13 - | Environmental Quality | Department Wide | The Department of Environmental Quality reduced 42 positions and $4,171,377 department wide. Of the 42 positions, 35 were located at headquarters and 7 were located in regional offices (3 - Baton Rouge, 2 - Harahan, 1 - Lake Charles, and 1 - Shreveport). Also, all of the positions were vacant as 39 were cut through retiree incentives in August 2010 and 3 Administrator positions were eliminated through reorganization in October 2010. In the Office of the Secretary (13-850), 5 positions and approximately $450,000 in associated funding was eliminated. The Office of Environmental Compliance (13-851) eliminated 19 positions and approximately $2.04 M in associated funding. The Office of Environmental Services (13-852) eliminated 12 positions and approximately $1.25 M in associated funding. Finally, the Office of Management & Finance (13-855) eliminated 6 positions and approximately $430,000 in associated funding. | $0 | -$4,171,377 | -42 |
| 13 -850 | Environmental Quality | Office of Secretary | Reduces Statutory Dedications funding from the Environmental Trust Fund for travel ($3,000), operating services ($3,000), supplies ($6,300) and IAT ($41,800). | $0 | -$54,100 | 0 |
| 13 -851 | Environmental Quality | Environmental Compliance | Reduces Statutory Dedications funding from the Environmental Trust Fund for travel ($32,000), operating services ($181,000), supplies ($48,000), professional services ($250,100) and IAT ($37,631). | $0 | -$548,731 | 0 |
| 13 -852 | Environmental Quality | Environmental Services | Reduces Statutory Dedications funding from the Environmental Trust Fund for travel ($9,000), operating services ($14,900), supplies ($15,700)) and IAT ($22,650). | $0 | -$62,250 | 0 |
| 13 -855 | Environmental Quality | Management & Finance | Reduces Statutory Dedications funding from the Environmental Trust Fund for rental cost in a state owned building. The department has moved out of 2 floors in the Galvez Building. | $0 | -$1,716,380 | 0 |
| 13 -855 | Environmental Quality | Management & Finance | Reduces Statutory Dedications funding from the Environmental Trust Fund for other compensation for student labor ($180,000), travel ($30,000), operating services ($44,100), supplies ($100,000), professional services ($540,100) and IAT ($22,000). | $0 | -$970,371 | 0 |
| | | | **Major Reductions for Environmental Quality** | **$0** | **-$7,523,209** | **-42** |
| 14 -474 | Workforce Commission | Workforce Support & Training | This adjustment non-recurs the federal authority in the Workforce Commission budget from the American Recovery & Reinvestment Act (ARRA). The funds were used as a supplement to the Workforce Investment Act/Wagner Peyser Program and Community Services Block Grants for Community Action Agencies. | $0 | -$4,897,141 | 0 |
| 14 -474 | Workforce Commission | Workforce Support & Training | This adjustment non-recurs IAT budget authority related to a Community Development Block Grant transferred through the Division of Administration from U.S. Housing & Urban Development and made available to areas impacted by the storms. The grant helped to create sector-based training programs to address the need for trained workers and to support recovery and rebuilding. | $0 | -$6,517,636 | 0 |
| | | | **Major Reductions for Workforce Commission** | **$0** | **-$11,414,777** | **0** |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 16 -511 | Wildlife & Fisheries | Management & Finance | Non-recurring IAT funding from the Office of Public Safety for the Deepwater Horizon Event in FY 11. The source of funding is the Oil Spill Contingency Fund. | $0 | -$695,204 | 0 |
| 16 -512 | Wildlife & Fisheries | Office of Secretary | NNon-recurring IAT funding from the Office of Public Safety for the Deepwater Horizon Event in FY 11. The source of funding is the Oil Spill Contingency Fund. | $0 | -$8,763,908 | 0 |
| 16 -512 | Wildlife & Fisheries | Office of Secretary | Non-recurring one-time Statutory Dedications funding from the Overcollections Fund for a Special Legislative Project that funded equipment and operational expenses. Funding was used for an iris planting project in the Jeanerette area. | $0 | -$75,000 | 0 |
| 16 -512 | Wildlife & Fisheries | Office of Secretary | Non-recurring of funding provided by a fisheries recovery grant from the Office of Community Development. Funding assisted in promoting the recovery and rebuilding the LA commercial fishing industry with regard to damage caused by hurricanes Gustav and Ike. | $0 | -$188,971 | 0 |
| 16 -513 | Wildlife & Fisheries | Office of Wildlife | Non-recurring IAT funding from the Office of Public Safety for the Deepwater Horizon Event in FY 11. The source of funding is the Oil Spill Contingency Fund. | $0 | -$4,895,570 | 0 |
| 16 -514 | Wildlife & Fisheries | Office of Fisheries | Non-recurring IAT funding from the Office of Public Safety for the Deepwater Horizon Event in FY 11. The source of funding is the Oil Spill Contingency Fund. | $0 | -$6,290,312 | 0 |
| | | | **Major Reductions for Wildlife & Fisheries** | **$0** | **-$20,908,965** | **0** |
| 17 - | Civil Service | Department Wide | Reduces funding for the group insurance rate increase as follows: Ethics Administration ($20,204); State Police ($3,250); and Division of Administrative Law ($1,881). | -$25,335 | -$25,335 | 0 |
| 17 -560 | Civil Service | State Civil Service | Non-recurring funding ($102,851 IAT and $6,029 SGR) for the Civil Service Commission election. | $0 | -$108,880 | 0 |
| | | | **Major Reductions for Civil Service** | **-$25,335** | **-$134,215** | **0** |
| 19A- | Higher Education | Department Wide | Reduces funding for the group insurance rate increase as follows: LA State University System ($7,911,562); Southern University System ($423,465); University of LA System ($3,300,816); LA Community & Technical Colleges System ($1,083,835); Office of Student & Financial Assistance ($31,050); Board of Regents ($21,334); and LUMCON ($12,203). | -$12,784,265 | -$12,784,265 | 0 |
| 19A-600 | Higher Education | LSU System | Non-recurring one-time funding for Special Legislative Projects (SLP) at the LSU Agricultural Center. This project was funded with Statutory Dedications from the Overcollections Fund and was used for general operating expenses. | $0 | -$5,000,000 | 0 |
| 19A-600 | Higher Education | LSU System | Non-recurring one-time funding for Special Legislative Projects (SLP) at LSU - Shreveport. This project was funded with Statutory Dedications from the Overcollections Fund and was used for the Practice Management Program working in collaboration with the Workforce Commission. | $0 | -$500,000 | 0 |
| 19A-600 | Higher Education | LSU System | Non-recurring one-time funding for Special Legislative Projects (SLP) at the LSU Health Sciences Center in Shreveport. These projects were funded with Statutory Dedications from the Overcollections Fund and were used for nutrition screenings, obesity education, and studying autism. | $0 | -$300,000 | 0 |
| 19A-600 | Higher Education | LSU System | Non-recurring one-time funding for a Special Legislative Projects (SLP) at the LSU Health Sciences Center in New Orleans. This project was funded with Statutory Dedications from the Overcollections Fund and were used for the colorectal cancer program. | $0 | -$75,000 | 0 |
| 19A-600 | Higher Education | LSU System | Non-recurring one-time funding for Special Legislative Projects (SLP) at LSU A&M. These projects were funded with Statutory Dedications from the Overcollections Fund and were used for equipment at the College of Engineering ($238,000) and the Truancy Assessment & Services Center (TASC) Program ($645,000). | $0 | -$883,000 | 0 |
| 19A-600 | Higher Education | LSU System | Adjusts Statutory Dedications from the Firemen Training Fund for the LSU Fire & Emergency Training Institute (FETI) due to a downward revision by the Revenue Estimating Conference. The Firemen Training statutorily dedicated funds (1/4 for 1% Fire Insurance Premium Fund) for FY 11 was $3,523,950 and FY 12 is $3.2 M. | $0 | -$323,950 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 19A-600 | Higher Education | LSU System | Reduction in one-time funding from the Higher Education Initiatives Fund used to meet maintenance of effort requirements associated with the American Recovery & Reinvestment Act (ARRA) for Institutions of Higher Education (IHEs). These funds were not tied to any specific uses or services per the Office of Planning & Budget. | $0 | -$287,620 | 0 |
| 19A-615 | Higher Education | SU System | Non-recurring one-time funding for a Special Legislative Projects (SLP) at Southern University in Shreveport. This project was funded with Statutory Dedications from the Overcollections Fund and were used for the Incubator and Community Development Center. | $0 | -$325,000 | 0 |
| 19A-615 | Higher Education | SU System | Reduction in one-time funding from the Higher Education Initiatives Fund used to meet maintenance of effort requirements associated with the American Recovery & Reinvestment Act (ARRA) for Institutions of Higher Education (IHEs). These funds were not tied to any specific uses or services per the Office of Planning & Budget. | $0 | -$51,242 | 0 |
| 19A-620 | Higher Education | UL System | Non-recurring one-time funding for Special Legislative Projects (SLP) at the University of LA at Monroe. The following projects were funded with Statutory Dedications from the Overcollections Fund: Retired Senior Volunteer Program ($5,000); Kitty DeGree Speech & Hearing Center ($10,000); and a multipurpose training center ($75,000). | $0 | -$90,000 | 0 |
| 19A-620 | Higher Education | UL System | Non-recurring one-time funding for Special Legislative Projects (SLP) at Grambling State University. This project was funded with Statutory Dedications from the Overcollections Fund and were used for Grambling State University Laboratory High School. | $0 | -$10,000 | 0 |
| 19A-620 | Higher Education | UL System | Non-recurring one-time funding for Special Legislative Projects (SLP) at Nicholls State University. The following projects were funded with Statutory Dedications from the Overcollections Fund: Center for Dyslexia & Related Learning Disorders ($125,000); LA Center for Women in Government ($225,000); and facility improvements ($150,000). | $0 | -$500,000 | 0 |
| 19A-620 | Higher Education | UL System | Reduction in one-time funding from the Higher Education Initiatives Fund used to meet maintenance of effort requirements associated with the American Recovery & Reinvestment Act (ARRA) for Institutions of Higher Education (IHEs). These funds were not tied to any specific uses or services per the Office of Planning & Budget. | $0 | -$251,367 | 0 |
| 19A-649 | Higher Education | LCTCS System | Non-recurring one-time funding for Special Legislative Projects (SLP) at L. E. Fletcher Technical Community College. This project was funded with Statutory Dedications from the Overcollections Fund and was used for acquisitions at the LA Marine & Petroleum Institute (LAMPI) facility. | $0 | -$25,000 | 0 |
| 19A-649 | Higher Education | LCTCS System | Non-recurring one-time funding for Special Legislative Projects (SLP) at the LCTCS Board of Supervisors. This project was funded with Statutory Dedications from the Overcollections Fund and were used for vocational job training at the LA Methodist Children's Home operated by the LA United Children & Family Services, Inc. | $0 | -$125,000 | 0 |
| 19A-649 | Higher Education | LCTCS System | Non-recurring one-time funding for Special Legislative Projects (SLP) at the LA Technical College (LTC). This project was funded with Statutory Dedications from the Overcollections Fund and was used for the off-campus welding program. | $0 | -$150,000 | 0 |
| 19A-649 | Higher Education | LCTCS System | Reduction in one-time funding from the Higher Education Initiatives Fund used to meet maintenance of effort requirements associated with the American Recovery & Reinvestment Act (ARRA) for Institutions of Higher Education (IHEs). These funds were not tied to any specific uses or services per the Office of Planning & Budget. | $0 | -$109,771 | 0 |
| 19A-671 | Higher Education | Board of Regents | Reduces vacant positions within higher education. This adjustment did not include any funding associated with elimination of the vacant positions. | $0 | $0 | -862 |
| 19A-671 | Higher Education | Board of Regents | Reduces budget authority to align spending authority with projected revenue for LA Quality Education Support Fund due to a downward revision in proceeds from the 8(g) fund due to a downward revision by the Revenue Estimating Conference. The FY 11 budget for 8(g) was $30,572,300. This adjustment decreases FY 12 8(g) budget to $29.73 M. | $0 | -$842,300 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 19A-671 | Higher Education | Board of Regents | Annualization of FY 11 mid-year reductions. The Board of Regents allocated these reductions to affected institutions based on pro rata decreases in SGF. | -$34,745,030 | -$34,745,030 | 0 |
| | | | **Major Reductions for Higher Education** | **-$47,529,295** | **-$57,378,545** | **-862** |
| 19B-653 | Special Schools & Comm. | LA Schools for the Deaf & Visually Impaired | Reduces funding for the group insurance rate increase. | -$230,048 | -$230,048 | |
| 19B-657 | Special Schools & Comm. | LA School for Math, Science, & the Arts | Annualization of FY 11 mid-year reduction in salaries ($17,000), operating services ($40,252) and other charges ($48,408). Other areas with reductions included travel, related benefits, and supplies. | -$134,066 | -$134,066 | 0 |
| 19B-657 | Special Schools & Comm. | LA School for Math, Science, & the Arts | Reduces funding for the group insurance rate increase. | -$69,808 | -$69,808 | |
| 19B-662 | Special Schools & Comm. | LA Educational Television Authority | Annualization of FY 11 mid-year reduction in operating services. | -$100,000 | -$100,000 | 0 |
| 19B-662 | Special Schools & Comm. | LA Educational Television Authority | Non-recurring IAT revenue that was one-time funding from the Department of Culture, Recreation, & Tourism (CRT) for promotion of LA after the Deepwater Horizon Oil Spill. LETA produced a 27-part series with Chef John Folse on the food and culture of LA which is being distributed nationally to public television stations. Each episode of the series contains a message from CRT promoting LA as a tourist destination.<br><br>Of the $1 M, $456,734 went to the 2 public television stations in New Orleans (WYES and WLAE) as directed by the state legislature for similar television projects. | $0 | -$1,000,000 | 0 |
| 19B-662 | Special Schools & Comm. | LA Educational Television Authority | Reduces funding for the group insurance rate increase. | -$55,089 | -$55,089 | |
| 19B-666 | Special Schools & Comm. | State Board of Elementary & Secondary Education | A reduction to the LA Quality Education Support Fund 8(g) of $15.9 M due to a decrease in projected revenues for FY 11 and FY 12 as determined by the LA Department of the Treasury. The total 8(g) budget available for K-12 Education for FY 12 is $21,968,600. | $0 | -$15,975,924 | 0 |
| 19B-666 | Special Schools & Comm. | State Board of Elementary & Secondary Education | Reduces funding for the group insurance rate increase. | -$24,023 | -$24,023 | 0 |
| 19B-673 | Special Schools & Comm. | New Orleans Center for Creative Arts-Riverfront | Annualization of FY 11 mid-year reductions in operating services ($65,875), other charges ($65,000), and acquisitions ($25,000). | -$155,875 | -$155,875 | 0 |
| 19B-673 | Special Schools & Comm. | New Orleans Center for Creative Arts-Riverfront | Reduces funding for the group insurance rate increase. | -$32,224 | -$32,224 | |
| | | | **Major Reductions for Special Schools & Comm.** | **-$801,133** | **-$17,777,057** | **0** |

# Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 19 -678 | Elem. & Secondary Educ. | State Activities | A reduction of positions and funding in the State Activities agency as a result of annualization of FY 11 mid-year reductions and an additional reductions in expenditures. There will be a reduction of 22 positions, of which 18 will come from vacancies. | -$1,572,865 | -$2,606,306 | -22 |
| 19 -678 | Elem. & Secondary Educ. | State Activities | Reduces funding for the group insurance rate increase. | -$385,412 | -$385,412 | 0 |
| 19 -681 | Elem. & Secondary Educ. | Subgrantee Assistance | A reduction of 8(g) funds for the Literacy & Numeracy Program due to a reduction of the total allocation of 8(g) to BESE by $15.9M for FY 12. | $0 | -$3,868,558 | 0 |
| 19 -681 | Elem. & Secondary Educ. | Subgrantee Assistance | A reduction of 8(g) funds for the Everybody Graduates Program due to a reduction of the total allocation of 8(g) to BESE by $15.9M for FY 12. | $0 | -$1,095,000 | 0 |
| 19 -682 | Elem. & Secondary Educ. | Recovery School District | RECOVERY SCHOOL DISTRICT - INSTRUCTION PROGRAM - Reduces funding for risk management premiums by $3,023,583. The Department of Education reports that the RSD will provide less instructional support as a result of this reduction. | -$3,023,583 | -$3,023,583 | 0 |
| 19 -699 | Elem. & Secondary Educ. | Special School Districts | A reduction of positions and funding in the Special School District agency as a result of annualization of FY 2011 mid-year reductions and an additional reduction in personnel. There will be a reduction of 6 vacant positions. The funding source is SGF and IAT ($75,648). | -$238,472 | -$314,120 | -6 |
| 19 -699 | Elem. & Secondary Educ. | Special School Districts | Reduces funding for the group insurance rate increase. | -$139,914 | -$139,914 | 0 |
| | | | **Major Reductions for Elem. & Secondary Educ.** | **-$5,360,246** | **-$11,432,893** | **-28** |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Annualization of FY 11 mid-year reductions at the HCSD hospitals for a total of $5,307,534. The adjustment was approved by an in-house BA-7 on 12/17/2010 as per Executive Order BJ 2010-20. Reductions by hospital are as follows:<br>**EKL ($1,714,585) - 6 positions moved to Unallotted**<br>Salaries - $134,599<br>Related Benefits - $72,476<br>Professional Services - $836,620<br>Other Charges - $670,890<br>**BMC ($251,585)**<br>Professional Services - $192,358<br>Other Charges -$59,227<br>**WOM ($334,625)**<br>Professional Services - $215,413<br>Other Charges -$119,212<br>**LK ($264,519)**<br>Professional Services - $189,763<br>Other Charges - $74,756<br>**UMC ($376,355) - 4 positions moved to Unallotted**<br>Salaries - $64,243<br>Related Benefits - $34,592<br>Professional Services -$203,770<br>Other Charges - $73,750<br>**LJC ($293,615)**<br>Professional Services - $199,715<br>Other Charges -$93,900<br>**MCLNO ($2,072,250)**<br>Professional Services - $1,026,219<br>Other Charges -$1,046,031 | -$5,307,534 | -$5,307,534 | 0 |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Adjusts IAT budget authority from DHH DSH replacement funds that were to be given to HCSD hospitals for the DSH audit rule. These expenditures will be saved as a result of the Low Income Needy Care Collaboration Agreement (LINCCA) initiative from canceled service contracts between HCSD and private providers. Instead, the private hospital providers will assume the payment for these services and though there is no obligation, DHH will make UPL payments to the private providers. HCSD will save the 100% SGF costs of these contracts. Savings by hospital are as follows:<br><br>EKL ($3,733,026)<br>MCLNO ($8,910,540)<br>UMC ($3,083,114)<br>WOM ($1,342,594)<br>LK ($1,214,208)<br>BMC ($1,473,565)<br>LJC ($2,809,325)<br>**Total** **($22,566,372)** | $0 | -$22,566,372 | 0 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Hospital budget adjustment for Earl K. Long Medical Center (EKL). Reductions by means of finance will be $3,122,878 from SGF, $8,745,265 from IAT (Medicaid and UCC), $9,350,994 from SGR, and $182,043 from Federal funds. HCSD plans for EKL include the following:<br><br>Discontinue inpatient/outpatient obstetrics ($7,064,082)<br>Discontinue pediatric services ($2,792,534)<br>Outpatient pharmacy savings ($10,642,564)<br>Close catheter lab ($902,000)<br>TOTAL CUTS IDENTIFIED ($21,401,180) | -$3,122,878 | -$21,401,180 | -113 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Hospital budget adjustment for the Medical Center of LA at New Orleans (MCLNO). Reductions by means of finance will be $1,887,049 from SGF, $5,183,711 from IAT (Medicaid and UCC), $9,993,458 from SGR, and $88,807 in Federal funds will be increased. HCSD plans for MCLNO include the following:<br><br>Discontinue outpatient obstetrics ($1,700,000)<br>Outpatient pharmacy savings ($12,651,929)<br>Discontinue general dentistry services ($623,482)<br>Reduce Urgent Care Clinic hours ($1,350,000)<br>Discontinue hyperbarics ($650,000)<br>TOTAL CUTS IDENTIFIED ($16,975,411) | -$1,887,049 | -$16,975,411 | -82 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Hospital budget adjustment for University Medical Center (UMC). Reductions by means of finance will be $830,033 from SGF, $2,621,212 from IAT (Medicaid and UCC), and $3,443,174 from SGR, and $45,046 from Federal funds. HCSD plans for UMC include the following:<br><br>Close obstetrics with 6 month transitional period ($1,588,967)<br>Close pediatric services with 6 month transitional period ($1,411,486)<br>Outpatient pharmacy savings ($3,939,012)<br>TOTAL CUTS IDENTIFIED ($6,939,465) | -$830,033 | -$6,939,465 | -6 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Hospital budget adjustment for W. O. Moss Regional Medical Center (WOM). Reductions by means of finance will be $371,937 from SGF, $4,101,894 from IAT (Medicaid and UCC), $3,268,716 from SGR, and $660,702 from Federal funds. HCSD plans for WOM include the following:<br><br>Discontinue pediatric services ($322,682)<br>Outpatient pharmacy savings ($3,529,742)<br>Discontinue surgery ($4,550,825)<br>TOTAL CUTS IDENTIFIED ($8,403,249) | -$371,937 | -$8,403,249 | -42 |

# Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Hospital budget adjustment for Lallie Kemp Regional Medical Center. Reductions by means of finance will be $84,271 from SGF, $477,173 from IAT (Medicaid and UCC), $246,604 from SGR, and $168,609 from Federal funds. HCSD plans for Lallie Kemp include the following:<br><br>Discontinue pediatric services ($243,808)<br>Outpatient pharmacy savings ($588,857)<br>Surgery services ($143,992)<br>TOTAL CUTS IDENTIFIED ($976,657) | -$84,271 | -$976,657 | -26 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Hospital budget adjustment for Bogalusa Medical Center (BMC). Reductions by means of finance will be $87,230 from SGF, $7,142 in IAT (Medicaid and UCC), and $754,030 from SGR, and $25,025 in Federal funds. HCSD anticipates that BMC will achieve $873,427 in savings from reorganization of its outpatient pharmacy. | -$87,230 | -$873,427 | 0 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Hospital budget adjustment for Leonard J. Chabert Medical Center (LJC). Reductions by means of finance will be $1,168,628 from SGF, $4,693,157 from IAT (Medicaid and UCC), and $1,609,402 from SGR, and $40,041 from Federal funds. HCSD plans for LJC include the following:<br><br>Discontinue outpatient/inpatient obstetrics ($4,996,524)<br>Discontinue pediatric services ($930,779)<br>Outpatient pharmacy savings ($1,527,802)<br>Discontinue general dentistry services ($56,123)<br>TOTAL CUTS IDENTIFIED ($7,511,228) | -$1,168,628 | -$7,511,228 | -7 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Adjusts IAT from Medicaid funding throughout the 7 HCSD hospitals due to savings that will be generated as a result in new initiative requiring prior authorization for outpatient surgical procedures, ultrasounds and imaging for treatment of cardiovascular disease. Without prior authorization, the procedure will be non-reimbursable by Medicaid. If HCSD incurs any cost that is later denied, it becomes an unallowable cost paid with SGF since UCC funds cannot be used to reimburse for costs associated with a Medicaid patient per the LA State Plan. Estimated Medicaid savings by hospital are as follows:<br><br>LJC ($236,028)<br>BMC ($99,770)<br>LK ($66,481)<br>WOM ($73,350)<br>UMC ($248,067)<br>MCLNO ($942,914)<br>EKL ($315,046)<br>**Total** **($1,981,656)** | $0 | -$1,981,656 | 0 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Non-recurring one-time funding as per a line-item amendment for special legislative projects. This money was added to the pool of Uncompensated Care Costs (UCC) funding that W. O. Moss receives for the purpose of providing care to the uninsured since the Executive Budget appropriation did not cover anticipated UCC costs. Adjustment includes $824,402 IAT and $300,000 in Statutory Dedications. | $0 | -$1,124,402 | 0 |
| 19E-610 | LSU Health Care Services Division | LSU HSC-HCSD | Reduction in IAT base budget. The funds will be reduced from the E. A. Conway (EAC) UPL payments to the HCSD hospitals. Reduction was necessitated by imbalanced LINCCA savings distribution in FY 12 Executive Budget. Instead of adjusting LINCCA savings, this adjustment reduces HCSD's EAC UPL payments from $46,922,848 to $42,325,717 and allows the $4.6 M to be redistributed among LSU-Shreveport (LSU-S), Huey P. Long (HPL), and EAC. LSU-S had no eliminated contracts as per the LINCCA plan and did not realize any savings, and HPL and EAC's budgets needed to be adjusted according to actual savings resulting from LINCCA, so the $4.6 M was returned to their budgets. | $0 | -$4,597,131 | 0 |
| | | | **Major Reductions for LSU Health Care Services Division** | **-$12,859,560** | **-$98,657,712** | **-276** |

## Major Reductions in the FY 12 Budget Compared to the FY 11 Budget

| Sch. # | Dept. | Agency | Explanation | SGF | Total | T. O. |
|---|---|---|---|---|---|---|
| 20 -451 | Other Requirements | Local Housing of State Adult Offenders | Savings as a result of Acts 649 and 792 of 2010. Act 649 provides that offenders incarcerated after January 1, 1992, can receive good time at a the current rate of 35 days for 30 days served, retroactively. Act 792 provides credit for time served for good behavior while on parole. DOC anticipates that this change will decrease the number of adult offenders housed in local facilities by 1,500 during FY 12. The savings of $13,353,525 ($24.39 per day x 365 days x 1,500 offenders) will occur by no longer paying $24.39 to house 1,500 offenders in local facilities for 1 year. | -$13,353,525 | -$13,353,525 | 0 |
| 20 -452 | Other Requirements | Local Housing of State Juvenile Offenders | Annualization of FY 11 mid-year reduction for payments to non-state facilities for youth adjudicated to the Office of Juvenile Justice (OJJ) custody or a member of a family in need of services (FINS). The daily rate for pending secure care is $105.43 and the daily rate for pending nonsecure care is $24.39. | -$201,430 | -$201,430 | 0 |
| 20 -931 | Other Requirements | LED Debt Service / State Commitments | Reduces SGF appropriation related to one payment of the debt service on the Northrup Grumman obligation. This is the debt service on the money utilized in the funds bill which was returned by Northrup Grumman because performance parameters were not met. The escrow account holding unexpended funds for equipment that was reserved for Northrup Grumman will pay the debt service and falls outside of the LED budget. | -$1,165,069 | -$1,165,069 | 0 |
| 20 -941 | Other Requirements | Agriculture & Forestry Funds | Annualization of FY 11 mid-year reductions. | -$102,692 | -$102,692 | 0 |
| 20 -941 | Other Requirements | Agriculture & Forestry Funds | Reduces Statutory Dedications funding from the Forestry Productivity Fund that was available to landowners under the Forest Productivity Program based on the Revenue Estimating Conference's projections adopted 3/7/2011. The appropriation for FY 12 is $1,936,976. The REC projection in FY 12 for the Forestry Productivity Fund is $2.2 M. The balance of the fund is appropriated for operating expenses in the Forestry Program. | $0 | -$700,240 | 0 |
| 20 -945 | Other Requirements | State Aid to Local Govt. Entities | Non-recurring funding from the Overcollections Fund that provided for various special legislative projects. | $0 | -$12,180,500 | 0 |
| 20 -945 | Other Requirements | State Aid to Local Govt. Entities | Reduces the FY 12 budget authority for the Beautification and Improvement of the New Orleans City Park Fund to reflect Revenue Estimating Conference projections. The FY 12 recommended amount from this fund is $2,065,325. | $0 | -$134,675 | 0 |
| 20 -950 | Other Requirements | Special Acts/Judgments | Eliminates funding for non-recurring carryforwards. | -$185,292 | -$185,292 | 0 |
| 20 -XXX | Other Requirements | Funds | Reduces funding for the group insurance rate increase. | -$8,339 | -$8,339 | 0 |
| | | | **Major Reductions for Other Requirements** | **-$15,016,347** | **-$28,031,762** | **0** |
| | | | **Major Reductions of FY 2012** | **-$401,991,904** | **-$2,047,603,829** | **-2,987** |

# Section III

# BUDGETARY OVERVIEWS

## 2011 Regular Legislative Session – Major Money Bills

The FY 12 budget development process began in August 2010 with an anticipated FY 12 budget deficit of approximately $1.6 B, which included approximately $500 M of SGF revenue growth. Act 12 (HB 1), Act 378 (HB 477) and Act 52 (HB 611 of FY 11) all played a role in crafting the FY 12 budget and the FY 11 supplemental appropriation bill (HB 611). Below is a chart that summarizes the results of these various legislative measures.

| | |
|---|---|
| Total FY 12 SGF Available: | |
| State General Fund (5/18/2011) (REC) | $8,264,264,524 |
| **Total FY 12 SGF Available** | **$8,264,264,524** |
| | |
| Total FY 12 SGF Appropriated Expenditures: | |
| Non-Appropriated Requirements | $414,625,631 |
| General Appropriations (Act 12) | $7,640,426,973 |
| Ancillary Appropriations (Act 42) | $0 |
| Judicial Appropriations (Act 62) | $67,377,543 |
| Legislative Appropriations (Act 72) | $138,862,434 |
| **Total FY 12 SGF Appropriated Expenditures** | **$8,261,292,581** |
| | |
| **FY 12 SGF Revenue Less FY 12 SGF Appropriations** | **$2,916,943** |

In addition to the approximately $8.3 B of SGF (an increase of approximately $600 M over what was originally available for FY 11 - $7,718.9 B), there was approximately $557.8 M of various resources made available for typical SGF operating expenditures that may have to be replaced with other resources in FY 13.

Below is a listing of the various major resources utilized in FY 12 to prevent further FY 12 SGF reductions. The total major resources utilized equate to approximately **$557.8 M**. The specific resources are as follows:

- $39,000,000 Overcollections Fund (Capital Outlay) – Act 52 includes a means of finance substitution that replaces a 2007 (Act 203 of 2007) capital outlay appropriation from the Overcollections Fund with Federal funds in a like amount. The capital outlay project impacted by this adjustment is the Medical Center in New Orleans. This MOF substitution effectively "freed-up" Overcollections Fund that could be appropriated for other FY 12 needs.

- $81,448,446 LA Mega Project Development Fund – Act 12 appropriates $81.4 M from the LA Mega Project Development Fund to the Overcollections Fund. There is approximately $41.2 M remaining within this fund.

- $25,000,000 SGF (Capital Outlay) – Act 52 includes a means of finance substitution that replaces a 2007 (Act 203 of 2007) capital outlay appropriation from the SGF with Federal funds in a like amount. The capital outlay project impacted by this adjustment is the psychiatric hospital at Central LA State Hospital. This MOF substitution effectively "freed-up" prior year SGF that could be appropriated for other FY 12 needs. This excess SGF was transferred to either the Overcollections Fund or the Medical Assistance Trust Fund (MATF) for FY 12 appropriations.

- $30,000,000 FY 12 SGF (OGB – Preamble) – Section 18(D) of Act 12 provides for the commissioner of administration to reduce SGF of not less than $30 M. The specific agency breakdown of the $30 M reduction is as follows:

**SECTION 18 (D)**

| | |
|---|---|
| 01-EXEC | ($747,960) |
| 03-VETS | ($36,250) |
| 04-STATE | ($180,348) |
| 04-JUSTICE | ($150,379) |
| 04-LT. GOV | ($5,911) |
| 04-TREAS | $0 |
| 04-PSC | $0 |
| 04-AGRI | ($672,175) |
| 04-DOI | $0 |
| 05-LED | ($74,429) |
| 06-CRT | ($311,045) |
| 07-DOTD | $0 |
| 08-CORR | ($4,626,753) |
| 08-DPS | ($2,346,429) |
| 08-YOUTH | ($666,924) |
| 09-DHH | ($4,400,160) |
| 10-DSS | ($1,890,065) |
| 11-DNR | ($136,715) |
| 12-REV | $0 |
| 13-DEQ | $0 |
| 14-WORK | $0 |
| 16-WLF | $0 |
| 17-CIVIL | ($25,335) |
| 19-HIED | ($12,784,265) |
| 19-SPEC | ($551,106) |
| 19-DOE | ($385,412) |
| 19-HCSD | $0 |
| 20-OTHER | ($8,339) |
| 21-ANCIL | $0 |
| 22-NON | $0 |
| 23-JUDI | $0 |
| 24-LEGI | $0 |
| 26-CAP | $0 |
| **TOTAL** | **($30,000,000)** |

- $108,221,149 FY 11 Net SGF – Act 378 transfers net FY 11 SGF of $108.2 M into the Overcollections Fund and MATF. The net transfer breakdown is as follows: $23,280,920 – Overcollections Fund, $84,940,229 – MATF. There are 3 specific transfers that impact FY 11 SGF resources. They are: 1.) Transfer $50,200,858 from SGF to Overcollections Fund, 2.) Transfer $84,940,229 from SGF to the LA Medical Assistance Trust Fund (MATF) for a total SGF transfer of $135,141,087. The majority of $135.1 M in SGF has been made available due to $8 M hiring freeze savings (BJ 2010-12), $67 M Ed Jobs grant funds made available, $22 M

Interim Emergency Board (IEB) FY 11 excess, $33 M FY 11 excess debt service payments and $25 M means of financing substitution in capital outlay discussed on the previous page (Central LA State Hospital).

- $119,000,000 Self-Insurance Fund – Act 378 transfers $89,009,695 from this fund to the LA Medical Assistance Trust Fund (MATF) and transfers $29,990,305 from this fund to the Overcollections Fund for FY 12 expenditure. The transfer from the Self-Insurance Fund consists of settlements with FEMA and excess insurance reimbursements for damage to state property during Katrina and Gustav. Katrina-related dollars ($111.5 M) were those being held as reimbursement to FEMA for claims paid and subsequently covered by the state's self-insurance or excess insurance. With on-going negotiations and settlements, it is expected that future FEMA obligations to the state will be greater than the state's reimbursements to FEMA. The remainder of the Self-Insurance Fund sweep ($7.5 M) was a reimbursement of excess insurance proceeds for claims already covered by self-insurance. All cash is on hand except about $10 M of the Katrina payments, which is currently in process and was deposited before July 2011.

- $41,022,977 FEMA Reimbursement Fund – Act 378 transfers approximately $41 M from this fund into MATF for FY 12 expenditure. In FY 07, the Recovery School District (RSD) utilized approximately $34 M from this fund for various Hurricane Katrina related expenditures. Once the RSD received reimbursement from FEMA for these expenditures in FY 10, the fund was reimbursed. The majority of the $41 M transferred is repayment from the RSD.

- $37,673,208 LA Economic Development Fund – Act 378 transfers $37.7 M from this fund into MATF for FY 12 expenditure. A large portion ($34.5M) of the transfer from the LA Economic Development fund is the state's clawback of an economic development incentive from Northrup Grumman due to its failure to meet the jobs creation threshold put in place when the incentive was distributed. The remaining transfer is for the bond debt payments from Spring 2011 and Fall 2012 on the Northrup Grumman incentive, which was budgeted through LED. The payments, which are typically made through the LA Economic Development Fund, were or will be made from interest earned by the incentive funds (both those returned and those in reserve for Northrup Grumman but never utilized).

- $25,100,000 LA Housing Finance Agency (LHFA) – Act 378 transfers $25.1 M from the accounts of LHFA to MATF for FY 12 expenditure. According to the LHFA, transferring $25.1 M would likely result in approximately $1 M of unearned interest accruing within their investment account (assuming a 4% interest rate). NOTE: Act 408 of 2011 creates the LA Housing Corporation, which consolidates various housing programs, including the LHFA, into the newly created corporation. Pursuant to the Act 408, the LHFA will be terminated effective 6/30/ 2012.

- $10,590,000 DHH Facility Support Fund – Act 378 transfers $10.6 M from this fund to MATF for FY 12 expenditure. At this point, the land has not been sold and it is unknown as to how many of the approximate 1,600 acres will actually be sold.

- $26,613,236 Artificial Reef Development Fund – Act 378 transfers $26.6 M from this fund to MATF for FY 12 expenditure. After the $26.6 M transfer, the FY 11 ending year fund balance will be approximately $6.4 M. To the extent this fund collects the projected $8.6 M in FY 12 and the total FY 12 appropriation of $7.5 M is completely expended, the projected FY 12 ending year fund could be approximately $7.5 M.

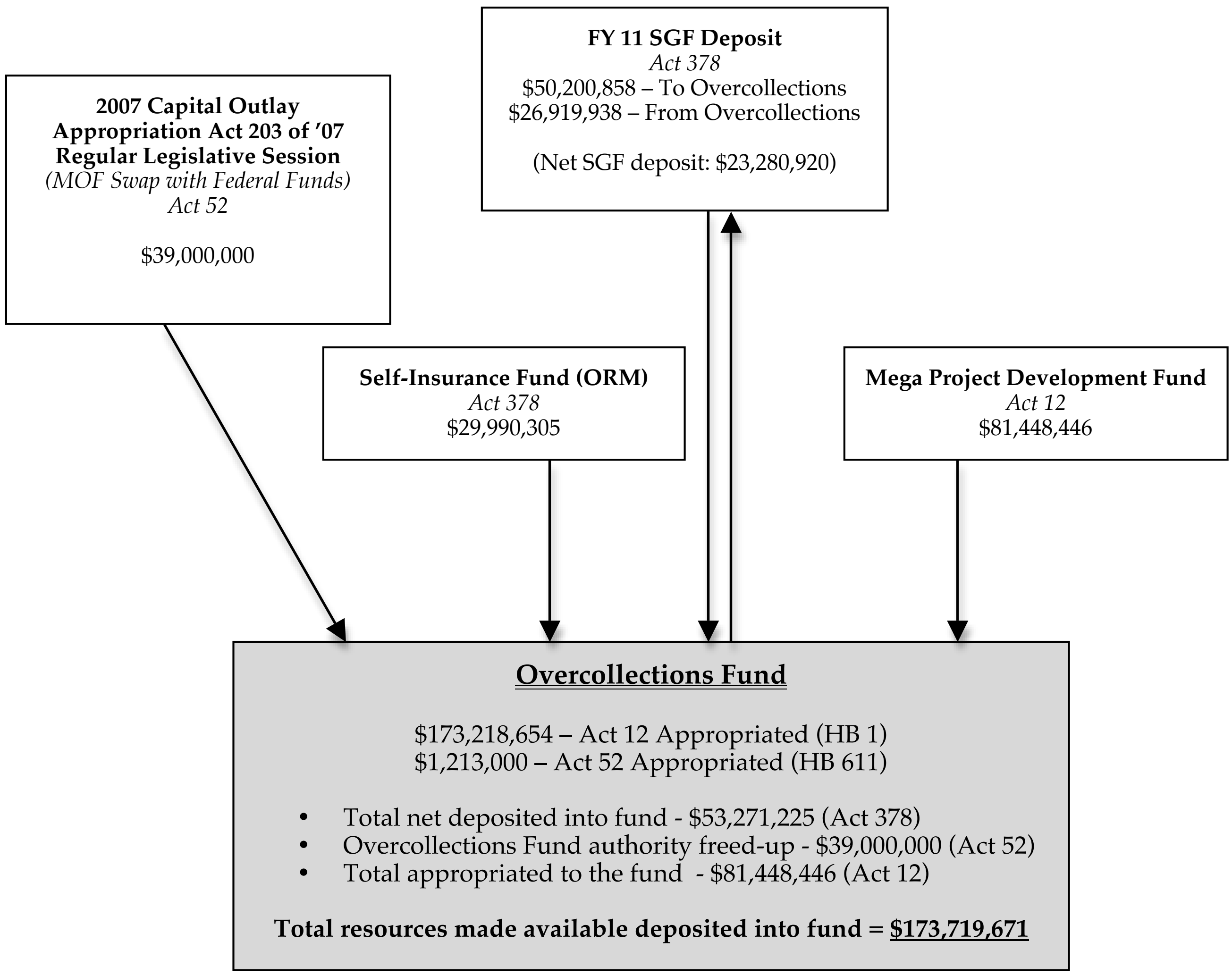
- $16,800,000 Legislative Capitol Technology Enhancement Fund – Act 378 transfers $6.8 M from this fund to MATF for FY 12 expenditure and Act 12 transfers $10 M from this fund into the Academic Improvement Fund for FY 12 expenditure. Pursuant to R.S. 24:39, $10 M in SGF revenue collections are annually transferred into this fund for legislative expenditure. Pursuant to Act 378, after the state treasurer transfers $6.8 M to MATF and transfers $10 M to the Academic Improvement Fund, the projected FY 12 unappropriated fund balance for this fund will be approximately $3.2 M. This assumes the FY 12 appropriated amount of $6,795,227 is completely expended.

- $5,150,610 LA Fire Marshal Fund – Act 378 transfers $5.2 M from this fund to MATF for FY 12 expenditure. Act 378 transfers $1,693,978 from the fund into the MATF, effective in FY 11, and transfers $3,456,632 from the fund into the MATF, effective in FY 12. Pursuant to R.S. 22:835, any remaining funds within the LA Fire Marshal Fund shall revert to the SGF. Act 378 essentially transfers the monies that would otherwise revert to the SGF to MATF for general operating expenditures of the state (DHH health care expenditures).

- $1,452,000 Academic Improvement Fund – Act 378 transfers $1.5 M from this fund to MATF for FY 12 expenditure. The original source of this transfer is a portion of the $10 M being transferred into this fund from the Legislative Capitol Technology Enhancement Fund. Pursuant to Act 378, after the state treasurer transfers $1.452 M to MATF, transfers $10 M from the Legislative Capitol Technology Enhancement Fund to the Academic Improvement Fund, the projected FY 12 unappropriated fund balance for this fund will be approximately $202,144. This assumes the FY 12 appropriated amount of $8.9 M is completely expended.

- $15,731,287 various other funds – Act 378 transfers another $15.7 M from various funds into MATF for FY 12 expenditure. These funds can be found on the next page in flow charts that illustrate the various resources being deposited into the Overcollections Fund and the MATF.

## Flow Chart of Resources Utilized in FY 12 as SGF equivalent
***(Overcollections Fund & Louisiana Medical Assistance Trust Fund)***



**Mineral & Energy Operations Fund**
*Act 378*
$1,726,792

**SGR State Lands**
*Act 378*
$1,000,000

**Legislative Capitol Technology Enhancement Fund**
*Act 378*
$6,800,000 – To MATF
$10,000,000 – To Academic Improvement

**LA Economic Development Fund**
*Act 378*
$37,673,208

**FY 11 SGF Deposit**
*Act 378*
$84,940,229

**Self-Insurance Fund**
*Act 378*
$89,009,695

**LA Fire Marshal Fund**
*Act 378*
$5,150,610

**FEMA Reimbursement Fund**
*Act 378*
$41,022,977

## LA Medical Assistance Trust Fund (MATF)

$451,471,418 – Act 12 Appropriated (HB 1) of which $343,331,242 is contingent upon fund transfers (Section 18(C)(1) of the preamble)

**Total deposited into the fund (Act 378)= $344,083,242**

**Incentive Fund**
*Act 378*
$4,000,000

**LA Housing Finance Agency**
*Act 378*
$25,100,000

**Academic Improvement Fund**
*Act 378*
$1,452,000 – To MATF
$10,000,000 – From Legislative Capitol Technology Enhancement Fund

**Various Other Funds - $6,553,606** *(Act 378)*
$76,931 – Insurance Fraud Investigation Fund
$592,166 – 2% Fire Insurance Fund
$480 – Agricultural Products Processing Development Fund
$37,393 – Formosan Termite Initiative Fund
$28,500 – DNA Testing Post-Conviction Relief for Indigents Fund
$29,767 – Archaeological Curation Fund
$3 – School & District Accountability Rewards Fund
$401,852 – Calcasieu Parish Fund
$831,195 – Tobacco Tax Health Care Fund
$19,000 – Bossier Parish Truancy Fund
$216 – Teacher Educational Aid for Children
$27,266 – Variable Earnings Transaction Fund
$362,478 – UNO Slidell Technology Park Fund
$3,060 – Casino Gaming Proceeds Fund
$8,900 – Greater New Orleans Sports Foundation Fund
$4,007 – Algiers Economic Development Foundation
$306,251 – N. O. Urban Tourism & Hospitality Training
$304,822 – Beautification Project for N. O. Neighborhoods Fund
$304,822 – Friends of NORD Fund
$3 – General Aviation & Reliever Airport Grant Program Fund
$3,069 – Railroad Crossing Safety Fund
$183,654 – Municipal Fire & Police Civil Service Operations Fund
$187,393 – DOI Administrative Fund
$14,639 – Automobile Theft & Insurance Fraud Prevention Fund
$339,545 – DOJ Debt Collection Fund
$75,000 – Motorcycle Safety, Awareness & Operator Training Fund
$220,000 – Right To Know Fund
$256,803 – Underground Damages Prevention Fund
$4,440 – Pet Overpopulation Fund
$975,000 – Explosives Trust Fund
$132,051 – OMV Customer Service & Technology Fund
$440,000 – DPS Police Officer Fund
$190,000 – LA Life Safety & Property Protection Trust Fund
$1,954 – LA Highway Safety Fund
$15,000 – Industrialized Building Program Fund
$36,547 – Fraud Detection Fund
$52 – Manufactured Home Tax Fairness Fund
$1,265 – Rural Development Fund
$10,434 – Environmental Education Fund
$1,962 – Scenic Rivers Fund
$1,441 – Reptile & Amphibian Research Fund
$9,053 – Utility & Carrier Inspection/Supervision Fund
$115,192 – Telephonic Solicitation Relief Fund

**DHH Facility Support Fund**
*Act 378*
$10,590,000

**Artificial Reef Development Fund**
*Act 378*
$26,613,236

**Concealed Handgun Permit Fund**
*Act 378*
$1,450,000

**Rehabilitation for the Blind & Visually Impaired Fund**
*Act 378*
$1,000,889

## LA Medical Assistance Trust Fund (MATF)

R.S. 46:2623 provides for the health care provider fees collected (R.S. 46:2625) be deposited into the LA Medical Assistance Trust Fund. This fund is appropriated and utilized annually for Medicaid payments.

The Revenue Estimating Conference (REC) forecasts revenues for this fund, which is projected to collect approximately $106.1 M in FY 12. In addition to the projected revenues, pursuant to Act 378, approximately $344.1 M is being transferred into this fund from various revenue sources for FY 12 expenditure (see flow chart on previous page).

To the extent the REC projections of $111.1 M in FY 11 and $106.1 M in FY 12 are correct and the FY 11 existing operating budget (EOB) of $405.8 M for FY 11 and FY 12 appropriated of $451.5 M are completely expended, the FY 12 projected unappropriated fund balance within this fund is approximately $3.5 M (see table below).

| | |
|---|---|
| $405,790,636 | FY 11 EOB |
| $451,471,418 | FY 12 (Appropriated) |
| $857,262,054 | Total FY 11 & FY 12 Revenue Needed |
| | |
| $299,445,673 | FY 10 Fund Balance (plus interest earnings) |
| $111,100,000 | FY 11 REC Revenue Projection |
| $176,362,999 | Act 378 (Funds Bill) transfer effective in FY 11 (see flow chart) |
| $106,100,000 | FY 12 REC Revenue Projection |
| $167,720,243 | Act 378 (Funds Bill) transfer effective in FY 12 (see flow chart) |
| $860,728,915 | Total Projected Revenue Available |
| | |
| $3,466,861 | FY 12 Projected Fund Balance ($860.7 M - $857.3 M = $3.5 M) |

**FY 10 Actual Deficit**

The legislature and governor had to alleviate the FY 10 actual deficit in the amount of approximately $107 M during FY 11. Pursuant to R.S. 39:76, which provides that if a deficit exists at the end of the fiscal year that deficit shall be eliminated no later than the end of the next fiscal year. The governor issued Executive Order BJ 2010-20, which reduced SGF expenditures by approximately $107 M in FY 11. The departmental breakdown of these reductions is listed below.

| | BJ 2010-20 FY 11 SGF Mid-Year Reduction |
|---|---:|
| 01-EXEC | ($6,094,311) |
| 03-VETS | ($350,495) |
| 04-STATE | ($2,430,964) |
| 04-JUSTICE | ($350,000) |
| 04-LT. GOV | ($93,129) |
| 04-AGRI | ($1,646,031) |
| 05-LED | ($1,195,191) |
| 06-CRT | ($1,350,618) |
| 08-CORR | ($5,071,813) |
| 08-DPS | ($3,485,973) |
| 08-YOUTH | ($4,564,339) |
| 09-DHH | ($20,804,466) |
| 10-DSS | ($11,711,646) |
| 14-WORK | ($275,000) |
| 17-CIVIL | ($152,859) |
| 19-HIED | ($34,745,030) |
| 19-SPEC | ($461,981) |
| 19-DOE | ($6,320,266) |
| 19-HCSD | ($5,307,534) |
| 20-OTHER | ($319,900) |
| 21-ANCIL | ($1,000) |
| **TOTAL** | **($106,732,546)** |

## LA Economic Development – Debt Service/State Commitments

A new agency (931) was formed in FY 12 under Other Requirements (Schedule 20) to include debt service and state commitments related to LA Economic Development (LED) projects. The funds used to create the new agency were sourced in the LA Economic Development (LED) operating budget (05-252) and the Capital Outlay appropriation (Schedule 26).

In the Capital Outlay bill, the Economic Development Award Program (EDAP) was increased by $10 M in Priority 2 bond authority while the LED Fund Capital Outlay appropriation was reduced by $5 M. This decrease in Capital Outlay LED Fund appropriation allowed the LED operating budget to increase its LED Fund appropriation by $5 M.

The bulk of the $5 M increase in Statutory Dedication funding of $4,537,882 from the LED Fund was attributed to pre-approved project commitments including $1.351 M for Electronic Arts (video game testing at LSU in Baton Rouge), $352,782 for Globalstar (headquarters relocating to Covington), and $2,834,100 for Blade Dynamics (Michoud facility in New Orleans East). These amounts represent the total appropriation for the LED Fund commitments to Globalstar and Blade Dynamics. The total appropriation for Electronic Arts is $1,465,000. In the FY 12 budget, these commitments along with others totaling $15,618,333 are transferred from the LED operating budget to Other Requirements (Schedule 20) in the newly created Agency 931, LED Debt Services/State Commitments, though not necessarily using the same means of finance.

Of the total amount transferred to the new agency, $13,364,127 was swapped from an LED Fund appropriation to SGF. In total, the transfer included this $13,364,127 SGF and $2,254,006 from the LED Fund ($2,104,006) and the Rapid Response Fund ($150,000). The agency will be used only as a means of payment for the following obligations and will include no positions: Northrup Grumman in Lake Charles ($3,269,075); Union Tank Car in Alexandria ($3,297,125); CG Railway at the Port of New Orleans ($1,770,051); St. Gobain Container in Simsboro ($1,280,000); Electronic Arts Sports in Baton Rouge ($1,465,000); SNF Holdings in Iberville Parish ($1,280,000); Globalstar in Covington ($352,782); Blade Dynamics in New Orleans East ($2,834,100); and Lighthouse for the Blind in Baton Rouge ($150,000). These are all existing projects that were formerly funded through the LED budget.

## Corrections Services

The Department of Corrections FY 12 budget totals $495.7 M, a $13.8 M decrease from the prior-year existing budget amount of $509.5 M. The major changes in the FY 12 budget:

1. $26.8 M decrease in SGF by eliminating a total of 452 authorized T.O. positions for a reduction of $23.6 M and 32 T.O. positions through annualized cuts for a reduction of 484 T.O. positions.

2. $3.3 M reduction in IAT authority from the Auxiliary program department-wide through state facilities. The reductions were based on historical expenditures at each facility.

3. $1.6 M decrease in SGF due to department wide reductions in other compensation, travel, supplies, operating services, and professional services. Expenditures were reduced by evaluating historical expenditures, prior year actuals, and lower utility costs.

4. The pharmacy contract entered into in FY 11 for state facilities was cancelled. In FY 12 the department will establish regional pharmacies at LA State Penitentiary and Elayn Hunt Correctional Center. The 2 facilities are increased by $881,337 and $1,259,526, respectively, to handle pharmacy needs for the state facilities for a total SGF increase of $2,140,863. The remaining facilities, except Winn and Allen Correctional Centers, are decreased a total of $2,140,863, for a net result of $0.

FY 12 funding for Local Housing of State Adult Offenders totals $168.1 M. For FY 12, there were 2 major adjustments:

1. $13.4 M decrease in SGF as a result of Acts 649 and 792 of 2010. Act 649 provides that offenders incarcerated after January 1, 1992, can receive good time at the current rate of 35 days for 30 days served, retroactively. Act 792 provides credit for time served for good behavior while on parole. DOC anticipates that this change will decrease the number of adult offenders housed in local facilities by 1,500 during FY 12. The savings of $13,353,525 ($24.39 per day x 365 days x 1,500 offenders) will occur by no longer paying $24.39 to house 1,500 offenders in local facilities for 1 year.

2. $0.5 M increase in funding provided for one additional day of operations due to leap year on 2/29/2012 for both local housing of state offenders and work release. The daily rate to house an offender at the local level is $24.39 and the daily rate of work release is $12.25 for contract programs and $16.39 for non-contract programs. The source of revenue is the Overcollections Fund.

For FY 12, the per diem for the housing of state adult offenders is $24.39. The per diem for work release programs will range from $12.25 (contract and private) to $16.39 (non-contract). The number of adults housed per day based on the Performance Standard for FY 12 for Local Housing is 15,651 inmates and Work Release is 3,670 inmates.

According to the latest report from the Department on 7/1/2011, the number of inmates in state facilities is 19,258 and local jail facilities are 21,794 for a total of 41,052 inmates.

## Youth Services

Youth Services' FY 12 budget totals $143 M, a $0.2 M decrease from the prior-year existing budget amount of $143.2 M. The major changes in the FY 12 budget include:

1. $4.6 M reduction in SGF in the Contract Services Program. The other charges and IAT expenditure categories were reduced to annualize the FY 11 mid-year expenditure reductions. Of the $4.6 M reduction, $493,180 was reduced from other charges and $4,071,159 was reduced from IAT. The reduction does not eliminate contracts for programs, but reduces excess budget authority as the contracts were not expended to the total amounts.

2. $0.825 M reduction in SGF and 12 positions associated with the consolidation of back office functions of GOHSEP and OJJ within the Department of Public Safety & Corrections - Public Safety Services. OJJ has 5 positions within its IT Section, 12 positions within its Human Resources Section, and 15 positions within its Management & Finance Section. Due to this consolidation, 2 IT positions, 6 HR positions, and 4 M&F positions will be eliminated for a savings of $496,650 in salaries and $328,350 in related benefits. OJJ will also transfer 20 positions, which include 6 HR positions, 3 IT positions, and 11 M&F positions, and associated funding of $796,627 in salaries and $524,029 in related benefits to DPS to provide the back office function for the agency.

3. $6 M increase in IAT in the Contract Services Program. The IAT funding will come from the Department of Children & Family Services through TANF funds. There are youth supervised by OJJ that may be eligible for the department to receive TANF funds. In the event youth are eligible, then OJJ will be able to use TANF funds to pay for certain programs.

FY 12 funding for Local Housing of State Juvenile Offenders totals $6.5 M. Local Housing of State Juvenile Offenders was reduced $0.2 M for FY 12, based on historical analysis that indicated the agency has not expended the total appropriation on youth in custody. For FY 12, the rate for pending non-secure youth was $24.39 and the rate for pending secure care $106.70 (adjusted yearly pursuant to consumer price index).

## Department of Health & Hospitals
## Medicaid

In FY 12, the Department of Health & Hospitals (DHH) is appropriated $6.7 B for the Medicaid Program (Medical Vendor Payments). <u>This represents an overall increase of $58 M, or less than 1%, from the 12/1/2010 budget freeze date.</u> Prior year actual expenditures provided by DHH indicates total actual expenditures of $6.88 B in FY 11. Based on these actuals, the Medical Vendor Payments appropriation reflects an overall decrease of $141.5 M, or approximately 2.1%, from FY 11. *Note:* Comparing the 4 major Medicaid budget programs solely, the appropriation decreased by approximately $79.7 M, or approximately 1.2%, from prior year actuals.

The total decrease from prior year actuals is mainly the result of the annualization of prior year rate cuts (both August 2010 and January 2011 rate cuts) to various providers, new and annualized efficiencies in the Payments to Private Provider Program. Specific and significant reductions in the Payments to Private Provider Program include the following:

- Community Care Program restructuring
- Non-recur one-time payments for capital costs for the OLOL/EKL partnership, and disallowance payments that were appropriated in FY 11.
- Delaying checkwrites (payments) to certain providers that historically have been paid in 7 days or less. DHH intends to make payments up to 21 days from the receipt of the claim (by end of FY 12). Projected FY 12 cost avoidance is approximately $98.3 M.

**<u>Major Changes from FY 11</u>**

As provided by the General Appropriation Act of 2011 (Act 12), the Medicaid budget for FY 12 was adopted by the Legislature at a program size of $6.7 B.

•For FY 12, the state match rate will be 30.66% (69.34% federal) (excludes UCC state match rate, which is 38.91%) on Medicaid programmatic expenditures. Note: The FMAP in FY 12 is not associated with ARRA, and there are no additional ARRA FMAP enhancement bumps anticipated in FY 12. However, the Medicaid program FMAP is based on authorization to receive enhanced FMAP rate for disaster-recovery FMAP adjustment states (68.04% federal for the 1st quarter, and 69.78% federal match for the final three quarters of FY 12).

•The FY 12 appropriation (Act 12) for Medical Vendor Payments <u>(Payments to Privates, Payments to Publics, Medicare Buy-ins, and Uncompensated Care Costs)</u> decreased expenditures by approximately $79.7 M from FY 11 actual expenditures. The program changes are allocated as follows:

•$625 M decrease in payments to private providers.

•$131.2 M decrease in payments to public providers.

•$638.9 M increase for Medicare buy-ins and supplements.

•$37.6 M increase in uncompensated care costs payments.

Note: The significant increase in Medicare Buy-ins & Supplements and decrease in Private Providers is mainly the result of a transfer of funds across programs to account for Coordinated Care Network (CCN) payments.

•Act 12 appropriates funding by program, not by provider line item. Preamble language in Schedule 09 of Act 12 requires DHH to "submit a plan detailing the programmatic allocations of appropriations for the Medical Vendor Program" to JLCB for review no later than 10/1/2011. The report reflects sub program projections in private providers for FY 11. Sub program projections are not direct appropriations in Medicaid.

**Major Programmatic Specific Funding**

•Increase in funding ($23,433,184 SGR, $7,061,818 Statutory Dedication, and $68,966,760 Federal, $99 M total) for Coordinated Care Network implementation beginning January 2012. This funding represents claims lag payments to cover the cost associated with making both Medicaid claims payments and simultaneous Per Member Per Month (PMPM) payments for individuals enrolled in Medicaid Managed Care in FY 12. Premium payments to the managed care networks are appropriated in the Medicare Buy-ins Program for FY 12, and these funds were transferred from the Private Providers Program ($261,725,384). The source of Federal funds is Title XIX federal financial participation. The 2 other non state general fund match sources are Statutory Dedication revenues from the Medical Assistance Trust Fund and SGR from the DHH.

•Net increase in funding ($83,016,569) for nursing home rebase for FY 12. The FY 12 budget includes 2 separate adjustments related to nursing home rates. One adjustment eliminates (sunsets) the FY 11 nursing home rebase, however the budget also provides for an additional rebase to nursing home rates. The source of matching funds is $34,183,302 in Statutory Dedication funds from the Medicaid Trust Fund for the Elderly, and the source of Federal funds is Title 19 federal financial participation.

| | |
|---|---|
| ($130,075,302) | Reduce FY 11 nursing home rebase and rate adjustments |
| $213,091,871 | Funding nursing home rebase for FY 12 |
| $83,016,569 | Net nursing home rebase adjustment |

•Utilization increase for FY 12 ($39,562,512 SGF and $89,473,732 Federal). The source of Federal funds ($89,473,732) is Title 19 federal financial participation. The projected aggregate payment increase is reflected below.

| | | | |
|---|---|---|---|
| Adult Dentures | $133,350 | Lab and X-Ray | $2,998,145 |
| Ambulatory Surgical Clinics | $132,047 | LT-PCS | $6,096,957 |
| Durable Medical Equipment | $819,322 | Case Management | $653,743 |
| EPSDT (Early Screening) | $8,078,195 | Mental Health - Inpatient | $463,672 |
| Early Steps | $282,357 | Mental Health Rehab | $2,004,997 |
| Family Planning | $693,661 | Nursing Homes | $26,858,750 |
| FQHC's | $1,243,352 | PACE | $321,380 |
| Hemodialysis | $924,867 | Physician services | $14,138,036 |
| Home Health | $1,290,895 | Rural Health Clinics | $1,606,865 |
| Hospice | $2,003,293 | Transportation | $2,202,725 |
| Hospital Inpatient | $22,004,485 | Waivers (all) | $17,507,358 |
| Hospital Outpatient | $9,022,338 | Other private providers | $243,716 |
| ICF DD Community Homes | $7,311,738 | **FY 12 increase** | **$129,036,244** |

•Increases Federal funding for health information technology initiatives. The Centers for Medicare & Medicaid Services (CMS) has implemented (through the American Recovery & Reinvestment Act of 2009) incentive payments to eligible professionals and eligible hospitals that participate in the Medicare and Medicaid programs for the adoption and meaningful use of certified Electronic Health Record technology. This increase is 100% federal grant funding through the Health Information Technology Grant. Through the Electronic Health Records Incentive Program, certain medical professionals (physicians, nurse practitioners, etc.) and hospitals are eligible for incentive payments for implementing or upgrading electronic health record technology. Information provided by the department indicates an eligible provider can receive up to $63,750 over 6 years under the program. Providers are required to register through the federal government (provider driven application process) and must meet certain qualifications. The DHH makes incentive payments on behalf of the federal government. In FY 11, the department projected to pay approximately $76.2 M in incentive payments to various providers.

•Funding for State Management Organization (SMO) in the Medicare Buy-ins & Supplements Program for the Coordinated System of Care. The source of IAT funds ($5,732,906) is from the Office of Behavioral Health, the Office of Juvenile Justice and the Department of Children & Family Services (DCFS). The Statutory Dedications funding ($3,322,026) is from the Overcollections Fund. The source of Federal funding ($35,786,203) is Title 19 federal financial participation.

•Additional funding ($9,955,043 SGF and $22,514,115 Federal) in the Medicaid Private Providers Program for a projected increase in pharmacy expenditures. The source of Federal funds is Title 19 federal financial participation. Expenditures for FY 12 are anticipated to increase due to growth in claims volume. The department's estimate is based on FY 10 Gross Pharmacy payments multiplied by approximately 3.86% (projected growth). Growth is based on a 4-year average utilization increase (FY 07 - FY 10).

**Medicaid Outlook for FY 12**

For FY 12, a portion of the recurring Medicaid budget is financed with approximately $438.3 M in revenue sources that likely will need to be replaced with other means of financing in FY 13. The significant one time funding sources are as follows:

1) $331,290,384 in Statutory Dedication funding from the Medical Assistance Trust Fund (MATF) appropriated in Payments to Private Providers. Other MATF funding is either recurring (provider fees) or used for one-time expenses (including funding for the CSoC, CCN's, and the 27th pay period).
2) $11,174,264 from the New Opportunities Waiver (NOW) Fund appropriated in Medical Vendor Payments in FY 12 that will be used as match in the private providers program to fund recurring and new NOW slots, and $1,885,465 NOW Statutory Dedication appropriated in Medical Vendor Administration. Act 481 of 2007 created the NOW Fund. Approximately $50M of one time surplus revenues was deposited into the NOW Fund in FY 09. Continued state surpluses will be required to restore the NOW Fund in order to sustain these slots in future fiscal years.
3) $65,333,968 from the corpus (principal) of the Medicaid Trust Fund for the Elderly is appropriated to FY 12, and will be used to collect federal matching funds to be used for re-basing nursing home rates.
4) $4,595,612 in American Recovery & Reinvestment Act (ARRA) funds earned in FY 11 and appropriated in FY 12.
5) $20 M in UPL savings from FY 11 (Senate Finance MOF adjustment).
6) $4 M in Certified Public Expenditure revenue used in FY 12 (OBH).

**Medicaid Administration**

In FY 12, Medical Vendor Administration Program is appropriated $306.9 M. This represents an overall increase of $43.9 M, or 16.7%, from the 12/1/2010 budget freeze date. In addition, the FY 12 Medical Vendor Administration budget reflects a net decrease of 90 positions from the prior year.

**Significant Increases in Medicaid Administration**

• Funding for the Coordinated System of Care ($6,185,801 SGF; $6,251,495 IAT; and $12,858,054 Federal). The source of Federal funds is Medicaid Administration federal financial participation. This funding will be utilized to contract with a State Management Organization (SMO) for providing coordinated services to certain eligibles in the Office of Behavioral Health.

• Funding ($1,169,903 SGF and $10,529,124 Federal) for performance enhancements to the Medicaid Eligibility Determination (MEDS) system. The source of Federal funds is Medicaid Administration federal financial participation. The MEDS system maintains records of individuals eligible for services throughout LA's Medicaid Program. The Department of Health & Hospitals anticipates significant eligibility changes will be required to be made to the MEDS system as a result of the Patient Protection & Affordable Care Act (PPACA). Individuals up to 133% of the federal poverty level (including childless adults and non categorically eligible under Medicaid) will be eligible for Medicaid. In addition, the Health Insurance Exchanges will require integration with the MEDS system (the exchanges will coordinate eligibility with Medicaid through the MEDS system). The department has identified the following needs for the MEDS system:

1. Development of a web based interface relative to the exchanges.
2. Add business rules to capture and provide reporting for new eligibles.
3. Develop an interface with IRS for determining financial eligibility.
4. Develop an on-line application system.

• Funding ($750,000 SGF and $6.75 M Federal) for Health Information Exchange. The source of Federal funds is grant funds from the U.S. Department of Health & Human Services, Office of the Secretary. This project will facilitate the exchange of health information among a broad stakeholder group including hospitals, physicians, dentists, opthalmologists, ancillary service providers, payers, and public health organizations.

• Funding ($1,435,684 SGF and $4,307,051 Federal) to implement the International Classification of Diseases (ICD-10) diagnosis codes. The source of Federal funds is Medicaid Administration federal financial participation. The International Classification of Diseases is used to code and classify morbidity data from inpatient and outpatient records and physicians offices. Funding will be used for a consulting contract to ensure appropriate planning to implement the appropriate ICD 10 diagnostic and coding revisions. Funding will ensure LA Medicaid is in compliance with federal changes to the diagnostic code language used to report why a service was considered medically necessary for direct patient care.

• Funding ($2,458,675 SGF and $2,458,675 Federal) for a contractor to implement additional utilization management in the Radiology Utilization Management (RUM) Program, and enhanced claims editing for certain surgery procedures. The source of Federal funds is Medicaid Administration federal financial participation. There is an offsetting savings in Medical Vendor Payments. This contractor will perform additional review procedure codes than currently reviewed under the RUM Program (implemented in February 2010), by implementing prior authorization procedures for Ultrasound Utilization and Cardiac Imaging. Additionally, the contractor will perform enhanced claim editing. Information provided by the department indicates this contractor will not review the medical necessity of a surgical procedure performed, but will ensure that the clinical information submitted warrants inpatient hospitalization.

As a result of this contract, the department anticipates a reduction in Medicaid claims payments for FY 12 in the amount of $8,873,086. This reduction is reflected in the Medical Vendor Payments, Payments to Private Providers Program.

## Department of Health & Hospitals
## Office of Behavioral Health

*Combination of Former Offices of Mental Health and Addictive Disorders into the newly created Office of Behavioral Health*

Act 384 (HB 837) of 2009 dissolved the Office of Mental Health (OMH) and the Office of Addictive Disorders (OAD) and combined these 2 offices to create the Office of Behavioral Health (OBH). The impetus behind combining these agencies is based on the following findings of the LA Co-occurring State Incentive Grant (CoSIG) Project (April 2009):

1. Over 40% in major mental health clinics identified as having a co-occurring substance abuse disorder.

2. Screening of 1,014 charts in addictive disorder clinics showed 59% screened positive for mental health issues. The National Association of State Mental Health Program Directors and the National Association of State Alcohol & Drug Abuse Directors (Joint report 1999) also found that "In any given year, 10 million people in the U.S. have a combination of at least one mental health disorder and one substance-related disorder."

*Transformation of Behavioral Health Services*

The newly created OBH aims to de-stigmatize historical biases/prejudices against mentally ill and addicted individuals by doing the following: increasing access to treatment, reducing financial barriers to treatment and recovery, addressing provider biases, integrating care, and increasing the willingness and ability of individuals to seek and receive treatment. Specifically, OBH is pursuing funding for the implementation of electronic behavioral health records as a part of an overall system of electronic medical records and aggressively presses for changes to licensing requirements and Medicaid reimbursements that create barriers to the effective delivery of services to people in need. OBH plans to issue a request for proposal (RFP) in FY 12 for the electronic medical records for an estimated $4 M over three years (OBH will request this funding in its FY 13 budget request).

LA's mental health system has historically relied extensively on Medicaid Disproportionate Share (DSH) payment funding, which can only be used to support institutional services. The DSH Audit rule implemented by the federal government, Centers for Medicare & Medicaid Services (CMS) is resulting in the loss of $42.8 M of DSH funds to the state's public mental health institutions. The FY 11 DHH budget replaced $36.3 M of the lost dollars with state sources of funding in the Office of Behavioral Health, and these funds have been built into OBH's base budget in FY 12. In FY 11, DHH began using these funds for a statewide transformation of mental health delivery toward a community-based model of care and increased use of less costly residential treatment (front-end and step-down facilities with wraparound care and community supports) rather than higher cost institutional care. In FY 12, these funds will continue to be used for the transformation of institutional care to community-based services.

In FY 12, $16.4 M in savings was realized as a result of the merger of OAD and OMH. Specifically, there is an $804,804 reduction in the Administrative Program due to the integration of administrative functions, including the reduction of an Assistant Secretary position in OAD and 10 other T.O. In addition, the Mental Health Community Program and Addictive Disorders Program combined into the newly formed Behavioral Health Community Program. Within this new program, $6,908,441 was saved from the merger of community mental health pharmacies, consolidation of regional management, central office integration, and the use of the Patient Assistance Program (PAP) for pharmaceuticals. As a result, 10 pharmacy T.O. positions were reduced as OBH eliminated regional pharmacies and will operate one central pharmacy. All other regions will continue to maintain one pharmacist on staff for emergencies. An additional $5,215,362 was saved from a 77 T.O. reduction to mental health staff in the regional offices, and a 34 T.O. reduction to addictive disorders staff for added savings of $3,529,442 as offices and staff were merged and integrated.

*Privatization of State Residential Treatment Units*

OBH operates or contracts with private providers for 478 inpatient treatment beds in 13 facilities for individuals with addictive disorders. Of the 478 beds operated by OBH, 221 were privatized across 7 facilities in prior years. The Department of Health & Hospitals (DHH) conducted a cost comparison between the state-run facilities and the private contractors and found an average per diem of $145.32 per day for state operated facilities compared to an average per diem of $125.24 for privately contracted care.

As a result, OBH saved $2.5 M and eliminated 179 positions by privatizing 257 beds at the following 6 locations in FY 11:

1. Springs of Recovery Adolescent Program, Greenwell Springs, 54 beds ($352,073/42 positions)
2. Briscoe Treatment Center, Lake Charles, 46 beds ($269,887/29 positions)
3. Red River Treatment Center Residential Unit, Pineville, 56 beds ($222,914/30 positions)
4. Red River Treatment Center Co-occurring Unit, Pineville, 27 beds ($0/14 positions)
5. The Pines Treatment Center, Shreveport, 40 beds ($1,147,768/39 positions)
6. Southern Oaks Addiction and Recovery, Monroe, 34 beds, ($507,358/25 positions).

*Secure Forensic Facility*

In FY 11, the DHH issued RFPs for privatizing secure residential services at East LA State Hospital (ELSH) located in the East LA Mental Health System (ELMHS) and at Central LA State Hospital (CLSH). DHH evaluated the RFP bids, and none presented savings to the state. As a result, OBH is continuing to run forensic mental health services at a Secure Forensic Facility (SFF) at ELMHS. Currently, ELMHS operates 82 beds at the SFF, which was opened in August of 2010 and is over 90% occupied. The 82-bed SFF was created by the closing of 82 civil intermediate beds at ELSH and 56 beds at CLSH. The forensic beds at ELSH cost the state $5.9 M and $3.1 M at CLSH to operate. The SFF currently costs the state approximately $3 M to run. As such, consolidation into the SFF yielded $6 M total savings in FY 11. In addition, ELMHS reduced a total of 118 civil intermediate beds in FY 11, and OBH is transitioning these patients into community settings. This initiative produced $8 M in savings with the elimination of 141 positions in the FY 12 budget.

| **Secure Forensic Facility** | |
|---|---|
| **Positions** | 51 |
| **Number of beds** | 82 |
| **Costs:** | |
| Salaries | $1,816,377 |

| | |
|---|---|
| Related Benefits | $599,462 |
| Supplies (food, drugs) | $631,631 |
| **Total Cost to run SFF** | **$3,047,470** |

## Department of Children & Family Services

*The Continued Reorganization of the Department*

In FY 12, the reorganization of the Department of Children & Family Services (DCFS) continues with the elimination of 307 positions and the closure and consolidation of 17 parish offices. The department estimates a savings of $5.325 M ($2,662,500 SGF and $2,662,500 Federal) including savings of $3.5 M in rent, office closures and consolidations. The department is working on identifying additional office closures in FY 12. Clients that visit the office slated for closure will have to visit another DCFS office either in the same or adjacent parishes, use the on-line application or call the toll-free Customer Service Center Helpline. The list of 17 parish offices closures and consolidations (of July 2011) is included in Section IV.

*Modernization Project*

The reorganization of the DCFS is contingent upon the success of the Modernization project. In FY 12, the department will continue the implementation of the service delivery Modernization project with a total budget of $50.5 M and 98 non-T.O. positions.

The Modernization project will reduce the number of clients that need to visit a physical DSS office location to apply or receive information about services. Clients will be able to apply for services in multiple ways. The Modernization project includes: (1) customer service call center; (2) electronic case records and document imaging; (3) customer portal that has a web based application for services and allows clients to access their case record to view basic case information; (4) a provider portal that allows providers to view and update basic information regarding invoices, payments, and fees; and (5) worker portal that allows DSS staff to update and maintain client case information therefore reducing duplicate work effort and increasing efficiency. A detailed outline of the Modernization project is included in Section IV.

*Temporary Assistance*

The recommended TANF budget for FY 12 is $118 M, which is a decrease of $50,000 from FY 11. Significant changes to TANF initiatives include the elimination of funding for Private Pre-K ($7.5 M) and increase in funding for the LA4 program ($1.5 M) and Day Treatment programs in the Office of Juvenile Justice ($6 M). A breakdown of TANF initiatives and funding allocations for FY 12 is included in Section V.

*ARRA Funding*

Federal stimulus funding of $47.5 M was used to mitigate budget cuts for FY 12. This is one-time funding that will not be available in future fiscal years. The amount of ARRA funding appropriated by the agency is as follows:

| | |
|---|---|
| Child Care Development Fund | $1,117,546 |
| Homelessness Prevention & Rapid/Re-Housing (HPRP) | $5,382,463 |
| Emergency TANF | $41,000,000 |
| **Total** | **$47,500,009** |

## Elementary & Secondary Education

Act 12 of 2011 contains funding for significant elementary and secondary education initiatives. Below is a summary of the major education initiatives and their funding level.

**Minimum Foundation Program (MFP):**

**Appropriation:**
Act 12 of 2011 appropriates $3.387 B to the Minimum Foundation Program (MFP) agency for the MFP formula. The MFP increased by $69.1 M due to an increase in students of 5,245, adjustments to local revenue collections, and the inclusion of Type 2 charter schools, the LA School for Math, Science & Arts (LSMSA) and the New Orleans Center for Creative Arts (NOCCA). There is no 2.75% increase in the base per pupil amount; it remains at $3,855 for FY 12. HCR 130 suspended the provision that not less than 50% of each school district's increased state funding from Level 1 and Level 2 of the formula be used to supplement full-time staff salaries and retirement when the base per pupil amount has zero growth.

**Student Membership:**
There will be 2 mid-year student adjustments. Student membership counts will be taken on 10/1/2011 and 2/1/2012. If either count is more or less than the previous count taken, a mid-year adjustment to per pupil funding will be made for each student gained or lost. If a district's 10/1/2011 student membership count is more or less than the 2/1/2011 membership a mid-year adjustment will be made equal to the district's MFP per pupil amount times the number of increased or decreased students. If a district's 2/1/2012 student membership is more or less than the 10/11/2011 membership, a mid-year adjustment will be made equal to one-half of the district's MFP per pupil amount times the number of increased or decreased students.

**Inclusion of LSMSA, NOCCA and Type 2 Charter School students in the MFP Membership:**
Students attending school at LSMSA and full-day students at NOCCA are included in the MFP at a cost of $1,616,232 and $377,624 respectively. These costs are based on 321 students at LSMSA and 75 full-day students at NOCCA. Funding will be transferred to these schools. The funding associated with LSMSA is transferred from the current line-item appropriation to the MFP. This is the first year NOCCA will have full-day students.

All Type 2 Charter Schools authorized prior to 7/1/2008 are included in the MFP at a cost of $38,833,489. This allocation provides both the state and local per pupil funding for these schools. The funding associated with these schools is transferred from the current line-item appropriation to the MFP. Type 2 Charter Schools authorized after 7/1/2008 will continue to receive the state share in the MFP and the local share will be provided from the local school district where the school is located.

**Student Membership Weights and Mandated Costs:**
The at-risk weight factor for student membership and mandated costs remain the same as the previous year.

**Consequences:**
Local school districts must ensure that 70% of the local school systems general fund expenditures are in the area of instruction and school administration at the school

building level. Any district or school failing to meet the 70% expenditures requirement and has a District Performance Score below the state average will be required to conduct a study to determine what operational activities could be streamlined to save money and redirect any savings to instructional services.

**Continued changes from last year's formula:**
Inclusion of OJJ students in the MFP membership **-** Students served at three schools operated by the Office of Juvenile Justice (OJJ) located at secure care facilities of Jetson, Bridge City and Swanson will be funded through the MFP. The estimated cost for students in the OJJ facilities is based upon the FY 10-11 average daily membership number of 330.3. When applying this membership number to the actual state and local per pupil funding for each district the total estimated allocation is $3,818,455. The total state share is $2,592,469 and the total local share is $1,225,986.

Local school districts where the student resided prior to adjudication will be required to fund the MFP local portion of the costs for each student provided educational services by OJJ. The state and local share is calculated by the Department of Education, and the total amount for these students will be withheld from the local school system's total MFP state share and transferred to OJJ.

Local wealth factor - The local wealth factor calculation is replaced with the deduction method in the determination of the local share contribution. When calculating the local share contribution, a cap on the growth of the net assessed property value of 10% has been instituted, as well as a cap of 15% on increases in the computed sales tax base. The Level 2 reward calculation is also replaced with the Level 2 reward factor.

Hold Harmless - The FY 07 Hold Harmless amount of $76 M is frozen. The $76 M amount will be reduced by prior year pay raise amounts and insurance supplements totaling $38 M. The pay raise amounts will be continued in Level 3. The remaining amount of $38 M will be reduced by 10% over 10 years, or $3.8 M per year. The annual reduction will be redistributed to all non-hold harmless districts as a per pupil amount, which in the proposed formula, amounts to approximately $36.60 per student.

**<u>Funding levels for other significant initiatives:</u>**

**Pre-K Funding**
$75.9 M for the LA 4 Program. The LA4 program budget authority is broken down as follows: $5.9 M in SGF and $70 M TANF. The LA 4 Program provides a 6-hour instruction period with a 4-hour enrichment period and 2 hours before and after class.

**Other Programs:**
- $10.8M SGF for the Professional Improvement Program
- $968,000 SGF Teach for America
- $4.1M $3.95 TANF and $170K SGF for the Jobs for Americas Graduates (JAG) and EMPLOY Program
- $650,000 SGF for the school choice pilot program for students with exceptionalities
- $8.9M Statutory Dedications from the Academic Improvement Fund for the Student Scholarship for Excellence Program in the Recovery School District

- $19.8M Statutory Dedications – Education Excellence Funds which may be used for expenditures such as early childhood education, remedial interventions, and instructional supplies
- $2.3M SGF for alternative school services

## Higher Education

*Overview*

SGF revenues (General Appropriations Bill) have decreased $1.2 B (13.6%) from $8.8 B in FY 09 to $7.6 B in FY 12 (Appropriation Letters). SGF for higher education has decreased by $490 M (31.6%) from a high of $1.55 B in FY 09 to $1.06 B in FY 12 (Appropriation Letters).

SGF for higher education represented approximately 17.7% of all SGF revenues in the FY 09 General Appropriations Bill. This percentage has fallen to 13.9% in FY 12 (Appropriation Letters). If SGF for higher education were to represent 17.7% of the total SGF budget for FY 12, higher education would receive $294 M more in SGF in FY 12.

Funding for higher education from all means of finance represented approximately 11.9% in the FY 09 General Appropriations Bill. This percentage has declined to 11.4% in FY 12 (Appropriation Letters). If funding from all means of finance for higher education were to represent 11.9% of the total means of finance for FY 12, higher education would receive $119 M more in FY 12. Furthermore, SGR (primarily tuition) increased $394 M (53.5%) from $736 M in FY 09 Actuals to $1.13 B in FY 12 (Appropriation Letters).

The FY 11 budget included approximately $290 M in federal funding for higher education from the American Recovery & Reinvestment Act (ARRA). As stated above, SGF revenues for higher education decreased by an estimated $294 M from FY 09 to FY 12. This decrease of $294 in SGF for higher education from FY 09 to FY 12 is very close to the $290 of ARRA funding lost from FY 11 to FY 12.

| Higher Education Funding Sources | FY 09 Actuals | FY 10 Actuals | FY 11 Budget (6/30/11) | FY 12 Appropriated |
|---|---|---|---|---|
| State General Fund | $1,553,400,000 | $1,153,400,000 | $1,145,600,000 | $1,058,300,000 |
| Self-Gen. Revenues * | $735,500,000 | $809,100,000 | $823,200,000 | $1,128,900,000 |
| ARRA | $0 | $189,700,000 | $289,600,000 | $0 |
| Overcollections Fund | $0 | $0 | $0 | $92,300,000 |
| Other Sources | $694,200,000 | $680,800,000 | $782,700,000 | $732,400,000 |
| Total | $2,983,100,000 | $2,833,000,000 | $3,041,100,000 | $3,011,900,000 |
| General Appropriations Bill Funding Sources | | | | |
| State General Fund | $8,798,900,000 | $7,144,200,000 | $7,025,900,000 | $7,640,400,000 |
| Total | $25,119,600,000 | $24,676,400,000 | $28,326,700,000 | $26,306,200,000 |
| Higher Education Funding as a % of Funding in the General Appropriations Bill | | | | |
| State General Fund | 17.7% | 16.1% | 16.3% | 13.9% |
| Total | 11.9% | 11.5% | 10.7% | 11.4% |

* Act 741 (Grad Act) of 2010 granted authority to higher education institutions to increase tuition and mandatory fees annually. The FY 11 tuition increase from Grad Act was $43.3 M. In FY 12, annualization of FY 11 Grad Act tuition increases is $44.5 M, with an estimated $53.2 M in FY 12 tuition increases attributable to Grad Act.

*LOSFA/TOPS ($154.4 M)* TOPS (Taylor Opportunity Program for Students) is a program of state scholarships for LA residents who attend any one of the LA public Colleges and universities. TOPS funding from all sources increased $10 M, from $144.4 M in FY 11 to $154.4 M in FY 12 appropriated amounts. TOPS FY12 appropriated funding includes a means of finance substitution of $92.3 M. This means of finance substitution replaces SGF with a like amount of statutorily dedicated funds from the Overcollections Fund. The number of estimated awards in FY 12 is approximately 44,535 awards.

Act 423 (SB 53 of 2011) is a proposed Constitutional Amendment to dedicate tobacco settlement proceeds to the Taylor Opportunity Program for Students (TOPS) Fund. Act 423, if passed by voters in October 2011, will increase FY 12 dedications to the TOPS Fund by an estimated $80 M, from $16 M currently to approximately $96 M. This increase of $80 M represents 2 years of tobacco settlement proceeds, and additional amounts dedicated in FY 13 and thereafter will be approximately $40 M per year. The $80 M anticipated from passage of the proposed Constitutional Amendment are not currently appropriated in FY 12.

*Grad Act 2 (HB 549, Act 418 of the 2011)* Act 418 requires the Board of Regents to establish student success objectives to meet GRAD Act performance requirements based on graduation rates, retention rates, and percentage change in program completers. The bill requires publishing cost performance information annually on the BOR website. Act 418 gives the Board of Regents authority to raise performance objectives and creates a 3-tiered performance structure which includes the following levels: Base, Intermediate, and High. The bill grants increased operational autonomies as levels increase providing authority to perform the following functions assigned to the division of administration under current law: purchasing, personnel, facilities, and investment. Act 418 expands the contract review process to include annual renewals. The Act states that each institution of higher education shall receive an initial certification and annual reviews to manage the autonomies granted by the division of administration.

Act 418 requires review and approval by the Joint Legislative Committee on the Budget (JLCB) for the following:

1. Authority to retain unexpended and unobligated funds from one fiscal year to the next.
2. Designation of institutions as "Intermediate" or "High" level status under the proposed law.
3. Gives authority and responsibility for development of a "pilot procurement code" to the first institution granted "High" status under the proposed law.

Act 418 states that any operational autonomies granted to an institution pursuant to this Subsection shall terminate immediately upon revocation of the institution's six-year performance agreement by the Board of Regents (BOR). The BOR shall notify the JLCB of any such revocation of a performance agreement.

Act 418 also provides that any operational autonomy granted to an institution pursuant to this Subsection shall terminate immediately upon determination by the division of administration that an institution has failed to maintain the operational capacity relevant to that autonomy. The division of administration shall notify the Joint Legislative Committee on the Budget of any institution's failure to maintain the operational capacity relevant to any previously granted operational autonomy. The impact of Act 418 on state expenditures is indeterminable.

*LA Go Grants ($26.4M)* The Go Grant program is a need-based grant program for low and moderate-income students who need additional funding to be able to attend college. Go Grant program costs for FY 11 were $25.1 M for 30,720 students. FY 12 funding for the GO Grant program is $26.4 M in SGF for approximately 26,164 awards. The BOR developed the program in accordance with the mandates of Act 695 of 2004 to create a comprehensive student aid plan, and BOR and LASFAC entered into a Memorandum of Understanding providing that LASFAC would administer the program in accordance with the framework developed by BOR.

*LCTCS Tuition Increase from HB 526 ($5.4 M)* HB 526 (Act 196) gives the LCTCS board the authority to adopt uniform tuition and mandatory fees for students at community and technical colleges. LCTCS self-generated revenues will increase by approximately $5.4 M in FY 12, $8.1 M in FY 13 and $10.4 M in FY 14 and subsequent fiscal years due to Act 196. These projections are based upon current tuition and fee collection data for all community colleges and technical colleges as well as the latest available enrollment data.

*Dental and Medical School Tuition Increase from HB 628 ($1.1 M)* HB 628 (Act 297) authorizes the LSU Board of Supervisors to increase tuition and fee amounts by up to 5% each year, without additional legislative approval, for five years beginning with the 2011-2012 academic year.

SGR from the bill's proposed 5% tuition increase for all 3 schools will generate approximately $1.15 M beginning in FY 12. The FY 12 tuition increase could be as much as $3.44 M if the 5% increase authorized in the bill applies to tuition rate increases up to 10% per year based on authority in the Grad Act. These self-generated revenues from the bill's proposed 5% tuition increase for all three schools will generate a minimum amount of $2.1 M by FY 16. The FY 16 tuition increase could be as much as $6.3 M per year if the 5% increase authorized in the legislation applies to tuition rate increases up to 10% per year based on authority in the Grad Act. The number of affected students and potential range of tuition increases for each school in FY 12 are shown below.

| Institution | # Students | Min. Increase | Max. Increase |
|---|---|---|---|
| LSUHSC-NO | 749 | $650,000 | $1,950,000 |
| LSUHSC-Shr | 420 | $318,000 | $953,000 |
| LSUHSC-Dental | 240 | $178,000 | $535,000 |
| TOTAL | 1,409 | $1,146,000 | $3,438,000 |

*Early Start ($5.5 M)* *Early* Start provides $100 per credit hour or a maximum of $300 per course per semester for eligible public and private colleges to enroll eligible 11th and 12th grade students from public high schools in college courses. The student must receive both college and high school credit for the course for which Early Start pays. Early Start was funded with $5.5 M in SGF for FY 11. FY 12 funding for Early Start is $5.5 M for awards to approximately 12,000 students.

*Transfer of the University of New Orleans (UNO) from the LSU System to the University of LA System* SB 266 (Act 419) moves UNO from the LSU Board of Supervisors to the University of LA Board of Supervisors. Act 419 states that no later than 8/1/2011, the chancellor of the University of New Orleans (UNO) shall submit a letter to the president of the Southern Association for Colleges & Schools, Commission on Colleges (SACS) stating intent for governance change from the LSU Board of Supervisors to the UL Board of Supervisors. Upon approval from the SACS, the transfer shall become effective. Act 419 also prevents the LSU System from taking any personnel action with regard to any instructional or administrative employee of UNO without prior approval of the BOR.

Act 419 states that the commissioner of administration is to ensure sufficient funds and resources to transfer UNO from the LSU to UL System. The Act also provides that the BOR and the state shall indemnify and hold harmless the transferee and transferor management boards for any liability and costs which may directly result from the mandated transfer and requires legislative appropriation to effect the transfer.

Act 419 will result in an indeterminable cost increase of SGF expenditures in FY 12 and FY 13. However, the Legislature appropriated no funding in FY 12 for costs associated with transferring UNO from the LSU to UL System.

Enrollment Changes. Overall, the state added approximately 15,000 higher education undergraduate students when FY 11 is compared with FY 10. Hurricanes Katrina and Rita significantly reduced the number of students at institutions impacted by these storms. Enrollment in campuses affected by these storms continues to grow. However, enrollments at some institutions have declined due to higher admission standards and strong local demand for workers in the economy. The table on the following page illustrates higher education enrollment changes by institution over the last 4 years.

| Undergraduate Enrollment Statewide Higher Education * | | | | | | |
|---|---|---|---|---|---|---|
| | FY 08 | FY 09 | FY 10 | FY 11 **** | FYs 10 & 11 | |
| | | | | | Diff. | % Change |
| LSU A&M | 21,478 | 21,472 | 21,424 | 23,686 | 2,262 | 10.56% |
| ULL | 13,741 | 13,565 | 13,706 | 15,257 | 1,551 | 11.32% |
| ***UNO*** ** | ***7,982*** | ***7,909*** | ***8,113*** | ***8,345*** | **232** | **2.86%** |
| LA Tech | 7,157 | 7,173 | 7,479 | 8,978 | 1,499 | 20.04% |
| ULM | 6,398 | 6,857 | 7,129 | 7,469 | 340 | 4.77% |
| SU A&M | 6,425 | 6,115 | 5,988 | 6,087 | 99 | 1.65% |
| GSU | 4,547 | 4,492 | 4,157 | 4,405 | 248 | 5.97% |
| ***McNeese**** | ***6,651*** | ***6,675*** | ***6,978*** | ***7,881*** | ***903*** | ***12.94%*** |
| NSU | 7,485 | 7,447 | 7,661 | 8,078 | 417 | 5.44% |
| SLU | 11,983 | 12,125 | 12,709 | 13,950 | 1,241 | 9.76% |
| *Nicholls*** | *5,709* | *5,826* | *5,811* | *6,398* | *587* | *10.10%* |
| LSUS | 3,440 | 3,837 | 4,106 | 4,058 | -48 | -1.17% |
| **SUNO**** | **2,289** | **2,360** | **2,578** | **2,590** | **12** | **0.47%** |
| LSUA | 2,607 | 2,684 | 2,461 | 2,625 | 164 | 6.66% |
| LSUE | 2,707 | 2,954 | 3,242 | 3,431 | 189 | 5.83% |
| SUS | 2,300 | 2,501 | 2,932 | 2,834 | -98 | -3.34% |
| BRCC | 6,520 | 7,026 | 7,825 | 8,332 | 507 | 6.48% |
| BPCC | 4,778 | 4,759 | 5,646 | 6,473 | 827 | 14.65% |
| ***Delgado**** | ***13,176*** | ***14,656*** | ***17,194*** | ***18,741*** | ***1,547*** | ***9.00%*** |
| ***Nunez**** | ***1,347*** | ***1,699*** | ***1,856*** | ***2,415*** | ***559*** | ***30.12%*** |
| RPCC | 1,105 | 1,354 | 1,766 | 2,566 | 800 | 45.30% |
| SLCC | 3,151 | 3,478 | 3,843 | 4,218 | 375 | 9.76% |
| LDCC | 1,333 | 1,526 | 1,727 | 2,485 | 758 | 43.89% |
| Fletcher | 1,306 | 1,413 | 1,660 | 2,395 | 735 | 44.28% |
| ***SOWELA***** | ***1,617*** | ***1,926*** | ***1,934*** | ***2,616*** | ***682*** | ***35.26%*** |
| ***LTC**** | ***17,465*** | ***20,506*** | ***24,553*** | ***23,162*** | ***-1,391*** | ***-5.67%*** |
| **Total** | **164,697** | **172,335** | **184,478** | **200,398** | **14,997** | **8.13%** |

*Figures provided by the Board of Regents, Statewide Student Profile System – Institutional Summary Report.
**Storm affected campuses.
***SOWELA, while adversely affected by Hurricane Rita, actually experienced an enrollment increase.
****Amounts from FYs 08 through 10 are based on Spring term enrollment numbers. The FY11 amounts are from the Fall 2010 term because the Spring 2011 counts were not available when this report was published.

The storm-affected schools are bolded and italicized. These institutions collectively lost over 15,000 students after Hurricane Katrina but are experiencing an enrollment rebound.

## LSU HSC Health Care Services Division

The FY 12 Health Care Services Division (HCSD) budget decreased by $128 M from all means of finance from FY 11 budgeted as of 6/30/2011. Of this amount, $8 M is attributable to SGF, $84.3 M to IAT, $31.7 M to SGR, $3.7 M to Federal funds, and $300,000 to Statutory Dedications. The $128 M reduction can primarily be attributed to $29.3 M in allocated cuts to the hospitals (detailed below), a $33.7 M SGR reduction related to pharmacy efficiencies and OPH purchasing outpatient pharmacy drugs directly, $22.5 M in cost avoidance from Low Income Needy Care Collaboration Agreements (LINCCA), $11.9 M from the annualization of FY 11 mid-year cuts, elimination of Hotel Dieu bond payments, a $6 M reduction in DSH audit replacement funds, and a $24 M technical reduction in IAT for the central office budget. The remainder of the $128 M reduction comes from other minor adjustments across all means of finance. There is a difference of $35.1 M from FY 11 budgeted (as of 6/30/2011) to the FY 11 Actual (as of close-out on 8/15/2011) by total means of finance. This is attributable to unexpended budget authority in FY 11, specifically, $72,804 in SGF, $3.5 M in IAT, $26.4 M in SGR, and $5.1 M in Federal funds.

HCSD has taken the following actions in FY 12 to deal with its budget reduction:

1. HCSD is only filling vacancies that are critical to direct patient care. As such, there is a 286 T.O. reduction from FY 11 to FY 12 realized through attrition and the elimination of non-direct patient care positions.

2. HCSD will no longer purchase the AIDS Drug Assistance Program (ADAP) drugs with SGR received from the Office of Public Health (OPH). Instead, approximately $28 M in costs associated with ADAP will be reduced from HCSD's SGR budget, and OPH will purchase the ADAP drugs directly.

3. HCSD management has begun implementing several cost saving measures including the privatization of non-allowable cost contracts in the last quarter of FY 11 (radiology, emergency room services, surgical & primary care, and various physician specialties) through LINCCAs for $22.5 M in savings, and the reduction or discontinuance of services across the various hospitals ($29.3 M). Planned service reductions by hospital include:

   *Earl K. Long* ($10.7 M)
   - Discontinue outpatient/inpatient obstetrics (completed)
   - Discontinue pediatric services
   - Close catheter lab (completed)

   *University Medical Center* ($3 M)
   - Discontinue obstetrics (6 month transition period)
   - Discontinue pediatric services (6 month transition period)

   *W. O. Moss* ($4.9 M)
   - Discontinue pediatric services
   - Discontinue surgery services

   *Lallie Kemp* ($387,800)
   - Discontinue pediatric services
   - Reductions to surgery services

   *Leonard J. Chabert* ($6 M)
   - Discontinue outpatient/inpatient obstetrics
   - Discontinue pediatric services
   - Discontinue general dentistry services

   *Interim LA Hospital* ($4.3 M)
   - Discontinue general dentistry services
   - Discontinue outpatient obstetrics
   - Reduce Urgent Care Clinic hours (completed)
   - Discontinue hyperbarics

| Means of Finance: | FY 10 Actual | FY 11 Budgeted (as of 6/30/2011) | FY 11 Actual | FY 12 Appropriated |
|---|---|---|---|---|
| State General Fund | $78,332,840 | $72,292,827 | $72,220,023 | $64,261,831 |
| Interim Emergency Board | $138,609 | $0 | $0 | $0 |
| Statutory Dedications | $370,000 | $300,000 | $300,000 | $0 |
| Interagency Transfers: | | | | |
| IAT - Medicaid | $276,765,551 | $276,564,403 | $226,714,973 | $187,519,346 |
| IAT - Uncompensated Care | $366,080,864 | $277,981,710 | $385,669,391 | $330,250,541 |
| IAT – Other* | $22,604,448 | $124,774,307 | $63,372,356 | $77,275,996 |
| Sub-Total IAT | $665,450,863 | $679,320,420 | $675,756,720 | $595,045,883 |
| Self-Generated Revenue | $95,804,745 | $97,476,925 | $71,109,858 | $65,788,131 |
| Federal | $87,488,650 | $83,203,302 | $78,082,167 | $79,447,612 |
| **Total:** | $927,585,707 | $932,593,474 | $897,468,768 | $804,543,457 |

*NOTE: IAT – Other consists primarily of the Central Office budget in FY 11, DSH replacement funds, Ryan White funds, and UPL funds in FY 12.

**Major Increases/Decreases in FY 11 HCSD Budget**

***DSH Replacement Funds***

HCSD received an IAT appropriation of $98 M in FY 11 to offset the impact of the DSH audit rule. This IAT was originally appropriated from DHH comprised of $85.2 M in SGF and $13 M in Federal funds for FY 10 HCSD cost report settlement. In FY 12, in order to reduce the amount of SGF used to offset the losses associated with the DSH audit rule, HCSD was appropriated only $27.4 M in SGF, anticipates achieving $22.5 M in savings from the LINCCA initiative, and will receive $42.3 M in UPL payments from E. A. Conway. As such, HCSD's total DSH replacement funds are budgeted at $92.2 M, which is approximately $5.8 M less than appropriated in FY 11.

***Outpatient Pharmacies***

HCSD is in the process of reorganizing its outpatient pharmacy services for a total reduction of $33.8 M ($3.4 M in SGF, $2.8 M in Medicaid IAT, & $27.6 M in SGR). The most significant change was the transfer of the costs associated with the AIDS Drug Assistance Program (ADAP) drugs back to the Office of Public Health (OPH). Previously, HCSD funded this program with self-generated revenues (SGR) earned from OPH; however, in FY 12, OPH will be purchasing the ADAP drugs directly. This will shift approximately $28 M in SGR out of HCSD's budget to OPH, but will not affect services.

**LSU Medical Centers Appropriations**

| Hospital: | FY 10 Actual | FY 11 Budgeted (as of 6/30/11) | FY 11 Actual | FY 12 Appropriated |
|---|---|---|---|---|
| Earl K. Long | $151,657,940 | $151,655,530 | $144,745,417 | $118,769,886 |
| University | $120,822,487 | $118,927,479 | $110,664,186 | $108,838,365 |
| W.O. Moss | $46,822,132 | $49,122,524 | $44,984,624 | $31,451,557 |
| Lallie Kemp | $41,527,802 | $43,634,029 | $40,447,704 | $41,967,261 |
| Bogalusa | $63,875,475 | $66,416,023 | $63,855,830 | $61,009,788 |
| L.J. Chabert | $107,383,397 | $108,785,021 | $102,871,499 | $96,677,689 |
| MCLNO | $372,892,026 | $369,274,287 | $368,684,627 | $321,775,812 |
| **Total:** | $904,981,259 | $907,814,893 | $876,253,888 | $780,490,358 |
| Central Office: | $22,604,448 | $24,778,581 | $21,214,881 | $24,053,099 |
| **HCSD - Total** | **$927,585,707** | **$932,593,474** | **$897,468,768** | **$804,543,457** |

# Section IV

# BUDGETARY ISSUES

**DEPT / AGY:** Executive Division of Administration

**ISSUE:** **Update on the Privatization of the Office of Risk Management**

The Office of Risk Management (ORM) contracted with F.A. Richard & Associates, Inc. (FARA), based in Mandeville, LA, to perform claims management and loss prevention functions (Note: On 5/24/2011, FARA was sold to Avizent, based in Columbus, Ohio, who presumably will honor the contract and transition schedule for ORM claims.). The original contract was effective for 5 years and the project plan was to be phased in with worker's compensation claims, subrogation, and loss prevention transitioning to what is now FARA/Avizent in September 2010, property claims by 1/1/2012, medical malpractice and general liability claims by 1/1/2013 and road hazard and auto liability/physical damage claims by 11/1/2013. However, a shortage of ORM employees in the general liability claims unit led to an earlier implementation of the transfer of the general liability line, which is expected to be completed by 9/1/2011. Initially, the total amount of the contract could not exceed $68,118,971 over the 5 years of the contract. However, this contract was amended by the Division to provide for flexibility within the transition schedule with a possible 10% increase in cost to $74,930,868 (A meeting of the House Appropriations Committee occurred on 5/10/2011, to discuss the change to the contract. There was no mention of the sale of FARA to Avizent at this meeting). The increased cost is a pro-rated monthly fee based on the original cost estimates to allow a quicker phase-in of the privatization plans. Should one of the lines of insurance transition to FARA/Avizent earlier or later than planned, which was the case with the general liability line, the fee would be added or subtracted from the ORM payment to FARA/Avizent. The monthly fees stipulated in the contract are:

| | |
|---|---|
| Property | $132,118 |
| General Liability | $106,541 |
| Medical Malpractice | $142,866 |
| Auto Liability/Physical Damage | $114,860 |
| Road Hazard | $62,204 |

According to ORM, any increased payments will be covered by the elimination of contract costs for adjusters (see below), salary and related benefits from vacant positions within the activity and claims payment savings that are expected to materialize sooner due to the earlier transition to FARA/Avizent.

In assessing privatization progress to date, the ORM reports that FARA/Avizent's aggressive closing of claims has placed a more reasonable burden on adjusters which could lead to savings, and the average claim amount for drug claims is declining. However, maintaining adequate staff within the ORM until subsequent privatization phases are implemented has proven difficult, so the office has resorted to contract employees to bridge the gap. This action was not anticipated in the original contract, which initiated the amendment allowing for an earlier transition of other programs. The timing of the phase-in may need to be adjusted further in the future to avoid this additional cost. Civil Service rules cause ORM to use the preferred reemployment plan, which effectively means that ORM may only rehire those employees who are now working for FARA/Avizent, which ORM deems impractical.

Initially, costs to the state were expected to increase by $1.3 M in FY 11 as the transition commenced and parallel systems would have to operate for a time. ORM estimated that the state would eventually save $20 M over the 5 years of the contract in part due to the elimination of 85 positions and in part due to a lowering of benefit calculations. At the May 10, 2011, presentation to the House Appropriations Committee, ORM indicated that costs per claim is lower by about 20% compared to the same time last year and pharmacy costs are down by almost 60%. However, these reductions cannot necessarily be traced directly to the transfer as market conditions are also different than last year. FARA/Avizent was and is obligated to offer employment to the displaced state workers where possible at a salary based on FARA/Avizent's pay scale for existing employees along with immediate access to benefits.

ORM will maintain an oversight roll and continue to accept premiums from state agencies as well as pay claims based on FARA/Avizent's claims management efforts. FARA/Avizent is expected to pay claims through a zero balance checking account to be filled each day with enough funds to pay the approved claims for that day. In negotiating settlements, FARA/Avizent has the authority to negotiate any claim under $25,000 but must notify ORM for claims in excess of that amount.

**DEPT / AGY:** Executive Division of Administration

**ISSUE:** **Enterprise Resource Project (ERP) - LaGov**

Through FY 11 the Division of Administration (DOA) projected to expend approximately $93.2 M for the implementation of a new statewide financial system (LaGov) which would have replaced the state's existing systems. However, due to FY 11 and FY 12 budget constraints, the DOA chose to pilot the implementation of the new system for the Department of Transportation & Development (DOTD) exclusively in FY 11. Thus, there will be no statewide rollout in FY 12 due to lack of funding in FY 12.

The hardware and software infrastructure are in place for a statewide rollout and the basic consulting services costs for converting the entire state include data conversion and training for a projected total cost of approximately $25 M (if additional funding is appropriated in FY 12, the statewide rollout costs would be as follows: $5.1 M - FY 12; $14.3 M - FY 13; and $5.7 M - FY 14). However, the further the statewide rollout is delayed, the less relevant the LaGov system becomes and the increased risk that the current 15-year old legacy systems will crash beyond repair. To the extent the DOA is appropriated the needed $5.1 M of funding in FY 12 to begin the statewide rollout, the earliest the system could go live statewide is 7/1/2014 (FY 15).

The FY 12 budget for LaGov includes approximately $4.9 M of which $1.8 M is for the ongoing maintenance of the existing system ($0.7 M in TTF-R and $1.1 M in SGF) and post implementation professional services in the amount of $3.1 M ($0.5 M in TTF-R and $2.6 M in SGF), of which the Transportation Trust Fund (TTF-R) costs are for the ongoing maintenance Agile Assets (DOTD). According to the DOA, an RFP has been released for the post implementation consulting services, which includes potentially bringing another state agency into LaGov at a projected cost of $300,000.

For FY 12, DOTD anticipates utilizing $1.2 M of TTF-R to be paid to the DOA for its Agile Assets portion of ERP in FY 12. Thus, the projected anticipated need in FY 12 is approximately $3.64 M. However, FY 12 budget only includes funding in the amount of $3.1 M, or $500,000 short of the projected FY 12 need.

The LaGov system as it exists today will require annual maintenance costs of approximately $5 M with a major software upgrade scheduled in FY 15, which is projected to cost an additional $3.4 M (one-time costs).

Original projections of the total cost of the system were approximately $100 M. Due to the decision to pilot DOTD only, the projected cost estimate has increased to approximately $125 M.

---

**DEPT / AGY:** Executive Division of Administration

**ISSUE:** **Office of Group Benefits (OGB) - Sale of HMO & PPO Book of Business**

OGB is an agency of the state of LA within the Office of the Governor, Division of Administration and is authorized by LA statute to provide health and life insurance to both active and retired state employees and their dependents. OGB, which currently operates as a self-insured entity, offers 3 major health plans called the PPO (OGB's plan), HMO (Blue Cross Blue Shield) and CD-HSA (United Healthcare). OGB annually contracts with Blue Cross Blue Shield and United Healthcare to have access to their provider networks. The self-insured model provides for OGB to do the following: 1.) Determine eligibility for all plan offerings; 2.) Collect the premiums on behalf of the third-party administrator and for PPO and HMO plan participants; 3.) Pay an agreed upon administrative fee to Blue Cross Blue Shield and United Healthcare (PPM – per member per month fee) for access to their provider networks; and 4.) Keep the amount of premiums collected that are not paid in claims costs, administrative costs to the third-party providers, or administrative costs associated with OGB administering the PPO plan (fund balance generation). Under the self-insured model any excess funds that remain after claims payments generate a fund balance.

***OGB's Administrative Costs*** **-** In FY 10, the OGB collected approximately $1.3 B in premiums, paid approximately $1.2 B in medical claims/administrative fees to third-party administrators and incurred approximately $39.8 M in internal administrative expenditures associated with the overall administrative functions of the OGB and its positions. Thus, OGB realized an increase in the program's fund balance by approximately $57.8 M (from $398.2 M to $456 M).

The industry standard for health insurance companies is a medical loss ratio of 0.85, or 85%. This means that for every $1 paid in premiums by the insured, the health insurance company should utilize $0.85 for medical claims payments and/or medical services and $0.15 be utilized to pay administrative overhead and profit generation. Based upon FY 10 data, OGB's administrative costs are 3%, contracted administrative fees paid to the third-party administrators for some plan offerings are 2% and the generated surplus is 5% for a total medical loss ratio of 90%. OGB's loss ratio of 90% means administrative costs are lower than the private market and/or the "profit margin" (fund balance) is being negatively impacted because FY 10 and FY 11 did not have actuarially sound premium rates (FY 11 had no rate increase and FY 10 had a premium rate increase of 3%).

As discussed above, there are 5 basic functions of health insurance companies (eligibility determination, premium collections, network administration (contracts with providers), paying medical claims and customer service. Currently, OGB provides all of these functions for its PPO plan option and only eligibility determination and premium collections for the third-party plan offerings (HMO, CD-HSA) at an approximate cost of $40 M and 310 positions (included within the administrative costs are costs associated with other benefits offered by OGB). The administrative costs and the third-party administrative fees equate to approximately 5% of the total program revenues.

*Based upon preliminary discussions with OGB, the state would sell the PPO and HMO book of business to the contractor for a negotiated rate and a determined length of time, i.e. 5 years or 10 years. In return, the state would get an unknown lump sum payment, while the private contractor would provide the 5 basic functions discussed above. The benefit to the contractor would be the potential "surplus" generated from year-to-year premium collections versus medical claims pay out (OGB's 5-year average of profits is approximately $111 M). However, based upon the current benefit structure (current PPO and HMO populations, claims and utilization data) the projected "surplus" generated by the program in FY 11 is anticipated to be approximately $54.8 M. Thus, there is a chance that the current benefit structure of the HMO and PPO plans and/or premiums may be modified by the "lessee" of OGB's book of business depending upon the information provided to the DOA by the financial services contractor.*

***OGB's Fund Balance*** **-** As of April 2011, OGB had approximately $592.6 M in cash available. However, OGB annually calculates an *Incurred But Not Paid* (IBNP) amount at the beginning of the fiscal year, which lowers the total cash available. The IBNP is the amount of cash needed to pay claims that have been incurred, but have not yet been paid by OGB. The IBNP is an actuarially calculated number based upon the daily claims volume and the amount of time it takes to pay the claims. The FY 11 amount was approximately $73.3 M. Thus, the projected fund balance as of June 2011 is approximately $500 M. R.S. 42:854(C) provides that OGB's fund balance may not be utilized for the state's operating budget.

Although OGB's fund balance is currently $524.6 M, OGB's contracted actuary is projecting OGB's fund balance to decrease to approximately $497.1 M by July 2011 (FY 12) and decrease to $366.9 M by December 2012 (FY 13). The actuary projections assumes there is no approved premium increase for FY 11, FY 12 and FY 13. However, the Division of Administration built into the FY 12 Executive Budget a 9.2% premium increase, while the actual rate increase is 5.2%. According to OGB's contracted actuary, the suggested fund balance reserve should be at a minimum the IBNP. In addition, the contracted actuary also recommends that OGB have on hand at least 3 months of potential medical claims payments, which equates to approximately $373 M ($73 M – IBNP and $300 M – additional cash on-hand), which is approximately $32 M less than the actuarially suggested balance of $300 M.

***Other Issues to Explore***

1.) ***Utilize a third party administrator for the PPO plan option.*** One option for cost savings with OGB would be to contract with a third-party contractor for the PPO plan offering. In addition to offering 2 third-party administrator plans (HMO – Blue Cross Blue Shield of LA, CD-HSA – United Healthcare), OGB also administers its own health plan called the PPO. Of the total 310 positions within OGB, the agency has approximately 136 positions and $9.1 M personnel expenditures associated with processing provider contracts, providing customer service and processing claims. To the extent the PPO plan is outsourced to a private organization like the HMO and CD-HSA plans are currently, there could be expenditure savings associated with the reduction of a portion or all of the 136 positions within OGB for those specific positions that provide direct PPO service functions.

***2.) Other cost considerations.*** Unless certain premium and/or benefit structure restrictions are placed within the contract, the contractor will likely pass down the following costs listed below to the state and its members through its premium rates: a) marketing costs (OGB has a captive group and does not need to pay any marketing expenditures); b) premium taxes - OGB is exempt from paying premium taxes, while other health insurance companies are required to pay (R.S. 22:838(B)); c) reinsurance - Due to the contractor assuming all risks (fully insured), the contractor will likely purchase reinsurance (insurance for insurance companies). OGB does not currently have reinsurance. The specific cost of the reinsurance policy is unknown and dependent upon how much coverage is selected; and d) profit margin - Because OGB is an ancillary state agency, it does not have profit motivation. The organization's main goal is providing the service and paying medical claims. However, to the extent the OGB is privatized, the contractor will likely have built profit into the premium structure.

**Note:** OGB currently offers benefits to state employees as well as approximately 46 local school boards across the state. It also communicates with approximately 200 different payroll systems statewide. As of March 2011, there are 155,061 covered lives in the HMO plan and 61,659 covered lives in the PPO plan.

---

**DEPT / AGY:** Executive Division of Administration

**ISSUE:** **Office of Group Benefits - Self Insured Model Versus Fully Insured Model**

On 2/4/2011, the Office of Group Benefits (OGB) issued a Request for Proposal (RFP) seeking bids from a financial services advisor. According to the RFP, the qualified financial adviser is to provide the following services: 1.) assess the market value of the tangible and/or intangible assets of OGB; and 2.) negotiate for and on behalf of OGB in accordance with OGB's statutory authority (R.S. 42:802).

Based upon preliminary discussions with OGB, the state would sell the PPO and HMO book of business to the contractor for a negotiated rate for a length of time, i.e. 5 years or 10 years. The benefit to the contractor would be the potential "surplus" generated from year-to-year premium collections versus medical claims pay out. At this time, it is unknown if the state (self-insured) or the private company that buys the book of business (fully-insured) would assume all risk.

To the extent OGB's PPO and HMO's book of business is sold, the new agreement could result in the utilization of a fully insured model, which would result in the private contractor paying the state a lump cash payment for access to OGB's current fund balance of approximately $500 M and all revenue streams associated with the health insurance plan annual premium revenues generated; and paying all medical claims.

The state would likely receive an upfront, indeterminable (at this time) lump cash payment for the contractor to provide the following 5 services to the state and its employees for a specified time period: eligibility determination; premium collections; network administration (contracts with providers); paying medical claims; and customer service.

OGB, which currently operates as a self-insured entity, offers 3 major health plan offers called the PPO (OGB's plan), HMO (Blue Cross Blue Shield third-party administrator) and CD-HSA (United Healthcare third-party administrator). OGB annually contracts with Blue Cross Blue Shield and United Healthcare to have access to their provider networks. The self-insured model provides for OGB to: 1.) Determine eligibility for all plan offerings; 2.) Collect the premiums on behalf of the third-party administrator and for PPO and HMO plan participants; 3.) Pay an agreed upon administrative fee to Blue Cross Blue Shield and United Healthcare (PPM – per member per month fee) for access to their provider networks; and 4.) Keep the amount of premiums collected that are not paid in claims costs, administrative costs to the third-party providers, or administrative costs associated with OGB administering the PPO plan. Under the self-insured model any excess funds that remain after claims payment are kept within OGB. This benefits plan members because the generated surplus can be utilized to suppress annual premium rate increases.

However, under a fully insured model the contractor assumes all risk. Thus, any excess funds that remain after claims payment are kept within the company as profit or for administrative overhead (See comparison below).

| **SELF-INSURED SYSTEM** | **FULLY-INSURED SYSTEM** |
|---|---|
| $500 Premium Paid | $500 Premium Paid |
| ($25) PMPM Administrative Fee | Insurance plan keeps $$ |
| $475 OGB retains to pay claims & administrative costs | $500 Insurance Plan pays claims and keeps rest as profit |

In addition, premium calculations are based upon the risk pool of those members participating within the specific plan offerings, while the self-insured model includes every participating member, regardless of plan selection, in its risk pool. OGB currently places its entire membership of its various plan offerings into one risk pool for actuarial analysis. Typically, the larger the risk pool, the more diversified the claims experience, which typically equates to lower premiums.

OGB has approximately 155,061 covered lives in the HMO plan and 61,659 covered lives in the PPO plan.

**It is indeterminable at this time what specific risk model will be utilized if the HMO/PPO book of business is sold.**

---

**DEPT / AGY:** Public Service Commission Public Service Commission

**ISSUE:** **Update on Public Service Commission Legal Action Against the State**

In June 2010, the Public Service Commission (PSC) filed suit against the LA Legislature and the Administration claiming that the state unconstitutionally swept the accrued balances of the funds of the PSC in the amount of $8.5 M ($4 M in 2009 and $4.5 M in 2010) and placed the money in the general fund for use in any area of state government. The PSC contends that those balances were the proceeds of industry-specific fees (in particular, inspection and utility fees, motor carrier registration fees and telephonic solicitation registration fees) collected under the auspices that the fees were to be used in the regulation and enforcement of industry standards. In transferring these fees to the SGF, the PSC contends that the state treated them as a general tax, which is prevented by the Constitution. The Legislature indicates that the fund balance sweep was an allowable use of these funds. Should the PSC be successful in this effort, the state could eventually be required to return hundreds of millions of dollars to these and similar funds that have been swept over the years.

The Attorney General filed exceptions to the case in 19th Judicial District State Court which the PSC opposed. On 2/2/2011, the court ruled that the state did not violate the Constitution in sweeping the funds for use in the general operating budget. As of this writing, the PSC is considering options for moving forward. Regardless of the final outcome of the case, any budgetary impact is expected to be delayed beyond the current budget year due to the appeals process.

Both the state (represented by the Attorney General) and the PSC are using in-house attorneys so there is no additional administrative cost to the state as a result of this case.

---

**DEPT / AGY:** Agriculture & Forestry Office of Agriculture & Forestry

**ISSUE:** **Debt Service Payments**

After FY 11 debt service payments, there will be approximately $62.7 M in outstanding debt for the Department of Agriculture & Forestry related to various building projects and equipment purchases. R.S. 27:392(B)(4) dedicates $12 M of racetrack slot proceeds into the LA Agricultural Finance Authority Fund (LAFAF). Per R.S. 3:277, these funds are to be expended for securing revenue bonds for the needs of the Boll Weevil Eradication Program (debt service payments) or other agricultural associated expenditures at the discretion of the department. Additional debt service payments are paid off-budget by the LA Agricultural Finance Authority (LAFA) from proceeds deposited into the Feed Commission Fund, the Fertilizer Fund and the Pesticide Fund (FF&P).

After the department makes the projected FY 11 debt service payments, the remaining debt of $62.7 M is associated with the following projects:

| | |
|---|---|
| $23.1 M | Lacassine Sugar Syrup Mill project (original 2004 debt issuance) |
| $31.0 M | Firefighting equipment, $22 M, and multiple buildings |
| $3.8 M | Various construction projects in 2006 - $9.6 M |
| $4.8 M | Various construction projects in 2007 - $6 M |
| $62.7 M | Total debt still owed |

Included in FY 12 budget is $9.9 M in budget authority from the LA Agricultural Finance Authority Fund (R.S. 3:277) for debt service payments. Information provided by the department projects total debt service payments at $9.2 M in FY 12. From this fund, the agency is projected to pay approximately $2,229,570 in total bond interest payments and $6,975,000 in total principal payments in FY 12. LAFA will make additional payments of $334,627 in interest payments and $2,221,687 in total principal payments in FY 12. The debt service payments projected in FY 12 are:

| | |
|---|---|
| $7,577,070 | Interest and principal on Lacassine Syrup Mill project (LAFAF) |
| $1,627,500 | Interest only payments on Firefighting equipment and buildings (LAFAF) |
| $1,998,554 | Interest and principal on various construction projects in 2006 (FF&P) |
| $557,760 | Interest and principal on various construction projects in 2007 (FF&P) |
| $11,760,884 | TOTAL ($9,204,570 LA Agricultural Finance Authority Fund and $2,556,314 FF&P) |

To the extent that the interest rates do not change and the department does not pre-pay outstanding debt services, the various construction projects in 2006 should be *paid in full at the end of FY 13*, the Lacassine Syrup Mill bonds should be *paid in full at the end of FY 15,* and the firefighting equipment and buildings should be *paid in full by FY 18.* The various construction projects issued in 2007 should be *paid in full at the end of FY 27*. To the extent that the department does not borrow more funding through additional bond issues, all state debts will be paid off by FY 27.

Even though these debts are considered Net State Tax Support Debt, according to the latest audit of LAFA conducted by the Legislative Auditor (August 2008), these bonds are *"limited to special obligations of the authority and do not constitute a general, special or moral obligation of the State."* Currently, out of the approximate $62.7 M the department owes, only the $31 M is associated with the firefighting equipment and buildings cannot be paid off earlier than its projected final payment date (FY 18).

The Department of Agriculture & Forestry will utilize the balance of $2.8 M from the LA Agricultural Finance Authority Fund (after $9.2 M debt service payments are made from the total $12 M annual allocation) to supplant SGF expenditures in its operating budget in FY 12.

---

**DEPT / AGY:** Economic Development — Office of Secretary

**ISSUE:** **Use of the Mega-Project Development Fund**

The Mega-Project Development Fund is reserved for projects that create over 500 new jobs or offer at least $500 M in federal dollars or private capital investment (not including the state's contribution). The state's share of the project can comprise no more than 30% of the total project cost as specified in the cooperative endeavor agreement (CEA). Projects associated with companies in bankruptcy threatening at least 500 jobs or military bases subject to realignment or closure are also eligible.

The fiscal history of the fund:

| | | |
|---|---|---|
| Revenue | | |
| FY 07 Initial Deposit | $150,000,000 | |
| FY 07 Surplus Funds | 307,100,000 | |
| Interest to date* | 14,819,414 | |
| TOTAL REVENUE | $471,919,414 | |
| | | |
| Total Uses with CEA commitments | | |
| Support Worker Supplement | $48,600,000 | |
| ULM School of Pharmacy | 4,209,000 | |
| Federal City | 125,000,000 | |
| NASA/Michoud[1] | 55,500,000 | |
| Foster Farms | 50,000,000 | |
| V-vehicle (Next)[2] | 69,000,000 | |
| SNF Holdings | 26,550,000 | |
| ConAgra | 37,400,000 | |
| TOTAL COMMITMENTS | $416,259,000 | |
| | | |
| TOTAL UNRESERVED FUNDS AVAILABLE | | $ 55,660,414 |
| V-vehicle (Next) reserve ($2M appropriated in FY 11) | | 67,000,000 |
| TOTAL FUNDS AVAILABLE | | $122,660,414 |
| | | |
| Act 22 of 2011 Regular Session[3] | | (81,448,446) |

| | |
|---|---|
| FUNDS AVAILABLE after Act 22 of 2011RS* | $41,211,968 |

* Interest will continue to accrue until the money is removed from the fund, so additional funds could be available depending on the timing of the use of the fund.

1 The NASA/Michoud project is on informal hold by LED until the federal government's commitment to the space program is clarified.

2 The state payments were contingent upon the V-vehicle project (the name was changed to Next Autoworks) obtaining a federal loan of $310 M through the Department of Energy's Advanced Technology Vehicles Manufacturing Program. The loan was denied on 3/24/2010 removing the state's liability. The company has since returned $6,184,733.07 to the LA Mega-Project Development Fund, which is the full amount the company has received from the state. The state dollars related to the V-vehicle/Next project are technically available again in the Mega-Project Development Fund. However, during the 2010 Regular Session, the legislature indicated a willingness to reserve this amount for a possible resurrection of the project. A decision on the revised loan application is pending.

3 In Act 22 of the 2011 Regular Session, this amount was transferred from the Mega-Project Development Fund to the Overcollections Fund for use by various agencies in the FY 12 budget.

---

**DEPT / AGY:** Economic Development — Business Development

**ISSUE: Marketing Fund**

The Marketing Fund contains the first $2 M in vendor compensation equivalents, which is a dedication of sales tax. According to the statute, R.S. 47: 318, $1 M is allocated to marketing education, specifically through 3 entities: Marketing Education Retail Alliance ($675,563), District 2 Enhancement Corporation ($250,000) and the LA Council for Economic Education ($74,437). However, in FY 12, the allocation to these entities is transferred to the Department of Economic Development advertising budget, after first reducing that budget by $1 M in SGF. The total advertising budget of LED is $5.25 M for FY 12, and the means of finance now includes $2 M from the Marketing Fund and $3.25 M from SGF instead of $1 M from the Marketing Fund that is typically appropriated. The authority cited by the administration for altering the statutory allocation is the latest intent of the law. Since the budget is only effective for one fiscal year, $1 M of this allocation would revert to the 3 marketing education entities on 7/1/2012.

**Note:** The House Appropriations Committee amended HB 1 to include a contingency on the Department of Economic Development (LED) budget for Business Development (Agency 05-252) that the budget would only be appropriated if the Marketing Fund is expended as stipulated in the statute. The appropriation for $1 M in departmental advertising was not replaced so this effectively cut the LED budget by $1 M. The provision was removed in the Senate Finance Committee leaving the Marketing Fund in the same posture as it was in the Executive Budget.

---

**DEPT / AGY:** Culture, Recreation & Tourism — Tourism

**ISSUE: LA Tourism Promotion District**

Act 1038 of 1990 created the LA Tourism Promotion District (LTPD) which receives three one hundredths of 1 cent of the sales and use tax for the purpose of assisting the state for out-of-state advertising and promoting tourism in LA.

In FY 12, a number of initiatives which were normally funded with SGF are to be funded from the Office of Tourism's SGR funds, which is the sales tax. The following pass-throughs are to be funded with SGR for FY 12:

| | |
|---|---|
| Independence Bowl | $300,616 |
| FORE! Kids Foundation | $314,108 |
| N.O. Metropolitan CVB (Essence Festival) | $948,112 |

| | |
|---|---|
| New Orleans Bowl | $280,577 |
| Greater New Orleans Sports Foundation | $544,050 |
| Jefferson Parish (Bayou de Famille Park) | $418,500 |
| LA Special Olympics | $250,000 |
| Bassmasters | $425,000 |
| Senior Oympics (Office of Elderly Affairs) | $33,750 |
| Sci-Port: LA's Science Center | $75,000 |
| NCAA Men's Final Four | $2,000,000 |
| Total | $5,589,713 |

Additionally, funding for the following initiatives will be transferred to other agencies within the department:

| | |
|---|---|
| ENCORE Louisiana | $465,356 |
| Audubon Golf Trail | $624,363 |
| World Cultural Economic Forum | $675,000 |
| Kent House | $50,400 |
| Office of the Secretary administrative costs | $446,000 |
| Decentralized Arts Grants | $1,000,000 |
| Statewide Arts Grants- | $500,000 |
| Total | $3,761,119 |
| | |
| Total pass-throughs and programs to be absorbed by the LTPD | $9,350,832 |

The recommended funding level for the LTPD (excluding the Administrative and Welcome Centers Program within the Office of Tourism) for FY 12 is $18,504,557. After the pass-throughs and programs are absorbed by the LPTD, $9,153,725 remains for normal expenditures related to advertising and promoting tourism in LA.

---

**DEPT / AGY:** Transportation & Development

**ISSUE:** **State Transportation Funding**

**State Gas Tax:** The 16-cent state gas tax was enacted in 1984 as a flat, non-indexed tax. The state gas tax has a current day buying power of approximately 7 cents. Historically, gas tax revenues have grown approximately 2.5% per year since 1992. Since 2005, this growth has slowed to an average of 1.73% annually. Between 2007 and 2010, revenues decreased by 0.27%. Construction and operating inflation substantially exceed the growth rate of the gas tax. Personnel costs historically grew an average of 5% annually. In FY 12, the Transportation Trust Fund (TTF) used for related benefits expenses (departmental retirement, health insurance, life insurance and retiree costs) will exceed $67 M. Since the hurricane events of 2005, construction costs have increased 25% to 30%.

In the year the state gas tax was enacted, 1984, the average 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 in LA as of 3/22/2011 is $3.44. Due to the tax being flat, and not indexed to inflation, the current tax equates to individuals paying less than 5% per gallon for road infrastructure.

The LA Constitution stipulates allowable uses of the TTF. The constitution allows the state police to use appropriations from the TTF for traffic control purposes. A means of finance swap executed an exchange of $26.5 M TTF to be used for recurring expenditures in the Traffic Enforcement Program in lieu of SGF. This reallocation of TTF dollars between departments has a direct and material impact on the potential size and scope of other allowable uses of the TTF, namely: costs for and associated with construction and maintenance of the roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program or its successor, ports, airports, transit, the Parish Transportation Fund or its successor and any bond debt or associated obligations. The use of TTF by the Traffic Enforcement Program is not without precedent, as the program received uninterrupted annual appropriations from FY 90 through FY 07 with appropriations of $11.72 M in the lowest year and $40.46 in the highest.

**Federal Highway Trust Fund (Federal Gas Tax):** The current federal program (SAFETEA-LU) expired at the end of February 2009. The program has been extended through a series of legislative instruments, most recently H.R. 662 signed by President Obama on 3/4/2011, to further extend SAFETEA-LU through 9/30/2011. Congress did not appropriate additional funds through any of the extensions, the legislation merely provided an extension of the existing federal highway spending authorization. According to the DOTD, the Highway Trust Fund (HTF) should have enough funding to get through the 2011 calendar year but is in danger of being underfunded or unfunded going forward without changes to the federal gas tax or identification of alternative revenue sources. The HTF is funded with the 18.4-cent federal gasoline tax and like the state gas tax, it has lost ground to inflation over time.

**TIMED Program Bond Debt Service Payments - $143.7 M:** The TIMED Program was established by Act 16 of 1989 1st Extraordinary Session and designated 16 specific road/bridge projects. The original plan called for a designated funding stream in the form of a 4-cent gasoline tax on top of the existing 16-cent 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 out the remainder of the program in an effort to complete construction of all projects around FY 13. Due to rising construction costs and low 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.

The projected FY 12 4-cent gas tax collections for the TIMED Program will not be sufficient to cover future debt service payments of the 8 completed projects and the 6 currently under construction. Thus, approximately $21.9 M of the 16-cent gas tax revenues will be needed to pay TIMED Program debt service payments in FY 12, the third consecutive year in which the state gas tax will be used to make the TIMED debt service schedule whole. Every cent of gas tax equates to approximately $30 M of revenue. Based upon the latest debt service payment schedule, the FY 12 debt service payment is approximately $143.7 M, while the latest adopted revenue forecast for TTF-TIMED revenue projection for FY 12 is $122.6 M. Approximately $21.9 M of TTF-Regular (16-cent gas tax) will be utilized to pay the imbalance. Since 1 cent of tax generates approximately $30 M, the $21.9 M represents a roughly 3/4 of 1 cent of gas tax collections that will be utilized for TIMED Program debt service payments in FY 12.

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 4.1 cents of the 16-cent state gasoline tax at its peak usage in FY 43, which equates to $123 M, or approximately 25.6% of the total projected 16-cent tax receipts. This will impact DOTD's federal match abilities and its operating budget. DOTD utilized approximately $13.3 M of the 16-cent gasoline tax collections to pay FY 11 TIMED debt service. Currently, the total projected TIMED Program costs are $5.24 B (includes LA 3241, Florida Avenue Bridge), while total revenues for the program will be $4.65 B. DOTD is in the process of determining the best financing mechanism for completing the final 2 constitutionally required road/bridge projects. Below is a comparison of the original cost projections of the 16 TIMED projects as originally proposed in 1989 (R.S. 48:820.2), and the actual/current cost estimates. Based upon current/actual cost estimates, the cost projections in 1989 were approximately $2.7 B less than what has been and what will likely be expended on the total TIMED projects.

| | 1989 Original Proj. | Present Actual/Current Proj. |
|---|---|---|
| Tchoupitoulas | $55,000,000 | $51,000,000 |
| West Bank Expressway | $33,200,000 | $33,000,000 |
| Port of New Orleans | $100,000,000 | $100,000,000 |
| New Orleans Airport | $75,000,000 | $75,000,000 |
| US 90 | $256,000,000 | $256,000,000 |
| West Napoleon | $53,000,000 | $69,000,000 |
| LA 15 | $66,000,000 | $87,000,000 |
| US 171 | $415,000,000 | $617,000,000 |
| Earhart Blvd. | $20,000,000 | $20,000,000 |
| US 165 | $492,000,000 | $931,000,000 |
| US 167 | $389,000,000 | $706,000,000 |
| US 61 | $29,000,000 | $94,000,000 |
| Audubon Bridge | $150,000,000 | $407,000,000 |
| Huey P Long Bridge | $220,000,000 | $1,173,000,000 |
| ***Florida Avenue Bridge*** | ***$129,000,000*** | ***$475,000,000*** |
| ***LA 3241*** | ***$52,000,000*** | ***$147,000,000*** |
| TOTAL | $2,534,200,000 | $5,241,000,000 |

*Note: The Florida Avenue Bridge and LA 3241 have not begun construction and currently have no funding source. Thus, the cost projections could change in future fiscal years as inflation continues escalating construction costs.*

**Vehicle Sales Tax:** Act 11 of 2008 2nd Extraordinary Session provided that vehicle sales taxes would begin to accrue to the TTF and be phased in over 7 years. A total of 10% was to be transferred to the TTF in FY 09. Due to the total SGF revenue projections decreasing for FY 09, these funds were not available to the TTF and will not be available in subsequent fiscal years until "… such time as the official forecast of the REC equals or exceeds the official forecast in effect prior to the projected deficit, at which time the reduction shall cease." The SGF revenue forecast for FY 09 as of 5/9/2008 was $9.7 B. The latest adopted revenue forecast projects the following for SGF: FY 11 - $7.8 B; FY 12 - $8.3 B; FY 13 - $8.6 B; FY 14 - $9.0 B; and FY 15 - $9.4 B. Therefore, unless this statute is amended, it is unlikely that these funds will be available to the TTF in the near future. The distribution to the TTF was projected to eventually reach $335.6 M in FY 15 at 100% implementation.

---

**DEPT / AGY:** Transportation & Development Engineering & Operations

**ISSUE:** **CCCD/LA 1 Toll System**

The Crescent City Connection Division (CCCD) contracted with Electronic Transaction Consultants (ETC) to develop a toll collection system. To date, CCCD has paid approximately $7.3 M on this contract and does not have a properly functioning toll collection system. Since ETC stopped working on the project in January 2010, DOTD is in litigation with the company. The original 4-year contract was signed by DOTD and ETC in May 2005 in the amount of $5.25 M. Due to contract change orders, the total contract with ETC is $8.4 M.

The Integrated Electronic Toll Collection System (IETCS II) was designed and developed by ETC to provide electronic toll collections for vehicles crossing the Crescent City Connection and the LA 1 Bridge. However, the current toll collection system of the CCCD and the LA 1 bridge has not worked properly since being implemented for the CCCD on 12/1/2008, and for LA 1 on 8/3/2009. Per a September 2010 Legislative Audit report, from January 2010 to June 2010 there were approximately $0.9 M in potential toll violations that remain unbilled and are considered uncollected revenue due to the problems of the toll collection system (IETCS II).

Per the audit report, the following is a list of problems associated with the IETCS II system:
*The Image Capture Review Subsystem for both CCCD and LA 1 is not working correctly. Thus, employees are unable to view images of all potential toll violators.
*The system frequently sends erroneous violation notices to drivers who have properly paid tolls.
*The toll system's violation processing subsystem fails to properly identify all valid trailer toll violations.

The projected cost of a new toll system is approximately $10 M. However, DOTD anticipates the total cost of system replacement will likely exceed this amount. In addition, pursuant to R.S. 47:820.5, by 12/31/2012 the CCCD's tolls will be terminated when its current debt will be paid in full. To the extent the tolls are not renewed by the legislature, there will be no need for a toll system for the CCCD. Thus, the department is exploring options to determine the viability of replacing the toll system for future usage on the LA 1 bridge in the event it is the sole remaining state toll system.

---

**DEPT / AGY:** Public Safety Management & Finance

**ISSUE:** **Outsourcing a portion of the "back office" functions of the Office of Juvenile Justice (OJJ) and the Governor's Office of Homeland Security & Emergency Preparedness to the Department of Public Safety (DPS)**

Per the FY 12 Executive Budget, consolidating the back office functions of the Office of Juvenile Justice and the Governor's Office of Homeland Security & Emergency Preparedness with the back office functions of the Department of Public Safety & Corrections, Public Safety Services could result in expenditure savings of approximately $1.2 M and the elimination of 16 positions.

**Public Safety Services Impact**
The budget for Public Safety Services (PSS) has received a $1.4 M increase in IAT and 22 positions to handle certain administrative functions for the Office of Juvenile Justice (OJJ) and the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP). Public Safety will handle information technology and human resources activities for both agencies and will also handle all finance functions for the OJJ.

**Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) Impact**

Reduction of $218,173 SGF and $185,133 Federal associated with the consolidation of the back office functions of GOHSEP and OJJ within (DPS). In FY 11, GOHSEP has 5 positions within its Information Technology (IT) Section and 7 positions within its Human Resources (HR) Section. Due to this consolidation, 2 IT positions will be eliminated for a savings of $209,561 ($150,362 SGF and $59,199 Federal) and 2 HR positions will be eliminated for a savings of $193,745 ($67,811 SGF and $125,934 Federal). In addition, GOHSEP will transfer 2 IT positions and associated funding in the amount of $136,959 to DPS to provide the IT back office function for the agency. Also, GOHSEP will transfer 3 HR positions and associated funding in the amount of $181,411 to DPS to provide the HR back office function for the agency.

The transfer of the GOHSEP positions has been completed and finalized on July 11, 2011.

**Office of Juvenile Justice (OJJ) Impact**
Reduction of $825,000 SGF and 12 T.O. positions associated with the consolidation of the back office functions of GOHSEP and OJJ within the PCS. OJJ has 5 positions within its IT Section, 12 positions within its HR Section, and 15 positions within its Management & Finance (M&F) Section. Due to this consolidation, 2 IT positions, 6 HR positions, and 4 M&F positions will be eliminated for a savings of $496,650 in salaries and $328,350 in related benefits OJJ will also transfer 20 positions, which include 6 HR positions, 3 IT positions, and 11 M&F positions, and associated funding of $796,627 in salaries and $524,029 in related benefits to DPS to provide the back office function for the agency.

OJJ and DPS are working with the Department of Civil Service regarding the transfer of positions, including those positions to be eliminated and maintained within DPS. Also, OJJ is working with DPS to familiarize persons responsible for the consolidated back office functions with OJJ procedures. The back office functions related to OJJ should be operational in the beginning of September 2011.

---

**DEPT / AGY:** Youth Services Juvenile Justice

**ISSUE:** **Replacement of Jetson Facility for Youth - Therapeutic Model**

The Office of Juvenile Justice (OJJ) has hired a firm to conduct a feasibility study to determine if it is more cost effective to replace the current facility or renovate the existing facility. During FY 10, OJJ began exploring the construction of a new facility at Jetson to better serve youth through the therapeutic model (residential group of 12 youth that receive treatment and educational programs in a less restrictive, dormitory-like setting), which could save approximately $3.4 M annually on operational costs. According to OJJ, the operating expenses for a new facility would be $8,576,231 compared to the projected $14,040,894 in operating expenses for FY 12. When the debt service payment of $2,128,455 is included, a total savings of $3,336,208 is recognized. It should be noted that at the October 2010 State Bond Commission meeting, the item was deferred awaiting legislative discussion and the feasibly study, which is scheduled to be completed by the end of September 2011.

**Potential Cost**
According to the estimate given by OJJ, the potential total cost to acquire land, build the facility, install security and food service equipment, and furnish the facility would be $20.1 M. The subtotal for building costs is $11.5 M. The weighted average cost is $203 per square foot and the proposed facility is 56,200 square feet. The LA Correctional Facilities Corporation will sell bonds to generate $28 M which would cover building costs ($20.07 M), debt services and interest ($5.53 M), bond issuance and insurance ($0.9 M), and contingency funds ($1.5 M). The term of the bonds will be for 20 years once the building is completed and will incur approximately $17 M in interest. The total cost of the bonds with interest will be approximately $46 M. Debt service would begin on 5/1/2012 with only interest being paid for the first 3 years. Principal payments will begin on 5/1/2015 with the final payment on 5/1/2034. The maximum annual debt service is $2.1 M.

**Operating Cost Comparison**
OJJ has determined that the facility would need 85 full-time employees to be operational compared to the 156 employed presently. Below is the proposed expenditures as compared to the expenditures for FY 12.

| Expenditures | Proposed | FY 12 | Difference |
|---|---|---|---|
| Salaries | $3,560,635 | $6,831,612 | ($3,270,977) |
| Other Comp. | $54,000 | $125,915 | ($71,915) |
| Benefits | $1,265,096 | $2,899,208 | ($1,634,112) |
| Travel | $7,500 | $7,553 | ($53) |

| | | | |
|---|---|---|---|
| Operating Services | $750,000 | $499,375 | $250,625 |
| Supplies | $800,000 | $447,737 | $352,263 |
| Professional Services | $101,000 | $92,924 | $8,076 |
| IAT | $1,907,000 | $2,976,429 | ($1,069,429) |
| Acquisitions | $77,000 | $77,015 | ($15) |
| Major Repairs | $54,000 | $83,126 | ($29,126) |
| Total | $8,576,231 | $14,040,894 | ($5,464,663) |

If operating services and supplies remain constant in FY 12 a greater savings of $6,067,551 annually can be achieved.

**Potential Savings -** The annual SGF savings from constructing a new facility is projected to be $5,464,663. To determine the total projected annual savings the maximum debt service payment must be accounted for.

| | |
|---|---|
| Projected Operating Savings | $5,464,337 |
| Debt Service Payment | ($2,128,455) |
| Projected Total Savings | $3,336,208 |

**Facilities** - Currently, the Jetson facility contains 99 beds to house juveniles in 286,862 square feet of buildings on 32 acres of land. The juveniles in this facility are of the highest risk to public safety and require the highest need for treatment services. The current buildings on the campus were built for a correctional model with the ability to house a high number of juveniles. According to research, to achieve the best outcomes youth should receive treatment in the least restrictive environment and now the therapeutical model approach is now being utilized by OJJ. This model uses smaller dormitories, adequate staffing patterns, and increased lines of sight, which do not exist in the current facilities. It is suggested that facilities built in the therapeutic model will lead to a decrease in recidivism through therapeutic group processes and personal development as well as encouraging families and their youth to participate in treatment together.

The proposed facility at Jetson would be a smaller facility that would contain 72 beds to house juveniles in about 56,000 square feet of buildings on 12 acres of land. The proposed facility would include dormitories and buildings for intake and preliminary evaluations, medical services, education, recreation, administration, and maintenance.

**Dormitories -** The facility will include 3 dormitories that hold 24 youth each and 1 dormitory as an intake dormitory to hold 12 youth. The dormitories that hold 24 youth would separate the youths into 2 groups of 12. Each group would have its own sleeping area, day room/dining, shower and restroom, laundry, and 2 group therapy rooms. The groups would share 2 classrooms and the dormitory would hold storage and mechanical rooms, conference room, and offices for workers. Each dormitory would cover approximately 8,500 square feet and the intake dormitory would cover nearly 4,250 square feet for a total of 25,500 square feet.

**Intake & Medical Services -** The intake and medical services building would include holding rooms and area for processing youth, exam rooms for medical and dental purposes, a sick ward, suicide watch room, doctors office, nurses station, pharmacy, and storage. This would account for 2,800 square feet.

**Education & Recreation -** The facility would include 6 classrooms, 2 counseling rooms, a principal's office, an administrative office, and work/storage areas. This would encompass almost 4,200 square feet. In addition to educational rooms, vocational education classrooms would be built and total 3,000 square feet. For recreation, the plans include building a full court gymnasium, along with storage and a recreation coordinator's office for a total of almost 6,500 square feet. Education and recreation would cover almost 14,000 square feet.

**Administration & Maintenance -** The administration building would be comprised of offices for the directors of the facility. Along with offices, conference, interview, and counseling rooms would be built to accommodate the many functions associated with secure care. This would also serve as the reception/check-in area for visitors. The building would cover approximately 2,500 square feet. The food service building would handle all functions associated with providing food for the facility. It would consist of a kitchen, dry storage room, walk-in freezer and cooler, and an office for the food manager. This building would cover approximately 1,600 square feet. The maintenance building would be separate from the campus and include all functions associated with keeping the facility operating and clean and would cover almost 2,000 square feet. The total square footage for these building would be nearly 7,000 square feet.

**DEPT / AGY:** Health & Hospitals Metropolitan Human Services District

**ISSUE:** **Greater New Orleans Community Health Connection (1115 Medicaid demonstration waiver)**

In FY 11, the Metropolitan Human Services District (MHSD) received $825,000 in Disproportionate Share Hospital (DSH) payments from Medical Vendor Payments (MVP) for the Greater New Orleans Community Health Connection (GNOCHC) waiver program, and $25,000 from the Medical Vendor Administration Program to utilize for operation of a Medicaid Application Center (MAC). MHSD is allocated $1.25 M in FY 12 for the 1115 waiver and $49,000 for the MAC ($1.299 M total). These funds are to maintain a more sustainable source of funding for the continuation of primary care services began in 2009 under the Primary Care Access Services Grant (PCASG) after Hurricane Katrina. Specifically, this funding source will be used to make DSH payments to waiver providers as the waiver will allow the state to make DSH payments for traditionally nonallowable costs.

The waiver program was authorized by the Centers for Medicare & Medicaid Services (CMS) on 10/1/2010 and is anticipated to be authorized through 2013. PCASG services and GNOCHC services will be operating concurrently through 9/30/2011 until the PCASG ends, but will be reimbursing separate costs. In FY 11, approximately $825,000 was allocated for a professional services contract for one-time information technology (IT) system upgrades for the clinics as start-up costs of the waiver program. CMS approved the payment methodology in August 2011, and billing for the waiver services began 8/26/2011 (payments will be retroactive to 10/1/2010). MHSD expects payments to start in September 2011.

Beginning in FY 12, Community Services Block Grant (CDBG) funds awarded by the U.S. Department of Housing & Urban Development (HUD) will be used by MVP as the match source to draw down federal DSH funds for these services. This does not involve any state funds. Individuals considered eligible for enrollment under the waiver will be limited to those who are uninsured for at least 6 months, 19 - 64 years old, are not eligible for Medicaid, LaCHIP, or Medicare, and are residents of one of the participating parishes with income up to 200% of the Federal Poverty Level (FPL).

As a condition of participation in the 1115 waiver program, MHSD must have a Medicaid Application Center. Beginning in FY 12, existing staff will assume this role at a single application center located at the Chartres-Pontchartrain Behavioral Health Center and any MVA reimbursements for processing these applications will go toward maintaining one existing staff position which would otherwise be eliminated due to budget cuts. MHSD will be reimbursed $14 per application from the MVA Program, and anticipates processing approximately 3,500 applications ($14 x 3,500 = $49,000). Beginning in calendar year 2014 when the waiver program ends, MHSD anticipates the Medicaid Application Center will continue to operate and be funded by MVA.

---

**DEPT / AGY:** Health & Hospitals Medical Vendor Payments

**ISSUE:** **DSH Allocation and UCC Community Hospital Pool**

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 12, the federal match for DSH is 61.09%. The federal government restricts the amount of federal DSH funds annually through the implementation of a federal DSH cap per state. Any additional UCC payments the state may choose to reimburse over the federal cap would require 100% SGF (the state loses the ability to leverage state dollars).

FY 12 appropriates $728.5 M in UCC Program for various providers in FY 12. FY 11 DSH funds are allocated as follows:

| | |
|---:|---|
| $330,250,540 | HCSD |
| $0 | E.A. Conway* |
| $24,456,787 | H.P. Long |
| $122,996,915 | Shreveport |
| $1,026,000 | Villa |
| $58,273,856 | OMH public Psyc free standing units |
| $107,562,998 | Other DSH hospitals (non-rural)** |
| $49,775,657 | Rural Hospitals and rural hospital-based health clinics |
| $7,000,000 | Non rural hospitals |
| $2,000,000 | Community Hospital Pool*** |

| | |
|---|---|
| $25,234,867 | GNOCHC**** |
| $728,577,620 | |

*__Note:__ E.A. Conway under the LSU HSC has historically received DSH payments for uncompensated care costs associated with the provision of care to indigent patients. For FY 12, E.A. Conway Medicaid Center will not be appropriated DSH for uncompensated care as a result of receiving UPL payments in FY 12.

**__Note:__ DSH appropriations for "Other DSH hospitals" is allocated as follows:

| | |
|---|---|
| $100,000,000 | DSH for the Low Income Needy Collaborative |
| $6,312,998 | DSH for Mental Health Emergency Room Extensions ( MHERE's) |
| $1,250,000 | DSH for 1115 waiver expansion (New Orleans clinics) |
| $107,562,998 | |

***__Note:__ Uncompensated Care Costs payments in the Community Hospital Pool are paid to non-state and non-rural hospitals that historically did not qualify under the Medicaid state plan (before 2007). Funding for the community hospital pool is reduced by $8 M for FY 12.

**Community Hospital Pool Funding History**

| FY 07 | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 |
|---|---|---|---|---|---|
| **$120 M** | **$87 M** | **$87 M** | **$35 M** | **$10 M** | **$2 M** |

****__Note:__ DSH funding for the Greater New Orleans Community Health Connection (GNOCHC) Medicaid demonstration waiver allows DSH reimbursement to various waiver providers (over 90 clinics) in the greater New Orleans area.

---

**DEPT / AGY:** Health & Hospitals — Medical Vendor Payments

**ISSUE:** **Medicaid Coordinated Care Networks (CCN)**

FY 12 budget contains both administrative funding and premium payments for the implementation of Medicaid Managed Care statewide. The budget adjustments are reflected below:

| | |
|---|---|
| $2,000,000 - | Funding in Medical Vendor Administration for communication outreach |
| $476,250 - | Funding in Medical Vendor Administration for CCN Network External Quality Review Organization |
| $361,187,145 - | Funding in Medicaid Buy-ins Program for Per Member Per Month Payments for CCN-P and Management fee for CCN-S. |

The Coordinated Care Networks (CCN) include a prepaid system and a fee for service system. Specifically, the CCN models include a CCN-S (shared risk enhanced primary care case management model) and the CCN-P (prepaid model of care). As a result of the benefit package in both models being similar to those offered under the LA Medicaid state plan (amount, duration, and scope of services), the department may be able to implement without a waiver (only state plan change approval is assumed to be required from the Center for Medicare & Medicaid Services).

The CCN-S delivery model will be fee for service. This enhanced primary care case management (PCCM) will require the primary care physicians (medical home) to join with a third party (administrative entity) to better coordinate care. According to the department, the network of primary care providers and the third party will be able to ensure a full continuum of care that is coordinated for the individual. Although the providers will continue to receive fee-for-service, the network will be reimbursed some monthly amount (administrative or management fee) for each member to ensure coordination of care. The CCN-P coordinated care network will be a full risk bearing financial model. Provider networks will be assembled and will receive monthly payments (per member per month) for each individual enrolled, and in turn will provide a basic level of benefits. Information provided by the department suggests some benefits will be 'carved out' for purposes of fee for service under this model. Although tentative, some carve out services may include dental, behavioral health, pharmacy, targeted case management, nursing home services, ICF/MR, and personal care services. In addition, individuals that receive home and community-based services (waivers) will not be included in the coordinated care model. Based on the February 2011 rule, eligible recipients are projected to be evenly enrolled between the 2 types of networks. According to the department, all individuals currently enrolled in LA's PCCM system will be required to enroll (current PCCM enrollees is approximately 730,000). In addition, Medicaid eligible pregnant women and Medicaid eligibles over age 65 will be required to enroll. In FY 12, the fiscal impact is based on phased in enrollment of approximately 866,000 Medicaid eligibles in both plans (estimated 50%/50% plan enrollment allocation).

**CCN-P Prepaid Model:** Based on a cost comparison of the current fee-for-service expenditures trended forward (by 4.5 % in FYs 12 and 13) and a preliminary estimate of per member per month capitated payments paid to CCN-P plans, DHH anticipates implementation of the model will increase expenditures in the Medicaid program by $102.4 M in FY 12 and will reduce expenditures in Medicaid by $109.1 M in FY 13. This is based on the following assumptions and calculations:

1. Assumes 50% of all eligible plan participants enroll in a CCN-P.
2. Projected average PMPM payment - $192.66.
3. PMPM includes 10% administrative fee and 2% underwriting fee (profit).
4. Phased in enrollment in FY 12, full enrollment in FY 13 (approximately 433,000 recipients in the CCN-P plan.
5. Cost comparisons based on state fee for service data from FY 08 and FY 09.
6. FY 12 impact: Net costs - $338.5 M in PMPM payments less $236.1 M in savings = $102.4 M in cost for FY 12. Savings represent the fee-for-service equivalent funds anticipated to be incurred and paid in FY 13 (adjusted for lag payments).

**CCN-S Shared Savings Model:** Based on a cost comparison of the current fee-for-service expenditures trended forward (by 4.7% in FY 12 and FY 13) and a preliminary estimate of the fee-for-service payments to CCN-S entities, the department anticipates that implementation of the proposed CCN-S model will reduce expenditures in the Medicaid Program by approximately $2.95 M for FY 12 and $26.8 M for FY 13. This estimate is based on the following assumptions and calculations:

1. Assumes 50% of all eligible plan participants enroll in a CCN-S.
2. Maintain the fee-for-service payment system; the department pays a PMPM management fee of either $13 or $19. $1.50 of these amounts shall be distributed to primary care providers for care management.
3. Phased in enrollment in FY 12, full enrollment in FY 13 (approximately 433,000 recipients in plan).
4. Cost comparisons based on state fee-for-service data from FY 08 and 09.
5. FY 12 impact: Net savings - $22.3 M in PMPM payments less $25.7 M in savings represents avoided claims in FY 12 = $2.95 M in savings in FY 12. $25.7 M in savings represents avoided claims in FY 12 (adjusted for lag payments).
6. FY 13 impact: Net savings - $55.3 M in PMPM payments and retained savings payments less $82.1 M in avoided claims in FY 13 = $26.8 M in savings in FY 13. $82.1 M in savings represents avoided claims in FY 13 (adjusting for lag payments).

The rule potentially provides for a third form of CCN that has yet to be defined or authorized. The potential cost impact, if any, of this third form of CCN cannot be determined at this time and is not reflected in the estimated fiscal impact discussed above.

---

**DEPT / AGY:** Health & Hospitals Medical Vendor Payments

**ISSUE:** **Medicaid UPL Payments, Low Income & Needy Care Collaborative in FY 12**

There are several UPL programs in which the Department currently participates. UPL allows the state to supplement payments made to providers. Under federal law, a state's UPL is the maximum a state can pay for Medicaid services (or the amount that would be paid for Medicaid services under Medicare payment principles). UPL's are capped in aggregate based on hospital classification (i.e., private, public, non-state public) and within each classification providers are bound by an individual cap.

Low Income & Needy Care Collaborative Agreement (LINCCA) UPL

In FY 11, DHH made supplemental payments to private hospitals that entered into Low Income & Needy Care Collaborative Agreements (LINCCA) with a public entity. The FY 11 appropriation provided both Medicaid claims funding (approximately $266 M) and DSH funding (approximately $100 M) for such agreements between a public entity and private hospitals. Funding for this program is maintained in FY 12. The supplemental Medicaid Payments to private, non-state, non-rural hospitals for inpatient and outpatient services were made using an Upper Payment Limit (UPL) payment methodology.

A. LINCCA Between DHH State Agency and Private Hospitals
In FY 12, it is projected that various private hospitals will choose to provide charity care to low income and needy LA patients (including various non-hospital related services) at the location that these patients currently receive care. To accomplish this, the providers can, but are not required, to set up a nonprofit corporation that will enter into contracts with individual physicians/providers to provide services that were previously provided by DHH. It is expected that these services will be provided at the same level of care as provided under the previous contract with DHH. As a result of the DHH terminating contracts funded with 100% SGF the department will realize cost avoidance. In FY 12, DHH anticipates terminating approximately $8,614,220 in SGF for contracts. This is reflected as a SGF cut to the various state agencies in FY 12. Although there is no obligation, the state will make supplemental Medicaid (UPL) payments to the private hospitals in FY 12.

B. LINCCA Between a Governmental/Public Entity and Private Hospitals
In FY 12, the department anticipates LINCCAs to be entered into between various public entities and private hospitals. Through these LINCCAs, the private hospital is eligible to receive Medicaid UPL payments. The match source for these supplemental payments will be an Intergovernmental Transfer (IGT) from the public hospital (a non-state match source). The department made supplemental UPL payments in December 2010 and March 2011 from IGTs received from public entities that entered into a LINCCA with private hospitals.

C. LINCCA Between LSU and Private Hospitals
In the last quarter of FY 11 and continuing through FY 12, contracts with providers for indigent care services that are non-allowable for DSH reimbursement will be terminated by LSU. These contracts were assumed by 7 different private hospitals seeking to expand their charity care. LSU will continue payment for contracts for allowable services. The private hospitals involved in the LSU hospital LINCCA include Woman's Hospital, Willis Knighton, Our Lady of Lourdes, Lafayette General, Lake Charles Memorial, Women & Children's (Lake Charles), and the Northern LA Medical Center. Currently, only LSU-Shreveport (LSU-S) does not have any contracts associated with LINCCA. LSU has prorated the saved expenditures from all contracts across all 10 of its hospitals for a total savings of $30 M in FY 12 ($7,433,628 allocated to LSU-S hospitals and $22,566,372 allocated to HCSD hospitals). Services picked up by the private hospitals expanding their charity care include radiology, emergency room services, surgical and primary care, and various physician specialties. Patients will continue to receive these services at their current locations. Of the $130.6 M in DSH replacement funds appropriated to LSU in FY 11 as a result of the DSH audit rule, $16,088,913 was used as the match source for the payments made pursuant to these agreements with LSU hospitals in FY 11 ($14,874,112 from HCSD and $1,214,801 from the LSU-S hospitals).

D. State Hospital UPL:
In order to offset the loss of funds from the Disproportionate Share Hospital (DSH) audit rule, LSU will be receiving UPL payments through E. A. Conway Hospital (EAC) as opposed to 100% SGF in DSH replacement funds. Under the Centers for Medicare & Medicaid Services (CMS) rules, EAC cannot receive above 100% of costs in order to draw down UPL payments while receiving both Medicaid and DSH reimbursements. As such, LSU has reduced the entirety of EAC's DSH budget. In addition, the State cut all Medicaid inpatient rates by 40% in public hospitals (excluding EAC) as per an emergency rule in FY 11. The 40% cut in Medicaid inpatient payments was offset at each hospital by an equal amount of DSH budget authority, except at EAC whose entire DSH budget was eliminated. The net result is a $62.4 M increase in Medicaid payments to the LSU system. This increase allows the Medicaid Program to maintain access to care. The state match source for the UPL payments will be from the $130.6 M in SGF used to offset the DSH audit rule in FY 11.

LSU will receive approximately $62.4 M in UPL payments through EAC to be used as DSH replacement funds as a result of the DSH audit rule in FY 12. EAC will receive an additional $27,454,786 from the UPL payments to replace its lost DSH budget. Total EAC UPL payments in FY 12 will be $89,834,572.

The following UPL payments are allocated to each hospital for DSH replacement funds:

| | |
|---|---|
| LSU-S | $16,393,440 |
| EAC | $2,729,802 |
| HPL | $930,827 |
| EKL | $7,001,702 |
| UMC | $5,782,719 |
| WOM | $2,518,184 |
| LAK | $2,277,382 |
| BMC | $2,763,833 |
| LJC | $5,269,199 |
| MCLNO | $16,712,698 |

| | |
|---|---|
| **Total DSH replacement from UPL payments** | **$62,379,786** |
| EAC DSH budget replacement | $27,454,786 |
| **Total UPL Payments** | **$89,834,572** |

E. Various Provider UPLs:
Act 12 includes an additional $102.3 M in UPL funding for hospital based physicians ($15 M), for non-state non-rural public hospitals ($72.8 M) and for ambulance service providers ($14.5 M).

---

**DEPT / AGY:** Health & Hospitals    Medical Vendor Payments

**ISSUE:** **The LA Behavior Health Partnership and Coordinated System of Care (CSoC)**

The LA Behavioral Health Partnership (LBHP) is a cross-departmental project between the Office of Juvenile Justice (OJJ), the Department of Children & Family Services (DCFS), the Department of Health & Hospitals (DHH), and the Department of Education (DOE) to organize a coordinated network of services for LA's behavioral health populations. The Coordinated System of Care (CSoC) will serve LA's at-risk children with significant behavioral health challenges who are imminent risk of out-of-home placement. The CSoC was established to reduce the state's cost of providing services by using existing SGF from the participating departments to leverage Medicaid while reducing duplication between agencies. This will be achieved primarily through the reduction of high cost institutionalization (e.g., residential treatment, psychiatric hospitals, long-term day treatment, foster care) by emphasizing the importance of providing family driven services in homes, schools, and the community. DHH anticipates enrolling approximately 1,200 youth statewide in 6 months of operation in FY 12 for care under the CSoC (up to 240 youth for an estimated 5 Wraparound Agencies), and 2,400 youth total by FY 14. Other Medicaid eligible behavioral health children and adults, who are not at imminent risk of out-of-home placement, will have access to the services offered under the state plan amendments through the Partnership.

**Department of Health & Hospitals (DHH):** The managed care entity for the LBHP will be the Statewide Management Organization (SMO). The Office of Behavioral Health (OBH) will be responsible for contracting the SMO and supervising its compliance with the contract and state policy. The SMO will be chosen via the Request for Proposal (RFP) process for which $25.3 M has been appropriated in Medical Vendor Administration (MVA). The RFP was issued 7/8/2011 with all vendor proposals due by 8/15/2011. DHH will complete the vendor review process by 8/26/2011. Under the terms of the contract, the SMO will enroll members in need of services, enroll providers who will all need to become Medicaid providers to deliver services, and manage all services for providers. DHH anticipates all 10 Wraparound Agencies (WAA) will be phased in by OJJ service region by 2015. The average projected length of treatment within the WAA for each child is 270 days. The SMO will also be responsible for overseeing and managing the behavioral health services for Medicaid and non-Medicaid participants who are not part of the CSoC, including adults and youth. Only children with behavioral health issues who are imminent risk of out-of-home placement are eligible for the CSoC. DHH has yet to determine the extent of OBH, OJJ, and DCFS provider contracts that will remain with the participating departments/agencies and which will contract directly with the SMO.

The funding for the LBHP will be primarily through Medicaid buy-ins via a selective services 1915(b) Medicaid waiver to allow automatic enrollment in a single managed care provider (the SMO), and a 1915(c) waiver to allow a specific benefit package that will provide wraparound planning, peer support and other CSoC specialty services. In addition, DHH submitted state plan amendments to allow for claims reimbursements for medically necessary behavioral health services to any/all Medicaid eligible children as part of the Early Periodic Screening, Diagnosis, & Treatment (EPSDT) program. Mental health and addiction services for adults with acute stabilization needs with major mental disorders or serious mental illnesses will be covered by the 1915(i) state plan amendments. The state plan amendments authorize Medicaid reimbursements for school based addictions treatment, therapeutic group homes, psychiatric residential treatment facilities and expanding coverage to services offered by licensed mental health professionals. DHH applied for the waivers and plan amendments with the Centers for Medicare & Medicaid Services (CMS) on 3/10/2011, and anticipates approval by September 2011 at the earliest, barring any delays or additional requests for information. This initiative is contingent upon CMS approval of the waivers and state plan amendments. The expansion of eligible providers and services is anticipated to produce Medicaid costs outside of the CSoC as a result of increased access to care through the EPSDT and 1915(i) state plan amendments.

In FY 12, $45,257,758 SGF is placed in the Medicaid Program for 6 months of operations for the LBHP (beginning 1/1/2012). However, of the $45.2 M in SGF, only $1,585,692 is new SGF dollars; the remainder is from contributions from the base budgets of participating agencies. The influx of SGF into Medicaid is to allow the state to pull down an additional $111,836,657 in Federal funds ($1.5 M is IAT from existing DCFS SSBG funding). Also, $3,322,026 will be given to Medicaid through a statutory dedication, in addition to $10,536,429 from savings as a result of the merger of OBH. This $10.5 M will be used for start-up and administrative costs of the SMO to manage care for OBH's non-Medicaid populations ($13,858,455 total from Overcollections Fund). The total funding for the Behavioral Health Partnership is currently $170,952,870. A breakdown of each agency's contribution to Medicaid from the FY 12 Executive Budget is detailed below.

| Agency | MVA (09-305) | MVP (09-306) | Total Contribution |
|---|---|---|---|
| OBH | $3,652,371 | $4,578,952 | $8,231,323 |
| Service Districts | $639,139 | $938,365 | $1,577,504 |
| OCDD | $0 | $23,453 | $23,453 |
| OPH | $0 | $228,817 | $228,817 |
| DCFS | $2,021,080 | $2,671,647 | $4,692,727 |
| OJJ | $2,315,819 | $3,061,259 | $5,377,078 |
| School districts (DOE) | $2,449,861 | $4,934,246 | $7,384,107 |
| **TOTAL** | **$11,078,270** | **$16,436,739** | **$27,515,009** |

**Department of Children & Family Services (DCFS):** DCFS will assess children in foster care and residential facilities for children at-risk for out-of-home placement due to behavioral health issues. In FY 10, approximately 11,134 children that received child welfare services needed behavioral health services. Of the children receiving child welfare services, 8,062 were placed in foster care, of which approximately 40% received behavioral health services in FY 10. Currently, DCFS expends $10,818,082 ($7,389,016 SGF) on children in residential care. Of the $10.8 M, $2,303,774 ($1,382,264 SGF) is used for individual licensed practitioners to treat the behavioral health needs of the children and youth in DCFS.

**Office of Juvenile Justice (OJJ):** Only OJJ youth in the non-residential programs and on probation in non-secure residential programs who are Medicaid eligible and are at high risk for out-of-home placement will be served through the CSoC for behavioral health. There are 3,061 youth under probation and parole supervision and 313 youth in non-residential, non-secure care that receive behavioral health services from OJJ who may be eligible under the CSoC for wraparound care and reimbursement through the SMO. Non-residential, Medicaid eligible youth with behavioral health issues will now be reimbursed by Medicaid as per the EPSDT state plan amendments. OJJ currently expends the $5,377,078 in SGF being transferred to Medicaid in FY 12 on behavioral health services for CSoC eligible youth.

**Local Education Authorities (LEAs) within DOE:** Under the current system, school districts and charter schools, known as Local Education Authorities (LEAs), cannot claim Medicaid dollars for any behavioral health services provided. For services provided by the school staff themselves, the SMO will manage those services, but will not pay the claims, which will be paid by the Medicaid Fiscal Intermediary. All other services provided to youth by non-school providers will be managed and paid by the SMO. As of October 2010, 6,502 youth identified as having behavioral disabilities and emotional disturbances are estimated to be Medicaid eligible for care either under the CSoC or through the EPSDT state plan amendments. The LEAs determined that they expend $50,580,611 on salaries for behavioral health services. DOE estimates that approximately 50% of these expenditures will be eligible for Medicaid reimbursement under the new waivers and state plan amendments ($25,290,306).

---

**DEPT / AGY:** Health & Hospitals Behavioral Health

**ISSUE:** **Secure Forensic Facility at the East LA Mental Health System**

In FY 11, the Department of Health & Hospitals (DHH) issued RFPs for privatizing secure residential services at East LA State Hospital (ELSH) located in the East LA Mental Health System (ELMHS) and at Central LA State Hospital (CLSH) for persons found not guilty by reason of insanity and the Lockhart populations (incompetent to stand trial). DHH evaluated the RFP bids, and none presented savings to the state. As a result, the state, through the Office of Behavioral Health (OBH), is continuing to run forensic mental health services at a Secure Forensic Facility (SFF) at ELMHS. The SFF is a secure residential facility operated at lower cost due to lower staffing and reduced medical costs because it does not involve the hospital component that the forensic beds require. In the SFF, the patients will continue vocational training and therapy in a secure environment.

As of 12/31/2010, CLSH closed 56 beds that were serving forensic patients and consolidated some of those patients into the ELMHS operated SFF at a projected savings of $3.1 M and 72 positions for FY 11. Currently, ELMHS operates 82 beds at the SFF, which was opened in August of 2010 and is over 90% occupied. The 82 bed SFF was created by the closing of 82 civil intermediate beds at ELSH. The 82 civil intermediate beds cost the state $5.9 M. The cost of the newly consolidated SFF is $3 M (detailed below). The restructuring of the beds and operations into the SFF at ELMHS for the forensic population yielded a $6 M savings in FY 11 ($3.1 M from CLSH and $2.9 M from ELSH).

As stated above, privatization of the staffing for the SFF was not cost effective. Therefore, the FY 12 budget moves money which was in the FY 11 budget from the Other Charges/Professional Services category in anticipation of privatization to the Salaries and Related Benefits category, and also restores 51 positions that were cut in FY 11.

| **Secure Forensic Facility** | |
|---|---|
| **Positions** | 51 |
| **Number of beds** | 82 |
| **Costs:** | |
| Salaries | $1,816,377 |
| Related Benefits | $599,462 |
| Supplies (food, drugs) | $631,631 |
| **Total Cost to run SFF** | **$3,047,470** |

In addition to restructuring how OBH manages the forensic population at ELMHS and the 56 bed reduction at CLSH, ELMHS reduced a total of 118 civil intermediate beds by 6/30/2011. The savings for this initiative was $8 M with the elimination of 141 positions. Over 2 fiscal years, total savings as a result of OBH initiatives at ELMHS and CLSH total $14 M with a reduction of 162 positions.

---

**DEPT / AGY:** Health & Hospitals Office for Citizens w/ Developmental Disabilities

**ISSUE:** **Privatization of the Acadiana Supports & Services Center**

Act 11 of 2010 authorized the privatization of Acadiana Supports & Services Center (ARSSC) located in Iota (Acadia Parish). The Office for Citizens with Developmental Disabilities (OCDD) eliminated 250 positions from ARSSC. In FY 11, only 10 positions remained at ARSSC as part of community support teams. The community support team provides training and technical assistance to caregivers, families and schools that serve people with disabilities.

Act 12 of 2011 transfers the remaining funding for ARSSC and 10 positions to Pinecrest Supports & Services Center in Pineville (Rapides Parish). On 5/ 4/ 2011, DHH/OCDD entered into a 5-year contract with the Arc of Acadiana to provide Intermediate Care Facility for the Developmentally Disabled (ICF/DD) services and housing for 70 individuals at ARSSC under a Cooperative Endeavor Agreement beginning 7/1/2011 and ending 7/30/2016. At the time of transfer on 7/1/ 2011, 62 individuals resided at ARRSC.

In FY 12, no cost savings will be realized from the privatization of ARSSC. Cost savings may be realized in FY 13. The projected savings are based on the difference between the Medicaid public reimbursement rate for the state-operated ARSCC ($447.15) versus the negotiated Medicaid private reimbursement rate for Arc of Acadiana. OCDD projects that the Medicaid private reimbursement rate for Arc of Acadiana will be less than the Medicaid public reimbursement when ARSSC was state-operated in FY 11. Presently, the reimbursement rate for Arc of Acadiana has not been determined. The Medicaid private reimbursement rate for Arc of Acadiana will be based on each individual's assigned Inventory for Client and Agency Planning (ICAP) scores and not by a facility rate as was the case when ARSCC was state-operated.

---

**DEPT / AGY:** Health & Hospitals Office for Citizens w/ Developmental Disabilities

**ISSUE:** **Waivers**

**The New Opportunities Waiver (NOW)** is offered on first-come, first-served basis. There is a Developmental Disability Request for Services Registry (RFSR) that lists individuals who meet the LA definition for developmental disability and their request date. This waiver is administered by the Office for Citizens with Developmental Disabilities.

| | |
|---|---|
| *No. of Slots Budgeted FY 12:* | *7,561* |
| *No. of Slots Funded FY 11:* | *8,832* |
| *Filled Slots as of 6/30/2011:* | *7,628* |
| *Slots Offered as of 6/30/2011:* | *2,164* |
| *Slots Funded but not Filled:* | *0* |
| *Registry and/or Waiting List:** | *8,135* |
| *Average Cost/Capped Cost:* | *$64,084* |
| *Expenditure Forecast as of 6/2011:* | *$386,836,092* |

*Population Served: Ages 3 and older who have a developmental disability that manifested prior to age 22*

*Registry and/or Waiting List as of 6/30/2011; 4,654 of these individuals are children under 19

**The Children's Choice Waiver** offers supplemental support to children with developmental disabilities who currently live at home with their families, or who will leave an institution to return home. Children's Choice is an option offered to children on the Request for Services Registry (RFSR) for the New Opportunities Waiver (NOW) as funding permits. Families choose to either apply for Children's Choice, or remain on the RFSR for the NOW. This waiver is administered by the Office for Citizens with Developmental Disabilities.

| | |
|---|---|
| *No. of Slots Budgeted FY 12:* | *971* |
| *No. of Slots Funded FY 11:* | *1,475* |
| *Filled Slots as of 6/30/2011:* | *965* |
| *Slots Offered as of 6/30/2011:* | *257* |
| *Slots Funded but not Filled:* | *425* |
| *Registry and/or Waiting List:** | *4,654* |
| *Average Cost/Capped Cost:* | *$32,494 ($16,660 waiver cap only)* |
| *Expenditure Forecast as of 5/2010:* | *$10,787,211* |

*Population Served: Ages Birth - 18 who meet the federal definition for a developmental disability*

*Registry and/or Waiting List as of 6/30/2011; subset of individuals under 19 from the NOW waiver

**The Support Services Waiver** has reserved capacity for people who were receiving state general funded vocational and rehabilitation services as of 3/31/2006 or who were listed as waiting for those services prior to 5/31/2006. The Supports Waiver is intended to provide specific, activity focused services rather than continuous custodial care. This waiver is administered by the Office for Citizens with Developmental Disabilities.

| | |
|---|---|
| *No. of Slots Budgeted FY 12:* | *1,740* |
| *No. of Slots Funded FY 11:* | *2,050* |
| *Filled Slots as of 6/30/2011:* | *1,727* |
| *Slots Offered as of 6/30/2011:* | *998* |
| *Slots Funded but not Filled:* | *0* |
| *Registry and/or Waiting List:** | *30* |
| *Average/Capped Cost:* | *$16,200 ($26,000 cap)* |
| *Expenditure Forecast as of 5/2010:* | *$13,424,660* |

*Population Served: Ages 18 and older*

*Registry and/or Waiting List as of 6/30/2011

**The Residential Options Waiver (ROW)** offers people of all ages services designed to support them to move from ICFs/DD and nursing facilities to community-based settings, and to serve as an alternative to being institutionalized. ROW was approved by CMS on 10/1/2009. This waiver is administered by the Office for Citizens with Developmental Disabilities.

| | |
|---|---|
| *No. of Slots Budgeted FY 12:* | *24* |
| *No. of Slots Funded FY 11:* | *210* |
| *Filled Slots as of 6/30/2011:* | *24* |
| *Slots Offered as of 6/30/2011:* | *N/A* |
| *Slots Funded but not Filled:* | *0* |
| *Registry and/or Waiting List:* | *N/A* |
| *Average Cost/Capped Cost:* | *$34,102* |

*Expenditure Forecast as of 6/2011:* *$376,748*
*Population Served:Ages Birth to end of life who have a developmental disability which manifested prior to the age of 22.*

**The Elderly & Disabled Adult (EDA) Waiver** allows for services to be provided in a home or community-based setting for a qualifying person who would otherwise require care in a nursing facility. Due to the increased demand for these services, there is a Request for Services Registry. This waiver is administered by the Office of Aging & Adult Services.

| | |
|---|---|
| *No. of Slots Funded FY 12:* | *4,603* |
| *No. of Slots Funded FY 11:* | *4,603* |
| *Filled Slots as of 6/30/2011:* | *4,403* |
| *Slots Offered as of 6/30/2011:* | *4,698* |
| *Slots Funded but not Filled:* | *200* |
| *Registry and/or Waiting List:** | *20,195* |
| *Average Cost/Capped Cost:* | *$29,629 ($40,046 cap)* |
| *Expenditure Forecast as of 6/2011:* | *$107,094,936* |

*Population Served: Ages 21 - 64 who are disabled according to Medicaid standards or SSI disability criteria*
*Ages 65 or older who meet Medicaid financial eligibility, nursing facility level of care and imminent risk criteria*

*Registry and/or Waiting List as of 6/30/2011

**The Adult Day Health Care (ADHC) Waiver** provides certain services for 5 or more hours per day in a licensed and Medicaid enrolled ADHC facility. Services offered include assistance with activities of daily living, health and nutrition counseling, social services, and exercise programs. There is an ADHC Request for Services Registry that lists the people who requested these services along with the request date. This waiver is administered by the Office of Aging & Adult Services.

| | |
|---|---|
| *No. of Slots Funded FY 12:* | *825* |
| *No. of Slots Funded FY 11:* | *825* |
| *Filled Slots as of 6/30/2011:* | *765* |
| *Slots Offered as of 6/30/2011:* | *891* |
| *Slots Funded but not Filled:* | *60* |
| *Registry and/or Waiting List:** | *932* |

---

**DEPT / AGY:** Children & Family Services Children & Family Services

**ISSUE:** **Temporary Assistance to Needy Families (TANF ) Initiatives**

The FY 12 appropriation includes funding of $118.5 M for TANF initiatives and $21 M of TANF Emergency American Recovery & Reinvestment Act (ARRA) funding, which is a slight decrease of $50,000 from FY 11.

| FEDERAL INITIATIVES | | FY 11 | FY 12 | DIFFERENCE |
|---|---|---|---|---|
| Literacy: | Private Pre-K | $7,500,000 | $0 | ($7,500,000) |
| | Jobs for America's Graduates | $3,950,000 | $3,950,000 | $0 |
| | LA4 | $68,550,000 | $70,050,000 | $1,500,000 |
| Asset Building: | Microenterprise Development | $510,000 | $510,000 | $0 |
| | IDA | $1,275,000 | $1,275,000 | $0 |
| Family Stability: | CASA | $4,670,000 | $4,670,000 | $0 |
| | Drug Courts | $6,000,000 | $6,000,000 | $0 |
| | Child Abuse/Neglect (CPI) | $6,647,427 | $6,647,427 | $0 |
| | Family Violence | $3,700,000 | $3,700,000 | $0 |
| | Homeless | $850,000 | $850,000 | $0 |
| | Nurse Family Partnership | $3,700,000 | $3,700,000 | $0 |
| | Substance Abuse | $4,104,989 | $4,104,989 | $0 |
| | Early Childhood Supports | $5,550,000 | $5,500,000 | ($50,000) |

| | | | |
|---|---|---|---|
| Abortion Alternatives | $1,500,000 | $1,500,000 | $0 |
| Day Treatment Programs (OJJ) | $0 | $6,000,000 | $6,000,000 |
| **TOTALS** | **$118,507,416** | **$118,457,416** | **($50,000)** |

The department received a total TANF Emergency ARRA allotment of $81.9 M. In FY 12, the TANF Emergency ARRA is projected, as of 4/30/2011, to be appropriated at $21 M. The $21 M includes a projected carry-forward balance from FY 11 of $10,657,736 and FY 12 budget amount of $10,399,680. TANF ARRA Emergency funds expire in FY 13.

---

**DEPT / AGY:** Revenue Office of Revenue

**ISSUE: The Impact of Amnesty on the Department of Revenue Budget**

In the past, the Department of Revenue (LDR) has been funded primarily with SGF and SGR arising from penalties and fees on delinquent or fraudulent taxes or other regulatory fees associated with the Offices of Charitable Gaming and Alcohol & Tobacco Control. Annual SGF requirements were typically $40-$45 M for LDR with an equal amount of SGR. When the state implemented the Tax Amnesty Program in FY 10, the Legislature permitted LDR to retain $75,975,344 of the amnesty receipts in anticipation of declining penalties and fees in the period immediately following the Amnesty Program and to offset the need for SGF in subsequent years. Due to language in HB 1 allowing LDR to retain unexpended collections (does not revert to SGF) which led to a large carry-forward for LDR in FY 11, a year in which the amnesty receipts were available along with on-going fee collections. Total SGR budgeted at EOB for FY 11 was $95.2 M of a total budget of $96.9 M with no SGF required. For FY 12, it is anticipated that a portion of the on-going fee collections from FY 11 will be utilized in FY 12 and added to the on-going fee collections of FY 12 leading to the necessity of a relatively small amount of SGF. Beginning around FY 14, the amnesty fees are expected to be exhausted and LDR could require substantially more SGF (about $30-$35 M) in order to provide the same level of service.

---

**DEPT / AGY:** Environmental Quality

**ISSUE: Waste Tire Management Fund**

In previous years the Waste Tire Management Fund has experienced deficits in fee collections necessary to meet the payments to waste tire processors. In June 2007, DEQ received $3,544,348 from the SGF to "catch up" on the unpaid amounts requested by waste tire processors for this tire material from January 2003 until June 2007. In May 2008, the department received $700,000 from SGF for unpaid amounts to processors in FY 08. In June 2009, the department received $900,000 from the Overcollections Fund for unpaid amounts to processors in FY 09. The processors are paid $1.50 for 20 pounds of such tire material or for 20 pounds of whole waste tires marketed and shipped to a qualified recycler. Fees on tires are restricted in LA R.S. 30:2418(I) to no more than $2 per passenger/light truck/small farm service tire, $5 per medium truck tire, and $10 per off-road tire. DEQ rules provide for a fee of $1.25 for each recapped or retreaded tire and that no fee is to be collected on tires weighing more than 500 pounds or solid tires. These rules require a processor to verify the number of waste tires received and limits each processor to accepting no more than 5 unmanifested tires per day per customer. In FY 11, fee collections totaled $10,611,585 (and interest of $4,695).

Prior to the enactment of Act 852, a dedication of 5% of tire fee collections which began on 7/1/2003 and expired 6/30/2008 was used for "market development" of products with beneficial use, and for promotion of those products. Act 852 of 2010 provides that any unexpended and unobligated monies deposited in the Waste Tire Management Fund pursuant to present law which dedicated these monies for market development in excess of $500,000 is to be available for expenditures to waste tire processors. These monies will "cover" any "shortage" to processors for FY 11. As a result of Act 852, $985,335.61, which was being held for market research and development, was used for the expenditures of the program and to date was used to pay processors the amount requested. The department was unable to pay $76,267.84 in processor payments for FY 11. These payments will be made as DEQ receives increased fee collections and/or if additional funding is available through state general fund or other funds.

DEQ rules also allow up to 10% of the waste tire fees collected to be utilized for program administration. DEQ has indicated that the recurring shortage in fee revenue collected to pay waste tire processors is systemic due to tire weights increasing over time. According to DEQ, the average weight of (especially) passenger/light truck/small farms service tires has increased over time whereas the fees have remained the same. It is likely that without adjustment to either the fees or reimbursement rates to processors, the Waste Tire Fund will continue to run short of fee collections to pay processors in subsequent fiscal years.

---

**DEPT / AGY:** Wildlife & Fisheries Office of Fisheries

**ISSUE: Aquatic Plant Control Funding**

| Funding Source | FY 07 | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 |
|---|---|---|---|---|---|---|
| Conservation Fund | $1,100,000 | $4,600,000 | $4,400,000 | $6,600,000 | $6,442,000 | $6,442,000 |
| Aquatic Plant Control Fund | 800,000 | 1,133,000 | 3,133,000 | 660,000 | 660,000 | 660,000 |
| Federal | 798,000 | 798,000 | 798,000 | 700,000 | 798,000 | 798,000 |
| Total | $2,698,000 | $6,531,000 | $8,331,000 | $7,960,000 | $7,900,000 | $7,900,000 |
| Performance Indicators | | | | | | |
| Acres Treated | 31,260 | 51,260 | 59,260 | 51,260 | 54,222 | 54,222 |
| Actual Acres Treated | 31,136 | 58,765 | 68,433 | 75,051 | *39,122 | n/a |

* As of 03/31/2011

Budget authorization for the Aquatic Plant Control Fund in both the FY 08 and FY 09 budget from the boat trailer tax was $1.133 M. An additional $2 M in SGF was placed into the Aquatic Plant Control Fund in FY 09 (total funding of $3.133 M). These funds are collected by the Department of Public Safety & Corrections Services for each registered boat trailer ($3.25 per trailer) and deposited by the Treasury into this fund for treating water bodies for undesirable aquatic vegetation.

This funding enabled the department to treat additional acres of aquatic vegetation and to develop research partnerships with state universities on alternative uses and treatment methods for nuisance aquatic plants. Act 10 of 2009 (General Appropriation Bill) replaced the SGF with funding from the Conservation Fund in the same amount.

Act 10 also included an adjustment to align expenditures with anticipated revenues in the Aquatic Plant Control Fund. This adjustment reduces the budget authorization by $473,000, leaving $660,000.

Current funding provides for staffing (41 positions) and the purchase of chemicals and equipment, as well as contracts for the treatment of aquatic vegetation ($217,000). Expenses also include research partnerships with state universities on alternative uses and treatment methods for nuisance aquatic plants.

---

**DEPT / AGY:** Special Schools & Comm. LA School for Math, Science, & the Arts

**ISSUE: Enrollment in the Minimum Foundation Program**

The Minimum Foundation Program (MFP) formula adopted by the State Board of Elementary & Secondary Education and approved by the Legislature determines the cost of a Minimum Foundation Program of education in public elementary and secondary schools and helps to allocate the funds equitably to parish and city school systems. Though traditionally, the LA special schools have not been a part of the MFP, by Act 656 of 2010, the LA School for Math, Science, & the Arts (LSMSA) will become part of the MFP formula starting in FY 12.

Funding through the MFP will be in the form of a block grant from the State to LSMSA. The school will be afforded the flexibility to spend these funds as it determines is in its best interests, while satisfying all mandated program requirements. Funds within the MFP are not earmarked for specific purposes but are intended to provide for the fiscal requirements of operation. As such, LSMSA plans to use the funds for personnel services, including the salaries and related benefits of its teachers and staff in the Living & Learning Community Program.

In FY 12, the legislature appropriated $3,387,319,481 in funding for the MFP formula. Of this amount, LSMSA will receive IAT in the amount of $1,616,232 based on a 321 student count in the MFP Budget Letter. The MFP funds will allow LSMSA to reduce their SGF budget authority by $1,616,232.

---

**DEPT / AGY:** Special Schools & Comm. New Orleans Center for Creative Arts-Riverfront

**ISSUE:** **Enrollment in the Minimum Foundation Program**

The Minimum Foundation Program (MFP) formula adopted by the State Board of Elementary & Secondary Education and approved by the Legislature determines the cost of a minimum foundation program of education in public elementary and secondary schools and helps to allocate the funds equitably to parish and city school systems. By Act 525 of 2010, the New Orleans Center for Creative Arts (NOCCA) will become part of the MFP formula starting in FY 12. NOCCA plans to use the funds to begin a new full day program for 60 incoming freshman each year as the program is fully integrated through all class years (freshmen-seniors) by FY 15. In FY 12, the legislature appropriated $3,387,319,481 in funding for the MFP formula. Of this amount, NOCCA was granted $377,624 in the MFP Budget Letter, which it will receive via IAT from the MFP for the new program's 60 incoming freshmen in FY 12.

Freshman for the new full day program will be chosen by applying in one of NOCCA's 11 arts disciplines as well as the academic studio. They must complete the audition process for the specific art discipline and if accepted, they will be placed in the pool for the academic studio as well. If NOCCA has more than 60 academic studio applicants that have successfully been accepted through the arts audition, it plans to hold a lottery to select the students who will be invited to attend the academic studio. However, a student cannot attend the academic studio without first being accepted through an audition to an arts discipline.

NOCCA does not intend to reduce the number of students selected to the half-day arts program. NOCCA offers other academic classes to its half-day students to assist them with meeting their graduation requirements and still attend arts classes at NOCCA. These academic classes are offered through the LA Virtual School and include: Health and PE, Civics, Free Enterprise, American History, and Fine Arts Survey.

---

**DEPT / AGY:** LSU Health Care Services Division LSU HSC-HCSD

**ISSUE:** **OLOL/EKL Collaboration Agreement UPL Payments**

The LSU Health Care Services Division (HCSD) has entered into a cooperative endeavor agreement with Our Lady of the Lake Regional Hospital (OLOL) to assume all inpatient and emergency department services currently offered at Earl K. Long Medical Center (EKL), excluding obstetrics & gynecology (OB/GYN), outpatient and prisoner care. HCSD plans to continue outpatient services at all of HCSD's clinics in Baton Rouge, which include the North Baton Rouge Clinic, the Stanacola Clinic, the Leo Butler Clinic, and the Outpatient Surgical Center on Perkins Road. DHH has submitted a Medicaid state plan amendment to amend the rules to allow the clinics to be tied to the Lafayette University Medical Center's license in order to allow Federal financing to remain in place.

Currently, Woman's Hospital and HCSD are planning to move the medical training program for OB/GYN services in FY 12. The ongoing payments that Woman's will receive from the Department of Health and Hospitals (DHH) as part of this agreement are the increased per diem amounts as a result of Woman's becoming a major teaching hospital, which became effective on 7/1/2011. These payments are included in Woman's inpatient claims payments and are estimated to be an additional $3.8 M annually. Reasonable allowable costs associated with the residency program will be adjusted annually for inflation.

LSU plans to issue a Request for Proposal in September FY 12 for possible private hospitals to do inpatient prisoner care; however, HCSD will continue to do all outpatient care at its Baton Rouge clinics. HCSD will also utilize the Hunt facility within the Department of Public Safety & Corrections Services once it is fully staffed. The Hunt facility is a Skilled Nursing Facility that can care for prisoners released from the hospital that cannot return to the prison population yet.

According to DHH, $128,999,977 in upper payment limit (UPL) reimbursements have been paid to OLOL as of 6/30/2011 ($26,077,876 in state match). DHH plans to pay a total of $133.4 M in UPL payments to OLOL through

FY 12 in order to cover the transition costs related to the hospital's staff, Graduate Medical Education, and facilities to allow for increased service access for EKL's patient populations. Of this $133.4 M, OLOL will use $129 M specifically as a one-time capital investment associated with expanding capacity for EKL's patient base. When EKL closes inpatient services in FY 14, DHH will pay OLOL for 95% Medicaid costs, for 100% uninsured costs, and for the unreimbursed medical education and trauma center costs included in the cooperative endeavor agreement. These will either be paid by Medicaid rate payments, UPL, or possibly combined with DSH payments. OLOL will have an updated estimate of these costs by Nov. 30, 2011 after its fiscal year end cost report is issued. In addition to the $133.4 M, the state will make ongoing UPL payments to cover the costs primarily associated with increased Medicaid and indigent patient services at OLOL including the following:

| | State | Federal | Total |
|---|---|---|---|
| 10/1/2009 - 12/31/2010 | $13,163,639 | $57,898,979 | $71,062,618 |
| 1/1/2011 - 6/30/2011 | $12,914,237 | $45,023,122 | $57,937,359 |
| 7/1/2011 - 9/31/2011 | $1,350,083 | $3,053,320 | $4,403,403 |

---

**DEPT / AGY:** LSU Health Care Services Division LSU HSC-HCSD

**ISSUE: Disproportionate Share Hospital (DSH) Payment Audit Rule Impact**

The LSU Hospitals receive Disproportionate Share Hospital (DSH) payments in order to offset the costs of providing indigent care at its state charity hospitals and clinics. In FY 11, the DSH FFP is 63.61% with a 36.39% state match rate. In FY 12, the state match rate is expected to increase to 38.91% (FFP decreases to 61.09%).

In FY 11, the federal government implemented new DSH rules making certain previously allowable costs unallowable for reimbursement payments (this is commonly referred to as the DSH audit rule). As such, the state lost significant revenue from the federal government, including approximately a $136.4 M cut in DSH payments to LSU. In order to continue the same level of indigent care, the state offset this impact in FY 11 with $130.6 M in SGF to be paid to LSU through IAT from the Department of Health & Hospitals (DHH). The allocation of the DSH impact and DSH reimbursement funds by hospitals are below.

| | FY 11 Replacement Funds |
|---|---|
| EKL | $16,251,107 |
| UMC | $13,421,822 |
| WOM | $5,844,761 |
| LAK | $5,285,854 |
| BMC | $6,414,918 |
| LJC | $12,229,928 |
| MCLNO | $38,758,615 |
| EAC | $4,883,441 |
| HPL | $4,301,732 |
| LSU-S | $23,207,822 |
| **TOTAL** | **$130,600,000** |

In order to offset the continued loss of approximately $130.6 M in DSH funds in FY 12 and partially mitigate the need for SGF, $62.3 M of the DSH replacement funds will be coming from E. A. Conway UPL payments, $30 M in savings from the Low Income Needy Care Collaboration Agreement (LINCCA), and only $35.6 M from SGF ($128 M total detailed below). This is an overall reduction of approximately $2.6 M from the DSH replacement funds allocated to LSU in FY 11.

| | FY 12 SGF Replacement | FY 12 EAC UPL Replacement | FY 12 LINCCA Savings |
|---|---|---|---|
| EKL | $4,061,237 | $7,001,702 | $3,733,026 |
| UMC | $4,013,735 | $5,782,719 | $3,083,114 |
| WOM | $307,763 | $2,518,184 | $1,342,594 |
| LAK | $1,992,566 | $2,277,382 | $1,214,208 |
| BMC | $2,349,661 | $2,763,833 | $1,473,565 |
| LJC | $4,556,794 | $5,269,199 | $2,809,325 |
| MCLNO | $10,159,778 | $16,712,698 | $8,910,540 |

| | | | |
|---|---|---|---|
| EAC | $1,146,550 | $2,729,802 | $1,121,772 |
| HPL | $991,471 | $930,827 | $988,146 |
| LSU-S | $6,038,727 | $16,393,440 | $5,323,710 |
| **TOTAL** | **$35,618,282** | **$62,379,786** | **$30,000,000** |

---

**DEPT / AGY:** LSU Health Care Services Division LSU HSC-HCSD

**ISSUE:** **Hotel Dieu Debt Service Savings**

The LSU Health Care Services Division (HCSD) made its final debt service payment in FY 11 for the bonds used to purchase the former Hotel Dieu hospital building from the Daughters of Charity. LSU purchased the hospital in 1991 with a 20-year bond maturity date to be completed in 2011. Of the total bond debt, $4.99 M was paid from the Medical Center of LA at New Orleans's (MCLNO) budget. With the final payment made, this money was reallocated amongst the state charity hospitals in order to offset the FY 12 budget cuts (allocation by hospital detailed below). $3.3 M is being used by HCSD at Lallie Kemp Regional Medical Center (LAK) in order to retain surgery services, which would otherwise have to be cut.

| | |
|---|---|
| EAC | $299,400 |
| HPL | $199,600 |
| LSU-S | $1,197,600 |
| LAK | $3,293,400 |
| **TOTAL** | **$4,990,000** |

---

**DEPT / AGY:** LSU Health Care Services Division LSU HSC-HCSD

**ISSUE:** **Medicaid Savings from Prior Authorization Requirements**

The LSU Health Sciences Center will reduce Medicaid costs hospital-wide by $2,957,695 due to a new initiative requiring prior authorization for outpatient surgical procedures, ultrasounds, and imaging for the treatment of cardiovascular disease from Medicaid. Without prior authorization, the procedure will be a non-reimbursable cost by Medicaid, which requires that the procedure be medically necessary. If the hospitals incur any cost without prior authorization that is later denied, it becomes an unallowable cost paid with SGF since UCC funds cannot be used to reimburse for costs associated with a Medicaid patient. Applying the FY 12 Medicaid FFP of 69.34%, approximately $906,828 in state match will be saved.

Estimated Medicaid savings by hospital are as follows:

| | FFP | State Match | Total |
|---|---|---|---|
| LJC | $163,662 | $72,366 | $236,028 |
| BMC | $69,181 | $30,589 | $99,770 |
| LAK | $46,098 | $20,383 | $66,481 |
| WOM | $50,861 | $22,489 | $73,350 |
| UMC | $172,010 | $76,057 | $248,067 |
| MCLNO | $653,817 | $289,097 | $942,914 |
| EKL | $218,453 | $96,593 | $315,046 |
| LSU-S | $553,734 | $244,844 | $798,578 |
| EAC | $82,034 | $36,273 | $118,307 |
| HPL | $41,017 | $18,137 | $59,154 |
| **TOTAL** | **$2,050,867** | **$906,828** | **$2,957,695** |

---

**DEPT / AGY:** LSU Health Care Services Division LSU HSC-HCSD

**ISSUE:** **Construction of University Medical Center-New Orleans (New Charity Hospital)**

In conjunction with LSU HCSD, the University Medical Center Management Corporation (UMCMC) plans to build the University Medical Center-New Orleans (UMC-NO) as a new teaching and research hospital that will replace the former charity hospital that was damaged by Hurricane Katrina. As an independent, non-profit institution, UMC-NO will no longer be a state hospital; however, its funding mechanisms will remain the same. The UMCMC is a not-for-profit corporation, created by LSU to finance the $1.2 B project and has final authority concerning financing decisions. The Joint Legislative Committee on the Budget (JLCB) will have final approval of the cooperative endeavor agreement entered into between the Department of Health and Hospitals (DHH), the Division of Administration (DOA), LSU, and the UMCMC. The projected total cost of the project is $1.2 B dollars for a projected 424-bed hospital, diagnostic and treatment facility, an ambulatory care clinic, and two parking garages (inclusive of all equipment). In 2008, DHH hired Verite Consulting to evaluate the size of the planned hospital, and Verite made the 424-bed recommendation (364 acute beds and 60 psychiatric beds), which was adopted by DHH and Governor Jindal's administration. UMC-NO is currently set to open in 2015 and drafted to be a total 2,211,799 square feet. The hospital will be on a site bound by Tulane Avenue, Canal Street, Claiborne Avenue and South Galvez Street adjacent to the new Veterans Affairs (VA) Hospital currently being built. The two hospitals will share cancer services, some physician services, OB/GYN services, trauma, some parking, and laundry. The VA hospital is anticipated to open by the end of 2013.

Of the $1.2 B, the state has currently secured approximately $775.3 M ($300.6 M from Capital Outlay and $474,750,898 from the FEMA Arbitration Award). Of the $300.6 M in Capital Outlay, $600,000 has been collected from fees and self-generated revenues from LSU, $35.5 M in SGF from the Overcollections Fund, $39 M from CDBG funds, $160 M in Priority 1 bonds (cash line of credit), and $65.5 M in Priority 5 bonds (non-cash line of credit). It is currently anticipated by DOA that additional FEMA settlement and Office of Risk Management (ORM) insurance money from the damages to the former charity hospital will soon be secured for an estimated $155,940,861 to $192,873,958, depending on arbitration. The FEMA funds are being held in the Federal Health & Human Services (HHS) payment management system (SMARTLINK) and will be allocated to the state through the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) through reimbursement payments as work is performed. According to Facility Planning & Control, over $50 M of the currently awarded FEMA funds have been transferred to the state as reimbursement for capital outlay expenditures on the project.

The UMCMC has withdrawn its application for mortgage insurance for the sale of bonds from the U.S. Department of Housing & Urban Development (HUD) due to delays and higher associated costs. The UMCMC is now seeking other means to finance the remainder of the project ($268.7 M), either through third party financing or uninsured bonds. <u>However, the sale of bonds will not go against tax supported debt because they will be financed through UMCMC; therefore, it will not be state debt.</u> The UMCMC will present its finalized business plan, developed by Verite Consulting to the JLCB on September 16, 2011, for legislative review and public comment, though legislative approval is not required by law.

A team composed of Skanska, a Swedish firm, and Baton Rouge-based MAPP Construction will serve as the construction manager at risk for the project (winning bid of $38.2 M). Skanska-MAPP will be responsible for hiring all trade contractors and subcontractors that will build the new 424-bed hospital. The initial pre-construction phase of the project began on 4/18/2011, with a HUD waiver. The pre-construction phase will cost a projected $228,525 for planning and development and $7.5 M for pre-construction preparation work. This will consist of developing the following:

**<u>Planning and Development Activities ($228,525) -</u>** a preliminary control estimate, a quality control plan, a construction schedule, construction office space, a site logistics plan, a plan for building enclosures, a project safety plan, a building information modeling program, a severe weather plan, a guaranteed maximum price, a management control plan, reviewing plans and specifications, and a bid trade strategy to maximize opportunity for local participation

**<u>Pre-construction Preparation Activities ($7.5 M) -</u>** execute test pile program, install wicking system, install fill and surcharge, install sheet piling around Cox building and Orleans House, and install sewer adjacent to Canal St.

According to LSU, one of the primary benefits of the new hospital will be the ambulatory care clinic, which will allow the physicians to also schedule and care for their private pay patients at UMC-NO. Currently, most of the physicians at the Interim LA Hospital (ILH) have to schedule these patients at private hospitals because their procedures will often get canceled and rescheduled at ILH due to higher priority/urgent indigent cases that arrive. With the new ambulatory care clinic, the expanded capacity will allow these patients to be seen at UMC-NO and draw more private pay patients and more varied procedures in order to serve as an academic medical center. These will be mostly existing programs that are done on a very small scale at ILH today for the uninsured, but that will now be more widespread and include a blend of insured and uninsured, urgent/emergent and elective. These will include disciplines such as general surgery, orthopedics, neurosurgery, cardiovascular surgery, Ear, Nose and Throat procedures, internal medicine and subspecialties (e.g. gastrointestinal, cardiology, oncology).

A new business plan validation study for the new hospital has been developed by Kaufman Hall Associates (KHA) and was presented to the UMCMC on 6/2/2011. In its findings, KHA has been more conservative than Verite's report as regards the size and sustainability of the new hospital in the community. KHA's baseline recommendation is that UMC-NO be a 370-bed facility versus Verité's suggestion of 424 beds. KHA has based this baseline estimate on the fact that the population of the service area is smaller than originally anticipated by Verité (812,278 as per 2010 census vs. 823,436 estimated by Verité), a more conservative estimate of private pay patients repatriating to UMC-NO after it's built (1,119 insured through commercial insurance or Medicare annually vs. 2,200 estimated by LSU by 2020), and other market driven factors. Furthermore, KHA's projections are based on the assumption that the new hospital will not absorb ILH's unfunded accrued liabilities and that it will keep 100 days worth of cash on hand in working capital at any given time. KHA maintains that net patient service revenue (inclusive of Medicaid, commercial pay, and Medicare) will be approximately $416.6 M in 2015 when the hospital opens, and expenditures will be $432.5 M ($15.9 M operating deficit). Based on accounting formulae and principles, volume projections, the DSH audit rule impact, and DSH and Medicaid payment projections, KHA maintains in its baseline scenario that the new hospital will need $73.1 M in SGF in 2015 and $96.3 M in SGF by 2020 in order to maintain the necessary cash reserves to be sustainable with 100 days cash on hand. In addition, KHA estimates that by 2015 the state match DSH costs for UMC-NO will be $44.9 M due to health care reform, and $54.6 M by 2020. As such, KHA estimates that the hospital will need a total of $118 M in SGF to be sustainable in 2015, and continue to rise to approximately $150.9 M in SGF by 2020 ($54.6 M DSH & $96.3 M to maintain working capital). Both KHA and Verité estimate that approximately 90% of newly eligible uninsured patients will enroll in Medicaid by 2016 after health care reform, and 50% of uninsured who are not newly eligible will buy commercial insurance either privately or through their employers. LSU's FY 10 actuals and Verité and KHA's projected payor mixes for the new hospital are listed below:

| | **LSU** | **Verité** | | **KHA** | |
|---|---|---|---|---|---|
| | 2010 (actuals) | 2010 | 2016 | 2010 | 2016 |
| Medicare/commercial: | 17.6% | 17% | 26% | 15.6% | 34.6% |
| Medicaid: | 40.3% | 37% | 61% | 42.9% | 52.2% |
| Uninsured/self-pay: | 42.1% | 46% | 13% | 41.5% | 13.2% |

# Section V

# TABLES

**Department of Children & Family Services**
**Temporary Assistance for Needy Families (TANF)**
**Funding for FY 12**

For FY 12, Act 12 of 2011 contains funding of $118.5 M for TANF initiatives including $21 M of TANF Emergency American Recovery & Reinvestment Act (ARRA) funding, which is a slight decrease of $50,000 from FY 11.

| FEDERAL INITIATIVES | FY 11 | FY 12 | DIFFERENCE |
|---|---|---|---|
| Literacy: | | | |
| Private Pre-K | $7,500,000 | $0 | ($7,500,000) |
| Jobs for America's Graduates | $3,950,000 | $3,950,000 | $0 |
| LA4 | $68,550,000 | $70,050,000 | $1,500,000 |
| | | | |
| Asset Building: | | | |
| Microenterprise Development | $510,000 | $510,000 | $0 |
| IDA | $1,275,000 | $1,275,000 | $0 |
| | | | |
| Family Stability: | | | |
| CASA | $4,670,000 | $4,670,000 | $0 |
| Drug Courts | $6,000,000 | $6,000,000 | $0 |
| Child Abuse/Neglect (CPI) | $6,647,427 | $6,647,427 | $0 |
| Family Violence | $3,700,000 | $3,700,000 | $0 |
| Homeless | $850,000 | $850,000 | $0 |
| Nurse Family Partnership | $3,700,000 | $3,700,000 | $0 |
| Substance Abuse | $4,104,989 | $4,104,989 | $0 |
| Early Childhood Supports | $5,550,000 | $5,500,000 | ($50,000) |
| Abortion Alternatives | $1,500,000 | $1,500,000 | $0 |
| Day Treatment Programs (OJJ) | $0 | $6,000,000 | $6,000,000 |
| | | | |
| **TOTALS** | **$118,507,416** | **$118,457,416** | **($50,000)** |

Act 12 of 2011 includes funding of $21,057,416 (as of 4/30/2011) of TANF Emergency Funds from the American Recovery & Reinvestment Act (ARRA). The $21 M includes a projected carry-forward balance in FY 11 of $10,657,736 and FY 12 budget amount of $10,399,680. Total TANF Emergency ARRA allotment is $81.9 M. TANF ARRA Emergency funds expire in FY 13.

## Louisiana Education Quality Trust Fund - 8(g) 1986-87 to 2010-11

Beginning 1986-87 Fund Balance - $540,699,504 with Annual Interest and Royalty Deposits

| **Permanent Fund:** | **1993-94** | **1994-95** | **1995-96** | **1996-97** | **1997-98** | **1998-99** | **1999-2000** | **2000-2001** | **2001-2002** |
|---|---|---|---|---|---|---|---|---|---|
| *Cash Value* | $668,019,726 | $694,429,303 | $689,578,656 | $707,258,020 | $728,166,189 | $762,108,629 | $799,726,036 | $822,498,152 | $841,538,930 |
| Investment Income | $16,738,336 | $14,135,788 | $13,186,900 | $14,303,306 | $27,795,972 | $33,409,785 | $18,104,819 | $10,001,192 | $5,723,829 |
| Royalties Income | $9,671,241 | ($18,986,435) | $4,492,464 | $6,604,864 | $6,146,468 | $4,207,622 | $4,667,297 | $9,039,586 | $4,932,916 |
| **Total** | $694,429,303 | $689,578,656 | $707,258,020 | $728,166,190 | $762,108,629 | $799,726,036 | $822,498,152 | $841,538,930 | $852,195,675 |
| **Permanent Fund:** | | | | | | | | | |
| *Market Value* | **$680,917,755** | **$704,490,462** | **$713,702,637** | **$760,195,407** | **$817,056,699** | **$817,998,820** | **$823,520,329** | **$831,338,021** | **$812,737,083** |
| **Support Fund:** | | | | | | | | | |
| Investment Income | $50,513,410 | $50,215,008 | $38,689,042 | $38,077,244 | $39,941,397 | $40,406,672 | $43,836,613 | $40,992,264 | $36,463,986 |
| Royalties Income | $6,544,923 | $11,373,722 | $33,760,696 | $13,477,394 | $19,814,592 | $18,439,406 | $12,622,864 | $14,001,891 | $14,798,746 |
| **Total** | $57,058,333 | $61,588,730 | $72,449,738 | $51,554,638 | $59,755,989 | $58,846,078 | $56,459,477 | $54,994,155 | $51,262,732 |

**A History of the Support Fund Income and Permanent Fund in Millions of Dollars**

| | **1993-94** | **1994-95** | **1995-96** | **1996-97** | **1997-98** | **1998-99** | **1999-2000** | **2000-2001** | **2001-2002** |
|---|---|---|---|---|---|---|---|---|---|
| Support Fund | $57.1 | $61.6 | $72.4 | $51.6 | $59.8 | $58.8 | $56.5 | $55.0 | $51.3 |
| Permanent Fund | $694.4 | $689.6 | $707.3 | $728.2 | $762.1 | $799.7 | $822.5 | $841.5 | $852.2 |

| **Permanent Fund:** | **2002-2003** | **2003-2004** | **2004-2005** | **2005-2006** | **2006-2007** | **2007-2008** | **2008-2009** | **2009-2010** | **2010-2011** | Cumulative Growth |
|---|---|---|---|---|---|---|---|---|---|---|
| *Cash Value* | $852,195,675 | $868,402,048 | $891,805,723 | $916,081,258 | $936,295,533 | $956,625,141 | $977,990,329 | $1,000,182,756 | $1,014,497,848 | Permanent Fund |
| Investment Income | $11,519,457 | $14,372,777 | $15,307,935 | $12,877,985 | $13,433,082 | $13,110,162 | $12,687,191 | $9,060,555 | $11,131,777 | $345,830,575 |
| Royalties Income | $4,686,916 | $9,030,898 | $8,967,600 | $7,336,290 | $6,896,526 | $8,255,026 | $9,505,235 | $5,254,537 | $5,418,479 | $134,825,082 |
| **Total** | $868,402,048 | $891,805,723 | $916,081,258 | $936,295,533 | $956,625,141 | $977,990,329 | $1,000,182,755 | $1,014,497,848 | $1,031,048,104 | $480,655,657 |
| **Permanent Fund:** | | | | | | | | | | |
| *Market Value* | **$877,000,364** | **$925,090,380** | **$975,661,638** | **$958,642,904** | **$1,021,316,556** | **$968,122,567** | **$872,736,756** | **$997,888,851** | **$1,082,169,386** | |
| | | | | | | | | | | Cumulative Growth |
| **Support Fund:** | | | | | | | | | | Support Fund |
| Investment Income | $37,779,199 | $37,606,959 | $41,587,080 | $42,233,206 | $44,460,712 | $42,952,072 | $40,358,067 | $34,670,951 | $30,654,199 | $960,178,313 |
| Royalties Income | $14,060,747 | $27,092,693 | $26,902,801 | $21,401,616 | $20,689,576 | $24,765,079 | $28,515,706 | $15,763,612 | $16,255,436 | $392,614,549 |
| **Total** | $51,839,946 | $64,699,652 | $68,489,881 | $63,634,822 | $65,150,288 | $67,717,151 | $68,873,773 | $50,434,563 | $46,909,635 | $1,352,792,862 |

**A History of the Support Fund Income and Permanent Fund in Millions of Dollars**

| | **2002-2003** | **2003-2004** | **2004-2005** | **2005-2006** | **2006-2007** | **2007-2008** | **2008-2009** | **2009-2010** | **2010-2011** |
|---|---|---|---|---|---|---|---|---|---|
| Support Fund | $51.8 | $64.7 | $68.5 | $63.6 | $65.2 | $67.7 | $68.9 | $50.4 | $46.9 |
| Permanent Fund | $868.4 | $891.8 | $916.1 | $936.3 | $956.6 | $978.0 | $1,000.2 | $1,014.5 | $1,031.0 |

**Constitutional Uses of Support Fund Dollars:**

Board of Regents: 1) The carefully defined research efforts of public and private universities in Louisiana. 2) The endowment of chairs for eminent scholars. 3) The enhancement of the quality of academic, research or agricultural departments or units within a university. These funds shall not be used for athletic purposes or programs. 4) The recruitment of superior graduate students.

Board of Elementary & Secondary Education: 1) To provide compensation to city or parish school board or postsecondary vocational-technical professional instructional employees. 2) To insure an adequate supply of superior textbooks, library books, equipment and other instructional materials. 3) To fund exemplary programs in elementary, secondary or vocational-technical schools designed to improve elementary, secondary or vocational-technical student academic achievement or vocational-technical skill. 4) To fund carefully defined research efforts, including pilot programs, designed to improve elementary and secondary student achievement. 5) To fund school remediation programs and preschool programs. 6) To fund the teaching of foreign languages in elementary and secondary schools. 7) To fund an adequate supply of teachers by providing scholarships or stipends to prospective teachers in academic or vocational-technical areas where there is a critical teacher shortage.

**Notes:** The cumulative growth figures for both the Permanent and Support Fund include balances from 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, and 1992-93 (history for these years is not shown above). The Cash Value for 1988-89 through 2010-11 equal the Permanent Fund balance at 6/30 of the prior fiscal year.

# Taylor Opportunity Program for Students (TOPS)

## Historical and Projected Number of Awards and Costs of Awards

Projected as of 3/29/11

| TOPS | 1998-99 Actual (a) | | 1999-00 Actual | | 2000-01 Actual | | 2001-02 Actual | | 2002-03 Actual | | 2003-04 Actual | | 2004-05 Actual | | 2005-06 Actual | | 2006-07 Actual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Component | # | $ | # | $ | # | $ | # | $ | # | $ | # | $ | # | $ | # | $ | # | $ |
| Honors | 1,827 | 5,591,731 | 3,135 | 9,784,395 | 4,434 | 14,701,865 | 5,463 | 18,362,217 | 5,551 | 18,934,344 | 5,669 | 19,827,144 | 5,939 | 21,309,710 | 6,057 | 21,716,022 | 6,219 | 22,644,752 |
| Performance | 5,156 | 13,496,041 | 6,058 | 15,752,094 | 7,005 | 19,504,485 | 7,279 | 20,258,000 | 6,969 | 20,373,774 | 7,541 | 22,162,312 | 8,041 | 24,652,746 | 8,311 | 25,494,026 | 8,706 | 26,937,528 |
| Opportunity | 16,652 | 34,921,662 | 19,978 | 41,892,361 | 24,322 | 55,993,274 | 28,060 | 65,271,419 | 27,347 | 65,026,170 | 27,897 | 68,198,712 | 28,130 | 70,710,391 | 27,658 | 69,191,574 | 28,058 | 70,312,033 |
| Tech | 24 | 12,523 | 92 | 26,761 | 62 | 41,676 | 170 | 116,367 | 314 | 255,720 | 331 | 295,143 | 452 | 392,478 | 590 | 472,277 | 735 | 707,237 |
| Nat'l Guard | 42 | 12,650 | 39 | 11,700 | 43 | 12,900 | 68 | 19,850 | 66 | 19,600 | 46 | 13,600 | 42 | 12,550 | 39 | 11,800 | 51 | 15,100 |
| TOTAL | 23,701 | 54,034,607 | 29,302 | 67,467,311 | 35,866 | 90,254,200 | 41,040 | 104,027,853 | 40,247 | 104,609,608 | 41,484 | 110,496,911 | 42,604 | 117,077,875 | 42,655 | 116,885,699 | 43,769 | 120,616,650 |
| Tech Early Start | | | | | | | | | | | | | | | 350 | 210,000 | 350 | 210,000 |
| TOTAL | | | | | | | | | | | | | | | 43,684 | 202,801,555 | 44,024 | 225,208,087 |
| Average Annual TOPS Award * | | $2,280 | | $2,302 | | $2,516 | | $2,535 | | $2,599 | | $2,664 | | $2,748 | | $2,740 | | $2,756 |

*Excludes Tech Early Start

| TOPS | 2007-08 Actual | | 2008-09 Actual | | 2009-10 Actual (b) | | 2010-11 Estimated (b) | | 2011-12 Projected (b) | | 2012-13 Projected (b) | | 2013-14 Projected (b) | | 2014-15 Projected (b) | | 2015-16 Projected (b) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Component | # | $ | # | $ | # | $ | # | $ | # | $ | # | $ | # | $ | # | $ | # | $ |
| Honors | 6,222 | 22,678,795 | 7,060 | 26,479,719 | 7,598 | 29,718,881 | 7,762 | 32,529,766 | 7,992 | 36,202,162 | 7,754 | 38,013,209 | 7,442 | 39,536,370 | 7,303 | 42,090,842 | 8,318 | 52,069,847 |
| Performance | 7,877 | 24,460,590 | 9,294 | 29,689,078 | 9,723 | 32,197,314 | 9,135 | 32,718,191 | 9,143 | 35,654,043 | 8,675 | 36,863,199 | 8,052 | 37,307,609 | 7,872 | 39,810,121 | 7,717 | 42,622,303 |
| Opportunity | 27,407 | 68,776,853 | 25,101 | 65,942,726 | 24,497 | 67,204,002 | 25,351 | 75,997,735 | 25,984 | 85,691,595 | 26,563 | 96,364,189 | 27,383 | 109,270,493 | 27,077 | 118,864,239 | 26,576 | 128,337,098 |
| Tech | 747 | 723,848 | 822 | 829,601 | 1,032 | 1,107,852 | 1,108 | 1,308,548 | 1,110 | 1,441,890 | 1,090 | 1,557,610 | 1,073 | 1,686,756 | 1,051 | 1,817,179 | 1,030 | 1,959,060 |
| Nat'l Guard | 42 | 12,400 | 28 | 8,050 | 21 | 6,150 | 36 | 10,700 | 36 | 10,480 | 33 | 9,556 | 31 | 8,988 | 31 | 9,174 | 33 | 9,779 |
| SUB-TOTAL | 42,295 | 116,652,486 | 42,305 | 122,949,174 | 42,871 | 130,234,199 | 43,392 | 142,564,940 | 44,265 | 159,000,170 | 44,115 | 172,807,763 | 43,981 | 187,810,216 | 43,334 | 202,591,555 | 43,674 | 224,998,087 |
| Tech Early Start | 226 | 63,050 | 381 | 84,800 | 145 | 33,750 | 259 | 68,680 | 270 | 69,546 | 350 | 210,000 | 350 | 210,000 | 350 | 210,000 | 350 | 210,000 |
| TOTAL | 42,521 | 116,715,536 | 42,686 | 123,033,974 | 43,016 | 130,267,949 | 43,651 | 142,633,620 | 44,535 | 159,069,716 | 44,465 | 173,017,763 | 44,331 | 188,020,216 | 43,684 | 202,801,555 | 44,024 | 225,208,087 |
| Average Annual TOPS Award * | | $2,758 | | $2,906 | | $3,038 | | $3,286 | | $3,592 | | $3,917 | | $4,270 | | $4,675 | | $5,152 |

*Excludes Tech Early Start

Figures provided by the Office of Student Financial Assistance

NOTE: The actual number of awards are noted for each fiscal year. The dollar amounts are calculated by multiplying the number of awards times the average annual TOPS award for that particular fiscal year.

(a) Includes former recipients of La. Honors Scholarship Program & Tuition Assistance Plan (TAP) whose funding continued under TOPS

(b) Includes 5% tuition increases for years 2008-09 to 2009-10 and 10% per year tuition increases for FY 2010-11 to 2013-16. Tuition increases are subject to approval by the Management Boards and the Joint Legislative Committee on the Budget (JLCB).

# Higher Education Funding by Board and Institution
# (FY 11 EOB compared to FY 12 Appropriated)

| | FY 11 6/30/11 SGF | FY 11 6/30/11 Total | FY 12 Appropriated SGF | FY 12 Appropriated Total | Difference FY 11 to FY 12 SGF | % Diff. SGF | Difference FY 11 to FY 12 Total | % Diff. Total |
|---|---|---|---|---|---|---|---|---|
| LSU Board | $5,285,620 | $7,922,361 | $4,205,014 | $4,205,014 | ($1,080,606) | -20% | ($3,717,347) | -47% |
| LSU Baton Rouge | $145,940,704 | $437,979,746 | $152,453,175 | $441,277,151 | $6,512,471 | 4% | $3,297,405 | 1% |
| LSU Alexandria | $8,094,278 | $18,612,192 | $8,091,785 | $19,354,425 | ($2,493) | 0% | $742,233 | 4% |
| UNO | $46,161,813 | $121,108,276 | $45,100,735 | $119,953,721 | ($1,061,078) | -2% | ($1,154,555) | -1% |
| LSU HSC - New Orleans | $82,418,870 | $178,458,820 | $76,076,985 | $180,691,213 | ($6,341,885) | -8% | $2,232,393 | 1% |
| LSU HSC - Shreveport | $50,006,223 | $429,837,731 | $48,984,128 | $415,885,299 | ($1,022,095) | -2% | ($13,952,432) | -3% |
| E A Conway Med Center | $9,386,129 | $130,340,371 | $10,513,906 | $123,955,804 | $1,127,777 | 12% | ($6,384,567) | -5% |
| Huey P Long Med Center | $10,170,298 | $57,410,876 | $11,392,296 | $54,308,697 | $1,221,998 | 12% | ($3,102,179) | -5% |
| LSU - Eunice | $6,158,180 | $13,692,192 | $6,001,054 | $13,845,516 | ($157,126) | -3% | $153,324 | 1% |
| LSU - Shreveport | $11,425,472 | $29,995,336 | $11,494,970 | $30,874,871 | $69,498 | 1% | $879,535 | 3% |
| LSU Agricultural Center | $58,819,924 | $94,778,808 | $66,704,460 | $96,887,907 | $7,884,536 | 13% | $2,109,099 | 2% |
| Hebert Law Center | $5,834,433 | $21,735,034 | $6,529,100 | $22,379,784 | $694,667 | 12% | $644,750 | 3% |
| Pennington Biomedical | $11,925,105 | $14,144,813 | $13,331,233 | $14,251,666 | $1,406,128 | 12% | $106,853 | 1% |
| **LSU System Total** | **$451,627,049** | **$1,556,016,556** | **$460,878,841** | **$1,537,871,068** | **$9,251,792** | **2%** | **($18,145,488)** | **-1%** |
| Southern Board | $2,223,162 | $3,392,453 | $2,300,077 | $2,300,077 | $76,915 | 3% | ($1,092,376) | -32% |
| Southern A&M | $31,761,944 | $81,012,866 | $31,083,400 | $78,708,322 | ($678,544) | -2% | ($2,304,544) | -3% |
| SouthernLaw Center | $5,255,134 | $13,096,174 | $4,811,315 | $13,818,144 | ($443,819) | -8% | $721,970 | 6% |
| Southern New Orleans | $9,527,974 | $21,952,022 | $9,932,500 | $21,782,890 | $404,526 | 4% | ($169,132) | -1% |
| Southern Shreveport | $7,337,707 | $14,791,532 | $6,686,136 | $13,845,646 | ($651,571) | -9% | ($945,886) | -6% |
| SU Agricultural Center | $2,249,368 | $7,434,702 | $2,695,128 | $7,980,890 | $445,760 | 20% | $546,188 | 7% |
| **Southern System Total** | **$58,355,289** | **$141,679,749** | **$57,508,556** | **$138,435,969** | **($846,733)** | **-1%** | **($3,243,780)** | **-2%** |
| UL Board | $1,171,509 | $4,383,414 | $1,605,302 | $2,791,302 | $433,793 | 37% | ($1,592,112) | -36% |
| Nicholls | $23,581,017 | $58,538,699 | $22,290,653 | $57,916,294 | ($1,290,364) | -5% | ($622,405) | -1% |
| Grambling | $20,441,383 | $53,628,587 | $18,474,222 | $54,924,367 | ($1,967,161) | -10% | $1,295,780 | 2% |
| Louisiana Tech | $43,425,014 | $99,293,248 | $42,229,896 | $100,155,147 | ($1,195,118) | -3% | $861,899 | 1% |
| McNeese | $29,326,602 | $66,055,818 | $26,984,614 | $64,953,620 | ($2,341,988) | -8% | ($1,102,198) | -2% |
| UL - Monroe | $38,994,843 | $83,280,226 | $35,703,648 | $80,774,916 | ($3,291,195) | -8% | ($2,505,310) | -3% |
| Northwestern | $32,038,603 | $74,903,901 | $30,849,417 | $75,230,920 | ($1,189,186) | -4% | $327,019 | 0% |
| Southeastern | $51,030,730 | $121,518,476 | $47,867,208 | $119,323,390 | ($3,163,522) | -6% | ($2,195,086) | -2% |
| UL Lafayette | $68,742,811 | $145,930,870 | $65,125,417 | $143,741,196 | ($3,617,394) | -5% | ($2,189,674) | -2% |
| **UL System Total** | **$308,752,512** | **$707,533,239** | **$291,130,377** | **$699,811,152** | **($17,622,135)** | **-6%** | **($7,722,087)** | **-1%** |
| LCTCS System | $6,106,829 | $29,034,910 | $7,193,573 | $17,193,573 | $1,086,744 | 18% | ($11,841,337) | -41% |
| Baton Rouge CC | $13,413,387 | $30,221,998 | $12,119,228 | $30,231,756 | ($1,294,159) | -10% | $9,758 | 0% |
| Delgado CC | $33,729,556 | $86,543,433 | $33,152,413 | $89,904,245 | ($577,143) | -2% | $3,360,812 | 4% |
| Nunez CC | $3,801,885 | $7,802,809 | $3,803,765 | $7,851,298 | $1,880 | 0% | $48,489 | 1% |
| Bossier Parish CC | $10,353,509 | $26,067,805 | $9,858,843 | $25,560,705 | ($494,666) | -5% | ($507,100) | -2% |
| South Louisiana CC | $5,736,592 | $13,715,405 | $5,351,086 | $14,412,095 | ($385,506) | -7% | $696,690 | 5% |
| River Parishes CC | $3,259,085 | $6,517,195 | $3,461,796 | $8,346,065 | $202,711 | 6% | $1,828,870 | 28% |
| Louisiana Delta CC | $4,754,577 | $10,667,803 | $4,638,142 | $10,768,719 | ($116,435) | -2% | $100,916 | 1% |
| LTC | $51,878,001 | $80,508,142 | $52,797,567 | $78,115,048 | $919,566 | 2% | ($2,393,094) | -3% |
| SOWELA | $5,636,708 | $11,120,792 | $6,571,292 | $13,289,150 | $934,584 | 17% | $2,168,358 | 19% |
| L.E. Fletcher | $3,415,718 | $7,599,688 | $3,406,645 | $8,179,145 | ($9,073) | 0% | $579,457 | 8% |
| LCTCS Online | $1,004,915 | $1,004,915 | $1,006,212 | $1,006,212 | $1,297 | 0% | $1,297 | 0% |
| **LCTCS System Total** | **$143,090,762** | **$310,804,895** | **$143,360,562** | **$304,858,011** | **$269,800** | **0%** | **($5,946,884)** | **-2%** |
| | | | $0 | | | | | |
| **LOSFA** | **$165,351,609** | **$234,593,157** | **$84,337,798** | **$245,354,334** | **($81,013,811)** | **-49%** | **$10,761,177** | **5%** |
| **Board of Regents** | **$15,942,938** | **$81,796,919** | **$18,444,775** | **$77,418,400** | **$2,501,837** | **16%** | **($4,378,519)** | **-5%** |
| **LUMCON** | **$2,455,660** | **$8,629,080** | **$2,612,402** | **$8,161,120** | **$156,742** | **6%** | **($467,960)** | **-5%** |
| **Higher Ed Total** | **$1,145,575,819** | **$3,041,053,595** | **$1,058,273,311** | **$3,011,910,054** | **($87,302,508)** | **-8%** | **($29,143,541)** | **-1%** |
| **Higher Ed (w/o LOSFA)** | **$980,224,210** | **$2,806,460,438** | **$973,935,513** | **$2,766,555,720** | **($6,288,697)** | **-1%** | **($39,904,718)** | **-1%** |

# STATE GAMING REVENUE - SOURCES AND USES

Legislative Fiscal Office

## LOTTERY
($ in millions)

| Calendar Year of Sales / Fiscal Year Available | 2001 / 2002 | 2002 / 2003 | 2003 / 2004 | 2004 / 2005 | 2005 / 2006 | 2006 / 2007 | 2007 / 2008 | 2008 / 2009 | 2009 / 2010 | 2010 / 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Sales Outlets at Calendar Year End | 2,976 | 2,950 | 2,842 | 2,820 | 2,486 | 2,562 | 2,603 | 2,656 | 2,780 | 2,854 |
| Total Game Sales & Other Earnings | $314.2 | $309.6 | $331.2 | $320.1 | $297.4 | $361.9 | $362.4 | $377.4 | $385.0 | $377.1 |
| Operating Expenses of Corp. (not appropriated) | $29.2 | $29.3 | $31.0 | $29.6 | $27.0 | $30.5 | $29.6 | $31.1 | $32.3 | $28.1 |
| Retailer Commission Expense (not appropriated) | $17.5 | $16.8 | $18.0 | $17.5 | $16.7 | $19.9 | $20.0 | $20.6 | $21.3 | $20.8 |
| Effective Tax Rate (% net revenue after prize expense) | 71.1% | 70.0% | 70.4% | 70.9% | 71.1% | 71.8% | 73.0% | 70.2% | 72.6% | 73.6% |
| Share Of Gross Revenue Transfered To The State | 35.9% | 35.3% | 35.3% | 35.6% | 35.8% | 35.7% | 35.9% | 35.0% | 35.6% | 35.6% |
| Total Annual Transfers To The State | $113.0 | $109.4 | $116.9 | $114.0 | $106.4 | $129.4 | $130.2 | $132.1 | $137.3 | $134.2 |
| | | | | | | | | | | |
| Compulsive and Problem Gaming Program | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 |
| For Support Of Minimum Foundation Program * | $112.5 | $108.9 | $116.4 | $113.5 | $105.9 | $128.9 | $129.7 | $131.6 | $136.8 | $133.7 |
| Total Allocations Of Available Transfers | $113.0 | $109.4 | $116.9 | $114.0 | $106.4 | $129.4 | $130.2 | $132.1 | $137.3 | $134.2 |

(*) As orignally adopted, lottery receipts were deposited to a special fund (the Lottery Proceeds Fund established by the State Constitution) that had no specific uses enumerated. For FY 91-92 and FY 92-93 lottery receipts were appropriated to support the operations of numerous state agenices, local allocations, and the state general fund. For the 1993-94 fiscal year, most lottery receipts ($140 million) were appropriated to the Minimum Foundation Program (MFP, K-12 education funding) and a like amount of state general fund support was removed from the MFP. Lottery receipts have been appropriated to the MFP ever since. Act 1305 of the 2003 session amended the State Constitution to formally dedicate lottery receipts to the MFP beginning with FY 04-05 (including a maximum of $500,000 to compulsive and problem gaming services).

## VIDEO DRAW POKER
($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Locations/Devices at Fiscal Year End | 2,869/13,720 | 2,862/14,551 | 2,775/14,273 | 2,751/14,297 | 2,276/13,571 | 2,340/13,951 | 2,380/14,555 | 2,294/14,571 | 2,257/14,727 | 2,200/14,500 |
| Total Device Net Revenue | $536.6 | $560.5 | $566.0 | $583.8 | $681.6 | $684.7 | $673.2 | $667.2 | $600.1 | $610.5 |
| Effective Tax Rate | 29.1% | 29.3% | 29.3% | 29.5% | 29.8% | 29.8% | 29.9% | 30.0% | 30.1% | 30.0% |
| Gaming Remittances | $156.1 | $164.2 | $166.0 | $172.2 | $203.1 | $203.9 | $201.0 | $200.1 | $180.4 | $183.4 |
| Device & Other Fees | $8.5 | $10.8 | $11.1 | $11.6 | $11.0 | $10.5 | $10.8 | $12.1 | $12.1 | $12.1 |
| Total Available To The State | $164.6 | $174.9 | $177.1 | $183.8 | $214.1 | $214.3 | $211.7 | $212.1 | $192.5 | $195.5 |
| | | | | | | | | | | |
| Gaming Enforcement Activities | $4.4 | $4.4 | $4.4 | $8.0 | $5.6 | $8.4 | $8.4 | $8.8 | $8.2 | $9.1 |
| Non-Gaming Operations in State Police | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.00 | $0.00 |
| Local Govs. (~ Munis 40%, Parishes 30%, Sheriffs 30%) | $34.9 | $37.5 | $38.0 | $39.7 | $45.0 | $47.2 | $46.6 | $44.4 | $40.1 | $43.5 |
| District Attorney Support | $5.4 | $5.4 | $5.4 | $5.4 | $5.4 | $5.4 | $5.4 | $5.4 | $5.4 | $5.4 |
| Horse Racing Purse Supplements | $2.7 | $2.8 | $2.8 | $2.9 | $3.4 | $3.4 | $3.3 | $3.3 | $3.0 | $3.0 |
| Compulsive and Problem Gaming Program | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 |
| State General Fund Share | $116.8 | $124.5 | $126.1 | $127.4 | $154.3 | $149.5 | $147.7 | $149.8 | $135.4 | $134.1 |
| Total Allocations Of Available Revenue | $164.6 | $175.0 | $177.1 | $183.8 | $214.1 | $214.4 | $211.8 | $212.2 | $192.5 | $195.5 |

## RIVERBOAT GAMING
($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Boats/Tables/Devices at Fiscal Year End | 14/562/15,330 | 14/543/15,325 | 14/667/17,300 | 15/610/16,592 | 12/518/13,207 | 13/512/15,230 | 13/510/15,237 | 13/519/15,225 | 13/516/14,957 | 13/512/15,000 |
| Total Gross Gaming Revenue | $1,635.3 | $1,592.9 | $1,566.7 | $1,567.2 | $1,838.1 | $1,780.6 | $1,827.7 | $1,727.5 | $1,644.4 | $1,650.7 |
| Effective Tax Rate | 20.5% | 21.0% | 21.4% | 21.4% | 21.5% | 21.5% | 21.5% | 21.5% | 21.5% | 21.5% |
| Gaming Remittances | $335.8 | $335.1 | $335.4 | $334.7 | $395.2 | $382.8 | $393.0 | $371.4 | $353.5 | $354.9 |
| Other Fee Revenue | $5.2 | $4.3 | $6.8 | $4.2 | $7.9 | $6.4 | $4.8 | $3.4 | $4.2 | $4.1 |
| Total Available To The State | $341.1 | $339.4 | $342.2 | $339.0 | $403.1 | $389.3 | $397.8 | $374.8 | $357.7 | $359.0 |
| | | | | | | | | | | |
| Gaming Enforcement Activities | $16.7 | $16.4 | $19.0 | $17.2 | $18.1 | $17.5 | $18.5 | $18.4 | $19.8 | $16.7 |
| Non-Gaming Operations in State Police | $40.3 | $35.4 | $34.9 | $35.7 | $41.9 | $49.5 | $37.6 | $48.2 | $36.5 | $42.1 |
| Compulsive and Problem Gaming Program | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 |
| SELF Fund (Teacher Payraise) | $59.4 | $65.5 | $70.7 | $70.3 | $85.4 | $83.1 | $85.3 | $80.6 | $76.7 | $77.2 |
| State General Fund Share | $224.2 | $221.5 | $217.0 | $215.3 | $257.1 | $238.7 | $255.8 | $227.1 | $224.1 | $222.5 |
| Total Allocations Of Available Revenue | $341.1 | $339.4 | $342.2 | $339.0 | $403.1 | $389.3 | $397.8 | $374.8 | $357.7 | $359.0 |

Prepared by Greg Albrecht
Chief Economist

March 2011

## STATE GAMING REVENUE - SOURCES AND USES
Legislative Fiscal Office

### N. O. LAND-BASED CASINO
($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Tables/Devices at Fiscal Year End | 101/2,397 | 100/2,264 | 120/2,035 | 134/2,023 | 117/2,112 | 129/2,077 | 130/2,043 | 103/2,041 | 103/2,055 | 103/2,055 |
| Total Gross Gaming Revenue | $262.4 | $277.3 | $300.2 | $339.2 | $198.3 | $390.1 | $419.7 | $380.7 | $349.8 | $344.7 |
| Effective Tax Rate | 21.9% | 21.6% | 20.0% | 20.5% | 30.3% | 21.5% | 21.5% | 21.5% | 21.5% | 21.5% |
| Gaming Remittances and Other Transfers | $57.6 | $59.9 | $60.0 | $69.6 | $60.0 | $83.9 | $90.2 | $81.9 | $75.2 | $74.1 |
| Total Annual Transfers To The State | $57.6 | $59.9 | $60.0 | $69.6 | $60.0 | $83.9 | $90.2 | $81.9 | $75.2 | $74.1 |
| | | | | | | | | | | |
| Gaming Enforcement Activities | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Compulsive and Problem Gaming Program | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 |
| SELF Fund (Teacher Payraise) | $57.1 | $59.4 | $59.5 | $69.1 | $59.5 | $83.4 | $89.7 | $81.4 | $74.7 | $73.6 |
| Total Allocations Of Available Transfers | $57.6 | $59.9 | $60.0 | $69.6 | $60.0 | $83.9 | $90.2 | $81.9 | $75.2 | $74.1 |

### PARI-MUTUEL GAMING
($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Tracks/OTBs/Racing Days at Fiscal Year End | 4/13/388 | 4/14/383 | 4/13/433 | 4/13/489 | 4/12/401 | 4/14/483 | 4/14/474 | 4/14/487 | 4/16/498 | 4/16/494 |
| Pari-Mutuel Handle | $388.5 | $365.0 | $364.4 | $341.8 | $314.2 | $357.5 | $347.1 | $320.5 | $270.0 | $257.6 |
| Effective Tax Rate To Racing Commission | 1.56% | 1.62% | 1.68% | 1.78% | 1.75% | 1.79% | 1.82% | 1.86% | 2.01% | |
| Taxes On Handle To Racing Commission | $4.9 | $4.6 | $4.6 | $4.3 | $4.1 | $4.6 | $4.7 | $4.1 | $3.6 | $3.4 |
| Other Fees To Racing Commission | $1.2 | $1.3 | $1.5 | $1.7 | $1.4 | $1.8 | $1.7 | $1.9 | $1.9 | $1.9 |
| Total Revenue To Racing Commission | $6.1 | $5.9 | $6.1 | $6.1 | $5.5 | $6.4 | $6.3 | $6.0 | $5.4 | $5.2 |
| | | | | | | | | | | |
| Gaming Enforcement Activities: Racing Commission | $3.0 | $3.3 | $3.5 | $4.1 | $3.7 | $4.2 | $4.0 | $4.1 | $3.5 | $3.4 |
| Breeder Awards | $2.3 | $2.2 | $2.2 | $2.1 | $2.1 | $2.3 | $2.2 | $2.1 | $1.9 | $1.9 |
| Excess To State or Retained by Comm or Other Financing | $0.7 | $0.5 | $0.4 | ($0.1) | ($0.3) | ($0.01) | $0.1 | ($0.1) | $0.0 | $0.0 |
| Total Allocations Of Racing Commission Revenue | $6.1 | $5.9 | $6.1 | $6.1 | $5.5 | $6.4 | $6.3 | $6.0 | $5.4 | $5.2 |

### CHARITABLE GAMING
($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Organizations / Bingo Sessions | 518/28,341 | 496/27,683 | 502/29,022 | 481/27,868 | 436/22,840 | 447/27,350 | 510/37,662 | 565/48,316 | 575/53,142 | 585/53,000 |
| Gross Gaming Revenue | $47.2 | $46.8 | $46.8 | $47.2 | $52.2 | $54.7 | $61.6 | $66.6 | $62.8 | $65.8 |
| Operator Expenses (not appropriated) | $26.6 | $26.5 | $28.3 | $28.1 | $26.4 | $30.1 | $35.5 | $40.3 | $41.5 | $43.4 |
| Available To Charities (not appropriated) | $20.6 | $20.2 | $18.5 | $19.1 | $25.8 | $24.6 | $26.1 | $26.3 | $21.3 | $22.4 |
| Effective Total Fee Rate | 2.1% | 2.2% | 2.4% | 2.7% | 2.6% | 3.1% | 3.4% | 4.3% | 3.6% | 3.6% |
| Various Fees Paid To Support Regulation | $1.0 | $1.1 | $1.1 | $1.3 | $1.4 | $1.7 | $2.1 | $2.8 | $2.3 | $2.4 |
| Total Various Fees Paid To Support Regulation | $1.0 | $1.1 | $1.1 | $1.3 | $1.4 | $1.7 | $2.1 | $2.8 | $2.3 | $2.4 |
| | | | | | | | | | | |
| Gaming Enforcement Activities | $1.0 | $1.1 | $1.1 | $1.3 | $1.4 | $1.7 | $2.1 | $2.8 | $2.3 | $2.4 |
| State General Fund Share | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total Allocations Of Available Revenue | $1.0 | $1.1 | $1.1 | $1.3 | $1.4 | $1.7 | $2.1 | $2.8 | $2.3 | $2.4 |

Prepared by Greg Albrecht
Chief Economist

March 2011

# STATE GAMING REVENUE - SOURCES AND USES

Legislative Fiscal Office

## RACETRACK SLOT MACHINE GAMING
($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Tracks/Devices at Fiscal Year End | 1/1,492 | 2/2,368 | 3/4,447 | 3/4,489 | 3/4,487 | 3/4,444 | 4/5,008 | 4/4,850 | 4/4,742 | 4/4,714 |
| Gross Gaming Revenue | $54.4 | $134.4 | $232.7 | $315.0 | $349.5 | $365.9 | $384.4 | $409.5 | $386.8 | $386.9 |
| Allocation to Horse Breeder Assns. (not appropriated) | $9.8 | $24.2 | $41.9 | $56.7 | $62.9 | $65.9 | $69.2 | $73.7 | $69.6 | $69.7 |
| Effective Tax Rate To State (after breeder allocations) | 15.17% | 15.17% | 15.17% | 15.17% | 15.17% | 15.17% | 15.17% | 15.17% | 15.17% | 15.17% |
| Total Available To The State | $8.2 | $20.4 | $35.3 | $47.8 | $53.0 | $55.5 | $58.3 | $62.1 | $58.7 | $58.7 |
| | | | | | | | | | | |
| Gaming Enforcement Activities | $0.450 | $0.616 | $1.3 | $1.9 | $1.7 | $1.9 | $2.0 | $2.8 | $2.6 | $3.2 |
| Non-Gaming Operations in State Police | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.1 | $0.5 | $0.5 | $0.5 | $0.5 |
| Compulsive and Problem Gaming Program | $0.0 | $0.0 | $0.0 | $0.0 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 | $0.5 |
| Parish Funds | $0.376 | $1.0 | $1.8 | $2.4 | $2.7 | $2.8 | $2.9 | $3.1 | $2.9 | $2.9 |
| LA Agricultural Finance Authority | $7.4 | $12.0 | $12.0 | $12.0 | $12.0 | $12.0 | $12.0 | $12.0 | $12.0 | $12.0 |
| Blind Services | $0.0 | $1.0 | $1.5 | $1.5 | $1.5 | $1.5 | $2.0 | $2.0 | $2.0 | $2.0 |
| Southern Univ., Equine Health, N.O. DA, N.O. City Park | $0.0 | $0.0 | $2.2 | $1.8 | $1.8 | $1.8 | $1.8 | $1.8 | $1.8 | $1.8 |
| New Orleans Fairgrounds Allocations To Orleans Entities | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $2.8 | $5.8 | $6.7 | $6.8 |
| State General Fund Share | $0.0 | $5.8 | $16.5 | $28.2 | $32.9 | $34.9 | $33.8 | $33.7 | $29.7 | $29.0 |
| Total Allocations of Available Revenue | $8.2 | $20.4 | $35.3 | $47.8 | $53.0 | $55.5 | $58.3 | $62.1 | $58.7 | $58.7 |

## INDIAN GAMING
($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Casinos/Tables/Devices Estimated at Fiscal Year End | 3/200/6,500 | 3/200/6,500 | 3/189/6,448 | 3/184/6,056 | 3/195/6,301 | 3/204/6,131 | 3/195/6,360 | 3/194/6,249 | 3/194/6,249 | 3/200/6,444 |
| Indian Gross Gaming Revenue (*) | $438.8 | $434.2 | $440.4 | $386.4 | $478.2 | $418.1 | $447.1 | $416.8 | $416.8 | $429.8 |
| Effective Fee Rate | 0.3% | 0.3% | 0.3% | 0.4% | 0.3% | 0.4% | 0.4% | 0.4% | 0.4% | 0.5% |
| Tribes Reimburse State Police For Enforcement Activity | $1.2 | $1.4 | $1.5 | $1.4 | $1.2 | $1.5 | $1.7 | $1.6 | $1.8 | $2.1 |
| | | | | | | | | | | |
| Gaming Enforcement {Tribes Reimburse} | $1.2 | $1.4 | $1.5 | $1.4 | $1.2 | $1.5 | $1.7 | $1.6 | $1.8 | $2.1 |
| State General Fund Share | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Total Allocations Of Available Revenue | $1.2 | $1.4 | $1.5 | $1.4 | $1.2 | $1.5 | $1.7 | $1.6 | $1.8 | $2.1 |
| | 489.4 | 493.8 | | | | | | | | |
| | 444.1 | 448.1 | 368.8 | | | | | | | |
| | | 436.4 | 368.8 | 331.8 | | | | | | |
| | | | 423.7 | 402.3 | 394.9 | | | | | |
| | | | | 402.3 | 473.6 | 480.7 | | | | |

(*) Various methodologies have been employed over time to estimate Indian gaming activity in the state. Since the Indian casinos do not report their activity, the estimates above should be viewed with considerable caution.

## TOTAL STATE GAMING RECEIPTS SUMMARY
($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Lottery | $113.0 | $109.4 | $116.9 | $114.0 | $106.4 | $129.4 | $130.2 | $132.1 | $137.3 | $134.2 |
| Video Draw Poker | $164.6 | $174.9 | $177.1 | $183.8 | $214.1 | $214.3 | $211.7 | $212.1 | $192.5 | $195.5 |
| Riverboat Gaming | $341.1 | $339.4 | $342.2 | $339.0 | $403.1 | $389.3 | $397.8 | $374.8 | $357.7 | $359.0 |
| N. O. Land-Based Casino | $57.6 | $59.9 | $60.0 | $69.6 | $60.0 | $83.9 | $90.2 | $81.9 | $75.2 | $74.1 |
| Pari-Mutuel Racing | $6.1 | $5.9 | $6.1 | $6.1 | $5.5 | $6.4 | $6.3 | $6.0 | $5.4 | $5.2 |
| Charitable Gaming | $1.0 | $1.1 | $1.1 | $1.3 | $1.4 | $1.7 | $2.1 | $2.8 | $2.3 | $2.4 |
| Slot Machines At Racetracks | $8.2 | $20.4 | $35.3 | $47.8 | $53.0 | $55.5 | $58.3 | $62.1 | $58.7 | $58.7 |
| Indian Gaming | $1.2 | $1.4 | $1.5 | $1.4 | $1.2 | $1.5 | $1.7 | $1.6 | $1.8 | $2.1 |
| Total Available To The State | $692.7 | $712.4 | $740.2 | $762.8 | $844.7 | $881.9 | $898.3 | $873.4 | $830.8 | $831.3 |
| annual growth | 7.4% | 2.9% | 3.9% | 3.1% | 10.7% | 4.4% | 1.9% | -2.8% | -4.9% | 0.1% |
| | | | | | | | | | | |
| Total Used By State Gov. For Enforcement and Treatment | $28.7 | $29.2 | $32.8 | $35.7 | $34.2 | $37.7 | $39.1 | $41.1 | $40.7 | $39.4 |
| Share of Total Allocated to Enforcement and Treatment | 4.1% | 4.1% | 4.4% | 4.7% | 4.1% | 4.3% | 4.4% | 4.7% | 4.9% | 4.7% |
| | | | | | | | | | | |
| Total Used By State Gov. For Non-Enforcement Purposes | $664.0 | $683.2 | $707.4 | $727.1 | $810.5 | $844.2 | $859.3 | $832.4 | $790.1 | $791.9 |
| Share of Total Allocated to Non-Enforcement Purposes | 95.9% | 95.9% | 95.6% | 95.3% | 96.0% | 95.7% | 95.6% | 95.3% | 95.1% | 95.3% |
| | | | | | | | | | | |
| Total Allocated as State General Fund-direct Financing | $341.0 | $351.7 | $359.6 | $371.0 | $444.4 | $423.1 | $437.4 | $410.6 | $389.2 | $385.6 |
| Share of Total Allocated as SGF-direct Financing | 49.2% | 49.4% | 48.6% | 48.6% | 52.6% | 48.0% | 48.7% | 47.0% | 46.8% | 46.4% |
| | | | | | | | | | | |
| Rev. Est. Conf. Total {Lott, Casino, Rvbt, VDP, Slots} | $684.4 | $704.0 | $731.5 | $754.1 | $836.6 | $872.3 | $888.2 | $863.0 | $821.3 | $821.5 |

Prepared by Greg Albrecht
Chief Economist

March 2011

# STATE GAMING REVENUE - SOURCES AND USES

Legislative Fiscal Office

### SHARE OF TOTAL GAMING REVENUE TO STATE EACH ACTIVITY COMPRISES

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Lottery | 16.3% | 15.4% | 15.8% | 14.9% | 12.6% | 14.7% | 14.5% | 15.1% | 16.5% | 16.1% |
| Video Draw Poker | 23.8% | 24.6% | 23.9% | 24.1% | 25.3% | 24.3% | 23.6% | 24.3% | 23.2% | 23.5% |
| Riverboat Gaming | 49.2% | 47.6% | 46.2% | 44.4% | 47.7% | 44.1% | 44.3% | 42.9% | 43.1% | 43.2% |
| N. O. Land-Based Casino | 8.3% | 8.4% | 8.1% | 9.1% | 7.1% | 9.5% | 10.0% | 9.4% | 9.1% | 8.9% |
| Pari-Mutuel Racing | 0.9% | 0.8% | 0.8% | 0.8% | 0.6% | 0.7% | 0.7% | 0.7% | 0.7% | 0.6% |
| Charitable Gaming | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% |
| Slot Machines At Racetracks | 1.2% | 2.9% | 4.8% | 6.3% | 6.3% | 6.3% | 6.5% | 7.1% | 7.1% | 7.1% |
| Indian Gaming | 0.2% | 0.2% | 0.2% | 0.2% | 0.1% | 0.2% | 0.2% | 0.2% | 0.2% | 0.3% |
| Total Available To The State | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

### GAMING REVENUE AVAILABLE COMPARED TO:

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| REVENUE ESTIMATING CONFERENCE TOTAL REVENUE | $7,968.3 | $7,903.7 | $8,314.8 | $9,219.5 | $10,027.9 | $11,688.0 | $12,055.0 | $11,155.5 | $8,919.9 | $9,613.5 |
| Revenue Estimating Conference Total State Tax Revenue | 8.6% | 8.9% | 8.8% | 8.2% | 8.3% | 7.5% | 7.4% | 7.7% | 9.2% | 8.5% |
| (REC revenue is taxes, licenses, and fees available for state general fund-direct appropriation plus numerous statutory dedications.) | | | | | | | | | | |
| TOTAL STATE EFFORT BUDGET | $10,637.3 | $10,650.1 | $10,745.5 | $11,320.6 | $12,802.3 | $14,917.9 | $15,714.0 | $14,072.1 | $13,514.4 | $14,276.4 |
| State Funds Budget (w/o double counts and federal funds) | 6.5% | 6.7% | 6.9% | 6.7% | 6.6% | 5.9% | 5.7% | 6.2% | 6.1% | 5.8% |
| (Total state effort budget includes the state general fund-direct, statutorily dedicated, and self-generated revenue budgets of state government. Estimated double-counted funding has been removed.) | | | | | | | | | | |
| TOTAL STATE BUDGET | $16,575.4 | $16,998.5 | $17,389.5 | $17,662.8 | $20,968.9 | $26,069.1 | $32,539.8 | $25,023.1 | $25,286.2 | $29,704.6 |
| Total State Budget (w/o double counts but w/ federal fund | 4.2% | 4.2% | 4.3% | 4.3% | 4.0% | 3.4% | 2.8% | 3.5% | 3.3% | 2.8% |
| (Total state budget includes state and federal funds, but excludes double-counted amounts.) | | | | | | | | | | |

### ESTIMATED TOTAL ECONOMIC SPENDING ON LEGAL GAMING ACTIVITIES IN THE STATE

(spending by players = player losses = gaming operator revenue)

($ in millions)

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Lottery Receipts Net Of Prize Expense | $155.8 | $153.5 | $165.1 | $159.8 | $148.1 | $177.8 | $175.2 | $179.7 | $188.0 | $196.6 |
| Video Poker Net Device Revenue | $536.6 | $560.5 | $566.0 | $583.8 | $681.6 | $684.7 | $673.2 | $667.2 | $600.1 | $610.5 |
| Riverboat Gross Gaming Revenue | $1,635.3 | $1,592.9 | $1,566.7 | $1,567.2 | $1,838.1 | $1,780.6 | $1,827.7 | $1,727.5 | $1,644.4 | $1,650.7 |
| N. O. Land-Based Gross Gaming Revenue | $262.4 | $277.3 | $300.2 | $339.2 | $198.3 | $390.1 | $419.7 | $380.7 | $349.8 | $344.7 |
| Pari-Mutuel Net Of Payouts (Assumed Takeout of 20%) | $77.7 | $73.0 | $72.9 | $68.4 | $62.8 | $71.5 | $69.4 | $64.1 | $54.0 | $51.5 |
| Charitable Proceeds Net Of Prize Expense | $47.2 | $46.8 | $46.8 | $47.2 | $52.2 | $54.7 | $61.6 | $66.6 | $62.8 | $65.8 |
| Racetrack Slot Gross Gaming Revenue | $54.4 | $134.4 | $232.7 | $315.0 | $349.5 | $365.9 | $384.4 | $409.5 | $386.8 | $386.9 |
| Indian Gross Gaming Revenue | $438.8 | $434.2 | $440.4 | $386.4 | $478.2 | $418.1 | $447.1 | $416.8 | $416.8 | $429.8 |
| Estimated Total Spending On Legal Gaming | $3,208.1 | $3,272.5 | $3,390.7 | $3,466.9 | $3,809.0 | $3,943.4 | $4,058.4 | $3,912.1 | $3,702.7 | $3,736.6 |
| annual growth | 6.0% | 2.0% | 3.6% | 2.2% | 9.9% | 3.5% | 2.9% | -3.6% | -5.4% | 0.9% |

The table above portrays spending by players engaged in each form of gaming on a comparable basis. Each estimate represents the amount of spending by players that is actually kept (or won) by gaming operators in an annual period, and is the operators gross gaming revenue from which business expenses are paid. Thus, each estimate is also the amount of losses that players incur in the aggregate each year, and is net of any rewagers. As such, the table is an estimate of the net economic flow of spending from players to gaming operators each year.

### SHARE OF TOTAL ECONOMIC GAMING SPENDING EACH ACTIVITY COMPRISES

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Projected 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Lottery Receipts Net Of Prize Expense | 4.9% | 4.7% | 4.9% | 4.6% | 3.9% | 4.5% | 4.3% | 4.6% | 5.1% | 5.3% |
| Video Poker Net Device Revenue | 16.7% | 17.1% | 16.7% | 16.8% | 17.9% | 17.4% | 16.6% | 17.1% | 16.2% | 16.3% |
| Riverboat Gross Gaming Revenue | 51.0% | 48.7% | 46.2% | 45.2% | 48.3% | 45.2% | 45.0% | 44.2% | 44.4% | 44.2% |
| N. O. Land-Based Gross Gaming Revenue | 8.2% | 8.5% | 8.9% | 9.8% | 5.2% | 9.9% | 10.3% | 9.7% | 9.4% | 9.2% |
| Pari-Mutuel Net Of Payouts (Assumed Takeout of 20%) | 2.4% | 2.2% | 2.1% | 2.0% | 1.6% | 1.8% | 1.7% | 1.6% | 1.5% | 1.4% |
| Charitable Proceeds Net Of Prize Expense | 1.5% | 1.4% | 1.4% | 1.4% | 1.4% | 1.4% | 1.5% | 1.7% | 1.7% | 1.8% |
| Racetrack Slot Gross Gaming Revenue | 1.7% | 4.1% | 6.9% | 9.1% | 9.2% | 9.3% | 9.5% | 10.5% | 10.4% | 10.4% |
| Indian Gross Gaming Revenue | 13.7% | 13.3% | 13.0% | 11.1% | 12.6% | 10.6% | 11.0% | 10.7% | 11.3% | 11.5% |
| Total Spending On Legal Gaming | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Prepared by Greg Albrecht
Chief Economist

March 2011

## SELECTED MAJOR STATE AID TO LOCAL GOVERNMENTS

| | | 2011-12 Projected MFP Distribution | 2011-12 Revenue Sharing | 2011-12 Projected Supplemental Pay | 2011-12 Parish Transportation Fund | 2011-12 Projected Parish Severance & Royalty Dists. | 2011-12 Projected Video Poker Distribution | 2011-12 Total of These Distributions |
|---|---|---|---|---|---|---|---|---|
| 1 | Acadia | $49,932,018 | $1,243,339 | $1,175,937 | $604,350 | $1,252,063 | $1,613,140 | $55,820,848 |
| 2 | Allen | $27,837,030 | $523,583 | $435,824 | $360,839 | $1,625,820 | $0 | $30,783,095 |
| 3 | Ascension | $92,109,498 | $2,184,224 | $2,845,023 | $817,656 | $73,861 | $0 | $98,030,261 |
| 4 | Assumption | $23,568,142 | $471,379 | $767,442 | $273,245 | $765,214 | $319,287 | $26,164,709 |
| 5 | Avoyelles | $31,543,403 | $876,173 | $711,314 | $518,602 | $257,800 | $376,307 | $34,283,598 |
| 6 | Beauregard | $37,341,744 | $725,386 | $724,199 | $491,461 | $2,093,294 | $0 | $41,376,083 |
| 7 | Bienville | $5,055,457 | $298,291 | $447,776 | $275,234 | $1,405,110 | $0 | $7,481,868 |
| 8 | Bossier | $95,969,577 | $2,299,118 | $4,175,844 | $936,033 | $763,966 | $728,622 | $104,873,160 |
| 9 | Caddo | $212,429,947 | $4,947,085 | $6,033,885 | $1,529,096 | $1,912,706 | $2,379,037 | $229,231,757 |
| 10 | Calcasieu | $154,346,182 | $3,839,168 | $9,200,640 | $1,567,773 | $1,167,449 | $2,902,506 | $173,023,718 |
| 11 | Caldwell | $11,835,132 | $222,160 | $332,040 | $187,586 | $387,862 | $0 | $12,964,780 |
| 12 | Cameron | $3,335,397 | $160,330 | $823,965 | $122,260 | $4,084,227 | $28,043 | $8,554,221 |
| 13 | Catahoula | $10,189,094 | $227,612 | $803,964 | $185,382 | $364,094 | $0 | $11,770,146 |
| 14 | Claiborne | $13,176,947 | $348,659 | $230,393 | $288,449 | $1,261,129 | $0 | $15,305,577 |
| 15 | Concordia | $21,976,176 | $433,842 | $850,280 | $261,809 | $435,277 | $0 | $23,957,384 |
| 16 | DeSoto | $10,289,052 | $565,017 | $1,181,057 | $373,643 | $710,614 | $745,630 | $13,865,014 |
| 17 | East Baton Rouge | $239,754,487 | $8,564,622 | $8,824,211 | $2,334,462 | $1,043,355 | $0 | $260,521,137 |
| 18 | East Carroll | $7,693,589 | $148,496 | $314,282 | $142,396 | $10,707 | $120,239 | $8,429,710 |
| 19 | East Feliciana | $11,962,583 | $419,331 | $241,739 | $254,126 | $161,355 | $0 | $13,039,134 |
| 20 | Evangeline | $34,332,860 | $692,809 | $247,734 | $456,722 | $1,202,603 | $0 | $36,932,728 |
| 21 | Franklin | $18,077,882 | $440,060 | $1,135,909 | $304,628 | $116,887 | $0 | $20,075,366 |
| 22 | Grant | $22,092,720 | $466,289 | $572,194 | $331,951 | $546,206 | $0 | $24,009,360 |
| 23 | Iberia | $72,565,768 | $1,496,695 | $2,413,457 | $653,139 | $7,928,041 | $0 | $85,057,099 |
| 24 | Iberville | $14,630,943 | $655,269 | $1,126,345 | $386,796 | $970,824 | $1,022,918 | $18,793,095 |
| 25 | Jackson | $9,467,403 | $329,779 | $409,900 | $269,514 | $912,598 | $0 | $11,389,194 |
| 26 | Jefferson | $171,608,137 | $8,518,900 | $12,453,295 | $2,164,418 | $2,137,938 | $5,431,537 | $202,314,225 |
| 27 | Jefferson Davis | $35,878,739 | $631,681 | $569,637 | $426,736 | $994,846 | $452,549 | $38,954,189 |
| 28 | Lafayette | $119,866,172 | $4,349,454 | $5,130,826 | $1,521,042 | $892,817 | $0 | $131,760,311 |
| 29 | Lafourche | $66,681,242 | $1,980,582 | $3,557,257 | $856,861 | $5,444,632 | $2,471,548 | $80,992,122 |
| 30 | LaSalle | $15,881,214 | $313,819 | $816,316 | $256,497 | $1,458,692 | $0 | $18,726,538 |
| 31 | Lincoln | $31,403,529 | $895,509 | $641,681 | $534,194 | $1,111,576 | $0 | $34,586,489 |
| 32 | Livingston | $143,816,291 | $2,570,402 | $1,007,569 | $1,006,739 | $598,959 | $0 | $148,999,960 |
| 33 | Madison | $11,685,028 | $230,614 | $1,033,693 | $201,215 | $54,465 | $794,428 | $13,999,443 |
| 34 | Morehouse | $27,974,839 | $573,366 | $1,412,270 | $385,048 | $114,202 | $0 | $30,459,725 |
| 35 | Natchitoches | $35,425,391 | $786,166 | $1,106,603 | $548,998 | $456,352 | $0 | $38,323,510 |
| 36 | Orleans | $149,242,601 | $6,297,868 | $7,506,915 | $2,089,460 | $60,140 | $3,000,077 | $168,197,061 |
| 37 | Ouachita | $161,745,706 | $3,008,943 | $4,140,420 | $1,236,529 | $250,624 | $0 | $170,382,222 |
| 38 | Plaquemines | $12,028,311 | $448,925 | $1,913,880 | $266,613 | $17,832,274 | $508,400 | $32,998,403 |
| 39 | Pointe Coupee | $12,418,883 | $477,269 | $676,313 | $271,314 | $967,881 | $504,896 | $15,316,556 |
| 40 | Rapides | $125,169,113 | $2,653,816 | $5,063,398 | $1,112,925 | $871,834 | $0 | $134,871,087 |
| 41 | Red River | $4,494,177 | $186,194 | $224,740 | $155,040 | $1,186,818 | $348,228 | $6,595,196 |
| 42 | Richland | $19,904,635 | $432,006 | $1,226,363 | $298,735 | $18,833 | $0 | $21,880,572 |
| 43 | Sabine | $26,024,562 | $506,236 | $516,374 | $362,285 | $1,218,165 | $0 | $28,627,622 |
| 44 | St. Bernard | $27,305,974 | $699,633 | $2,614,518 | $324,028 | $2,763,766 | $1,018,825 | $34,726,745 |
| 45 | St. Charles | $30,029,263 | $1,060,066 | $3,704,438 | $504,273 | $1,216,625 | $696,127 | $37,210,791 |
| 46 | St. Helena | $7,202,779 | $234,403 | $272,759 | $189,269 | $828,984 | $1,970,983 | $10,699,177 |
| 47 | St. James | $16,176,222 | $453,969 | $869,742 | $251,253 | $143,387 | $1,248,327 | $19,142,900 |
| 48 | St. John | $26,147,248 | $935,240 | $2,405,364 | $522,081 | $60,476 | $1,130,784 | $31,201,193 |
| 49 | St. Landry | $75,952,629 | $1,684,513 | $1,438,303 | $801,982 | $1,006,772 | $1,407,714 | $82,291,913 |
| 50 | St. Martin | $46,239,418 | $1,071,760 | $1,940,781 | $529,977 | $1,010,519 | $3,327,714 | $54,120,169 |
| 51 | St. Mary | $47,159,922 | $1,092,032 | $1,641,179 | $483,781 | $3,048,013 | $1,152,599 | $54,577,526 |
| 52 | St. Tammany | $204,208,906 | $4,818,858 | $5,841,061 | $1,593,043 | $97,291 | $0 | $216,559,159 |
| 53 | Tangipahoa | $101,336,584 | $2,394,132 | $1,840,051 | $998,653 | $162,246 | $0 | $106,731,666 |
| 54 | Tensas | $4,458,877 | $110,171 | $227,038 | $98,182 | $277,025 | $73,364 | $5,244,657 |
| 55 | Terrebonne | $85,757,622 | $2,210,958 | $3,608,787 | $881,628 | $6,443,730 | $3,488,594 | $102,391,319 |
| 56 | Union | $16,120,098 | $469,806 | $402,156 | $380,572 | $536,839 | $0 | $17,909,471 |
| 57 | Vermilion | $46,409,234 | $1,178,123 | $1,469,112 | $581,452 | $2,969,564 | $0 | $52,607,485 |
| 58 | Vernon | $55,429,259 | $1,015,954 | $1,161,349 | $544,136 | $1,222,905 | $0 | $59,373,603 |
| 59 | Washington | $49,443,903 | $963,657 | $627,880 | $598,973 | $197,052 | $0 | $51,831,465 |
| 60 | Webster | $37,040,608 | $854,582 | $960,352 | $524,066 | $1,188,596 | $1,278,207 | $41,846,411 |
| 61 | West Baton Rouge | $13,038,736 | $468,470 | $1,418,588 | $269,796 | $408,935 | $2,407,683 | $18,012,207 |
| 62 | West Carroll | $12,771,903 | $242,557 | $166,206 | $211,622 | $7,671 | $0 | $13,399,959 |
| 63 | West Feliciana | $10,357,501 | $287,703 | $567,823 | $235,581 | $68,298 | $292,547 | $11,809,453 |
| 64 | Winn | $15,666,187 | $312,948 | $183,531 | $298,851 | $1,017,196 | $0 | $17,478,713 |
| | **TOTAL** | $3,331,014,474 | $90,000,000 | $128,383,919 | $38,445,000 | $91,800,000 | $43,240,860 | $3,722,884,254 |

**Notes:**

**1)** The 2011-2012 MFP Initial Distribution (prior to audit adjustments) is generated based on estimated student counts and local school system tax revenues. The funds distributed to school systems will be based on the 2/1/11 student counts and the previous year's local tax revenues. Funds for the school systems of the city of Monroe and the city of Bogalusa are contained in the amounts for the parishes of Ouachita and Washington respectively. Funds for the school systems of the city of Baker, Central Community and the Zachary Community are contained in the amount for East Baton Rouge Parish. Funds for the Recovery School District are contained in the amount for Orleans Parish, East Baton Rouge Parish, Caddo Parish, St. Helena and Poine Coupee Parish.

**2)** Revenue Sharing distribution to each parish and the city of New Orleans is allocated in Section 12 of Act 380 (HB 597) of the 2011 Regular Session.

**3)** Supplemental Pay is an estimation of how much money each parish will receive in supplemental law enforcement pay. The actual amount of funding each parish receives may be different than what is reflected in this table because this is an approximation based on the previous year. The total per month payment is $500 per month..

**4)** The projected Parish Transportation Fund distribution of $38.4 M in Transportation Trust Funds for FY 11 is based on population and mileage as per state law. The Mass Transit Program is funded at $4.955 M. Off-System Roads and Bridges Match Program is funded at $3 M.

**5)** Parish severance, royalty, and video poker distributions are based on state level estimates of the aggregate amount of severance, royalty, and video poker receipts available for distribution to locals that are allocated to each parish based on the prior year's share of these monies distributed to each parish by the state Treasury.

## Capital Outlay Appropriation By Parish

### Act 22 of 2011

| | SGF | IAT | SGR | St, Ded. | Reappro. Cash | Federal | Revenue Bonds | CASH PORTION | Priorit y 1 | Priorit y 2 | Priority 3 | Priority 4 | Priority 5 | TOTAL GO BONDS | Bonds NRP/RBP | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Acadia | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $3,985,000 | $1,225,000 | $0 | $0 | $1,920,000 | **$7,130,000** | **$0** | **$7,130,000** |
| Allen | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $2,865,000 | $0 | $0 | $0 | $0 | **$2,865,000** | **$0** | **$2,865,000** |
| Ascension | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $7,055,000 | $0 | $0 | $0 | $8,750,000 | **$15,805,000** | **$0** | **$15,805,000** |
| Assumption | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $1,345,000 | $0 | $0 | $0 | $0 | **$1,345,000** | **$0** | **$1,345,000** |
| Avoyelles | $0 | $0 | $0 | $0 | $1,600,000 | $0 | $0 | **$1,600,000** | $5,810,000 | $150,000 | $0 | $0 | $0 | **$5,960,000** | **$0** | **$7,560,000** |
| Beauregard | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $1,470,000 | $750,000 | $0 | $0 | $2,440,000 | **$4,660,000** | **$0** | **$4,660,000** |
| Bienville | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $3,500,000 | $0 | $0 | $0 | $3,070,000 | **$6,570,000** | **$0** | **$6,570,000** |
| Bossier | $0 | $0 | $0 | $0 | $0 | $587,821 | $0 | **$587,821** | $18,555,000 | $1,415,000 | $0 | $0 | $7,600,000 | **$27,570,000** | **$0** | **$28,157,821** |
| Caddo | $0 | $0 | $0 | $0 | $0 | $0 | $7,000,000 | **$7,000,000** | $47,700,000 | $1,050,000 | $0 | $0 | $118,280,000 | **$167,030,000** | **$0** | **$174,030,000** |
| Calcasieu | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $45,410,000 | $2,140,000 | $0 | $0 | $17,580,000 | **$65,130,000** | **$0** | **$65,130,000** |
| Caldwell | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $4,200,000 | $70,000 | $0 | $0 | $1,415,000 | **$5,685,000** | **$0** | **$5,685,000** |
| Cameron | $0 | $0 | $0 | $3,120,000 | $0 | $0 | $0 | **$3,120,000** | $5,100,000 | $0 | $0 | $0 | $0 | **$5,100,000** | **$0** | **$8,220,000** |
| Catahoula | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $1,960,000 | $110,000 | $0 | $0 | $0 | **$2,070,000** | **$0** | **$2,070,000** |
| Claiborne | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $10,895,000 | $450,000 | $0 | $0 | $0 | **$11,345,000** | **$0** | **$11,345,000** |
| Concordia | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $4,335,000 | $0 | $0 | $0 | $2,500,000 | **$6,835,000** | **$0** | **$6,835,000** |
| DeSoto | $0 | $0 | $1,000,000 | $0 | $0 | $0 | $0 | **$1,000,000** | $4,160,000 | $150,000 | $0 | $0 | $0 | **$4,310,000** | **$0** | **$5,310,000** |
| E. Carroll | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $3,690,000 | $0 | $0 | $0 | $400,000 | **$4,090,000** | **$0** | **$4,090,000** |
| E. Feliciana | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $14,815,000 | $3,120,000 | $0 | $0 | $8,000,000 | **$25,935,000** | **$0** | **$25,935,000** |
| EBR | $0 | $0 | $81,387,000 | $309,000 | $850,000 | $4,200,000 | $161,120,000 | **$247,866,000** | $177,960,000 | $19,570,000 | $0 | $0 | $112,710,000 | **$310,240,000** | **$873,103** | **$558,979,103** |
| Evangeline | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $500,000 | $0 | $0 | $0 | $0 | **$500,000** | **$0** | **$500,000** |
| Franklin | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $2,775,000 | $395,000 | $0 | $0 | $0 | **$3,170,000** | **$0** | **$3,170,000** |
| Grant | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $515,000 | $1,080,000 | $0 | $0 | $1,210,000 | **$2,805,000** | **$0** | **$2,805,000** |
| Iberia | $0 | $0 | $0 | $0 | $292,986 | $0 | $0 | **$292,986** | $11,010,000 | $1,505,000 | $0 | $0 | $1,600,000 | **$14,115,000** | **$100,000** | **$14,507,986** |
| Iberville | $0 | $0 | $0 | $35,000 | $0 | $60,000 | $0 | **$95,000** | $3,435,000 | $1,450,000 | $0 | $0 | $5,500,000 | **$10,385,000** | **$0** | **$10,480,000** |
| Jackson | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $1,130,000 | $540,000 | $0 | $0 | $0 | **$1,670,000** | **$0** | **$1,670,000** |
| Jefferson | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $105,425,000 | $6,060,000 | $0 | $0 | $37,125,000 | **$148,610,000** | **$0** | **$148,610,000** |
| Jefferson Davis | $0 | $0 | $119,350 | $0 | $0 | $265,650 | $0 | **$385,000** | $2,000,000 | $0 | $0 | $0 | $500,000 | **$2,500,000** | **$0** | **$2,885,000** |
| Lafayette | $0 | $0 | $0 | $0 | $2,780,703 | $0 | $0 | **$2,780,703** | $54,960,000 | $7,500,000 | $0 | $0 | $34,450,000 | **$96,910,000** | **$1,600,000** | **$101,290,703** |
| Lafourche | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $5,360,000 | $250,000 | $0 | $0 | $8,140,000 | **$13,750,000** | **$0** | **$13,750,000** |
| LaSalle | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $100,000 | $50,000 | $0 | $0 | $0 | **$150,000** | **$0** | **$150,000** |
| Lincoln | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $19,780,000 | $6,790,000 | $0 | $0 | $14,105,000 | **$40,675,000** | **$0** | **$40,675,000** |
| Livingston | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $13,845,000 | $2,300,000 | $0 | $0 | $16,500,000 | **$32,645,000** | **$0** | **$32,645,000** |
| Madison | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $2,585,000 | $1,095,000 | $0 | $0 | $405,000 | **$4,085,000** | **$0** | **$4,085,000** |
| Morehouse | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $4,145,000 | $500,000 | $0 | $0 | $0 | **$4,645,000** | **$0** | **$4,645,000** |
| Multi | $0 | $0 | $5,000,000 | $7,500,000 | $0 | $2,000,000 | $0 | **$14,500,000** | $216,840,000 | $7,155,000 | $0 | $0 | $46,185,000 | **$270,180,000** | **$0** | **$284,680,000** |
| Natchitoches | $0 | $0 | $1,500,000 | $0 | $0 | $0 | $0 | **$1,500,000** | $13,730,000 | $875,000 | $0 | $0 | $0 | **$14,605,000** | **$0** | **$16,105,000** |
| Orleans | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $348,140,000 | $7,030,000 | $0 | $0 | $136,870,000 | **$492,040,000** | **$610,000** | **$492,650,000** |
| Ouachita | $0 | $0 | $0 | $0 | $0 | $550,000 | $0 | **$550,000** | $24,035,000 | $1,600,000 | $0 | $0 | $22,050,000 | **$47,685,000** | **$0** | **$48,235,000** |
| Plaquemines | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $6,000,000 | $0 | $0 | $0 | $0 | **$6,000,000** | **$0** | **$6,000,000** |
| Pointe Coupee | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $10,810,000 | $460,000 | $0 | $0 | $3,965,000 | **$15,235,000** | **$0** | **$15,235,000** |
| Rapides | $0 | $1,084,140 | $0 | $0 | $0 | $1,200,000 | $0 | **$2,284,140** | $11,480,000 | $560,000 | $0 | $0 | $34,620,000 | **$46,660,000** | **$0** | **$48,944,140** |
| Red River | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $780,000 | $0 | $0 | $0 | $0 | **$780,000** | **$0** | **$780,000** |
| Richland | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $3,205,000 | $400,000 | $0 | $0 | $450,000 | **$4,055,000** | **$0** | **$4,055,000** |
| Sabine | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $10,045,000 | $1,315,000 | $0 | $0 | $1,905,000 | **$13,265,000** | **$0** | **$13,265,000** |
| St. Bernard | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $12,925,000 | $0 | $0 | $0 | $6,200,000 | **$19,125,000** | **$0** | **$19,125,000** |
| St. Charles | $0 | $0 | $0 | $0 | $14,775,000 | $0 | $0 | **$14,775,000** | $4,395,000 | $2,000,000 | $4,500,000 | $0 | $500,000 | **$11,395,000** | **$0** | **$26,170,000** |
| St. Helena | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $1,000,000 | $0 | $0 | $0 | $400,000 | **$1,400,000** | **$0** | **$1,400,000** |
| St. James | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $8,600,000 | $600,000 | $1,700,000 | $7,000,000 | $0 | **$17,900,000** | **$0** | **$17,900,000** |
| St. John the Baptist | $0 | $0 | $0 | $0 | $3,225,000 | $0 | $0 | **$3,225,000** | $20,845,000 | $2,330,000 | $0 | $0 | $16,750,000 | **$39,925,000** | **$0** | **$43,150,000** |
| St. Landry | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $620,000 | $50,000 | $0 | $0 | $0 | **$670,000** | **$0** | **$670,000** |
| St. Martin | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $5,485,000 | $255,000 | $0 | $0 | $4,550,000 | **$10,290,000** | **$0** | **$10,290,000** |
| St. Mary | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $11,595,000 | $400,000 | $0 | $0 | $3,500,000 | **$15,495,000** | **$506,208** | **$16,001,208** |
| St. Tammany | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $16,495,000 | $1,090,000 | $0 | $0 | $400,000 | **$17,985,000** | **$0** | **$17,985,000** |
| Statewide | $0 | $20,027,455 | $15,000,000 | $951,041,705 | $10,015,252 | $5,000,000 | $0 | **$1,001,084,412** | $245,885,000 | $28,000,000 | $0 | $0 | $182,150,000 | **$456,035,000** | **$0** | **$1,457,119,412** |
| Tangipahoa | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $7,820,000 | $2,660,000 | $0 | $0 | $0 | **$10,480,000** | **$0** | **$10,480,000** |
| Tensas | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $475,000 | $0 | $0 | $0 | $0 | **$475,000** | **$0** | **$475,000** |
| Terrebonne | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $17,195,000 | $900,000 | $0 | $0 | $0 | **$18,095,000** | **$0** | **$18,095,000** |
| Union | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $4,260,000 | $0 | $0 | $0 | $0 | **$4,260,000** | **$0** | **$4,260,000** |
| Vermilion | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $8,035,000 | $550,000 | $0 | $0 | $1,000,000 | **$9,585,000** | **$0** | **$9,585,000** |
| Vernon | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $12,955,000 | $450,000 | $1,500,000 | $8,915,000 | $3,740,000 | **$27,560,000** | **$0** | **$27,560,000** |
| W. Carroll | $0 | $0 | $0 | $0 | $25,000 | $0 | $0 | **$25,000** | $1,165,000 | $180,000 | $0 | $0 | $0 | **$1,345,000** | **$0** | **$1,370,000** |
| W. Feliciana | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $740,000 | $670,000 | $0 | $0 | $5,245,000 | **$6,655,000** | **$0** | **$6,655,000** |
| Washington | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $6,540,000 | $760,000 | $0 | $0 | $2,000,000 | **$9,300,000** | **$0** | **$9,300,000** |
| WBR | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $3,035,000 | $2,000,000 | $0 | $0 | $15,030,000 | **$20,065,000** | **$0** | **$20,065,000** |
| Webster | $0 | $0 | $0 | $0 | $0 | $1,962,100 | $0 | **$1,962,100** | $5,270,000 | $2,060,000 | $0 | $0 | $13,290,000 | **$20,620,000** | **$0** | **$22,582,100** |
| Winn | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$0** | $4,195,000 | $0 | $0 | $0 | $820,000 | **$5,015,000** | **$0** | **$5,015,000** |
| **Total** | **$0** | **$21,111,595** | **$104,006,350** | **$962,005,705** | **$33,563,941** | **$15,825,571** | **$168,120,000** | **$1,304,633,162** | **$1,636,970,000** | **$124,065,000** | **$7,700,000** | **$15,915,000** | **$905,820,000** | **$2,690,470,000** | **$3,689,311** | **$3,998,792,473** |

**Total State Spending Without Double Counting of Expenditures**

| | FY 97 Actual* | FY 98 Actual* | FY 99 Actual* | FY 00 Actual* | FY 01 Actual* | FY 02 Actual* | FY 03 Actual* | FY 04 Actual* |
|---|---|---|---|---|---|---|---|---|
| State General Fund | $5,837,910,286 | $5,770,726,249 | $5,818,159,735 | $5,811,328,419 | $6,279,796,406 | $6,484,124,015 | $6,593,839,128 | $6,536,768,945 |
| Self Generated Revenue | $892,029,972 | $873,853,784 | $880,018,178 | $907,226,026 | $1,131,863,636 | $1,063,917,530 | $1,060,771,306 | $1,279,607,742 |
| Statutory Dedication | $1,507,668,942 | $1,659,659,471 | $1,847,283,483 | $2,120,666,811 | $1,998,560,099 | $2,582,272,904 | $2,568,809,921 | $2,499,947,780 |
| Interim Emergency Bd. | $4,442,738 | $4,547,493 | $4,488,327 | $2,092,944 | $4,287,912 | $4,764,095 | $5,091,801 | $1,855,193 |
| **Total State Funds** | **$8,242,051,938** | **$8,308,786,997** | **$8,549,949,723** | **$8,841,314,200** | **$9,414,508,053** | **$10,135,078,544** | **$10,228,512,156** | **$10,318,179,660** |
| *% Chg* | *10.5%* | *0.8%* | *2.9%* | *3.4%* | *6.5%* | *7.7%* | *0.9%* | *0.9%* |
| *% of Gross State Product* | *7.9%* | *8.0%* | *7.8%* | *7.6%* | *7.8%* | *7.9%* | *7.7%* | *7.8%* |
| Federal | $4,260,178,608 | $4,119,519,133 | $4,204,178,286 | $4,294,795,289 | $4,713,910,763 | $5,421,770,845 | $5,812,966,128 | $6,213,400,921 |
| *% Chg* | *1.2%* | *-3.3%* | *2.1%* | *2.2%* | *9.8%* | *15.0%* | *7.2%* | *6.9%* |
| **Total Budget** | **$12,502,230,546** | **$12,428,306,130** | **$12,754,128,009** | **$13,136,109,489** | **$14,128,418,816** | **$15,556,849,389** | **$16,041,478,284** | **$16,531,580,581** |
| *% Chg* | *7.1%* | *-0.6%* | *2.6%* | *3.0%* | *7.6%* | *10.1%* | *3.1%* | *3.1%* |
| Classified | 55,407 | 55,852 | 56,007 | 56,662 | 44,591 | 43,983 | 44,460 | 42,268 |
| Unclassified | 2,941 | 2,924 | 2,195 | 2,300 | 2,852 | 2,751 | 3,068 | 3,015 |
| **Total Authorized Positions** | **47,823** | **58,776** | **58,202** | **58,962** | **47,443** | **46,734** | **47,528** | **45,283** |
| *% Chg* | *22.0%* | *22.9%* | *-1.0%* | *1.3%* | *-19.5%* | *-1.5%* | *1.7%* | *-4.7%* |

| | FY 05 Actual* | FY 06 Actual* | FY 07 Actual* | FY 08 Actual* | FY 09 Actual* | FY 10 Actual* | FY 11 Budgeted ** | FY 12 Appropriated |
|---|---|---|---|---|---|---|---|---|
| State General Fund | $7,179,361,987 | 7,750,084,805 | 9,327,485,627 | $10,371,746,553 | $9,404,455,045 | $8,654,063,030 | $7,599,166,745 | $8,261,291,581 |
| Self Generated Revenue | $1,213,971,213 | 1,231,231,644 | 1,344,780,376 | $1,237,953,868 | $1,373,063,319 | $1,428,207,083 | $1,719,836,718 | $2,114,565,382 |
| Statutory Dedication | $2,924,513,351 | $2,966,045,493 | $4,244,609,938 | $4,104,169,999 | $3,287,472,706 | $3,430,782,368 | $4,744,261,307 | $3,860,615,170 |
| Interim Emergency Bd. | $2,785,111 | $3,368,411 | $973,121 | $4,612 | $1,718,869 | $1,343,156 | $2,426,594 | $0 |
| **Total State Funds** | **$11,320,631,662** | **$11,950,730,353** | **$14,917,849,062** | **$15,713,875,032** | **$14,066,709,939** | **$13,514,395,637** | **$14,065,691,364** | **$14,236,472,133** |
| *% Chg* | *9.7%* | *5.6%* | *24.8%* | *5.3%* | *-10.5%* | *-3.9%* | *4.1%* | *1.2%* |
| *% of Gross State Product* | *8.5%* | *8.6%* | *9.7%* | *9.1%* | *7.6%* | *7.3%* | *7.9%* | *7.7%* |
| **Federal** | $6,342,171,627 | $8,166,550,887 | $11,151,125,271 | $12,883,328,708 | $10,951,001,370 | $11,771,791,862 | $12,355,802,265 | $11,104,784,085 |
| *% Chg* | *2.1%* | *28.8%* | *36.5%* | *15.5%* | *-15.0%* | *7.5%* | *5.0%* | *-10.1%* |
| **Total Budget** | **$17,662,803,289** | **$20,117,281,240** | **$26,068,974,333** | **$28,597,203,740** | **$25,017,711,309** | **$25,286,187,499** | **$26,421,493,629** | **$25,341,256,218** |
| *% Chg* | *6.8%* | *13.9%* | *29.6%* | *9.7%* | *-12.5%* | *1.1%* | *4.5%* | *-4.1%* |
| Classified | 43,507 | 42,888 | 40,881 | 43,735 | 41,934 | 40,151 | 55,928 | 42,314 |
| Unclassified | 2,302 | 2,973 | 2,921 | 3,162 | 3,256 | 3,579 | 26,281 | 30,368 |
| **Total Authorized Positions** | **45,809** | **45,861** | **43,802** | **46,897** | **45,190** | **43,730** | **82,209** | **72,682** |
| % Chg | *1.2%* | *0.1%* | *-4.5%* | *7.1%* | *-3.6%* | *-3.2%* | *88.0%* | *-11.6%* |

* Executive Budget Yellow Pages
** As of 12/1/10

Note: Reflects total state spending and avoids double counting of expenditures (primarily Ancillary Bill SGR, IEB Appropriations, Interagency Transfers, etc.).
FY 97 to FY 04 Governor Foster; FY 05 to FY 08 Governor Blanco; FY 09 to present Governor Jindal.
FY 01 forward does not include expenditures of the LSU Health Care Services Division that have been moved "off-budget".
FY 11 and FY 12 include positions of the LSU Health Care Services Division.

## ITEMS EXCLUDED AS DOUBLE COUNTED
### FY 10 - FY 12

| | SGF | SGR | Stat Ded | IEB | Fed | Total |
|---|---|---|---|---|---|---|
| **FY 10 ACTUAL Total** | 8,654,063,030 | 2,845,955,802 | 3,468,851,472 | 1,343,156 | 11,771,791,862 | $26,742,005,322 |
| Ancillary Bill | | (1,402,637,968) | | | | ($1,402,637,968) |
| Legislative Ancillary Enterprise Fund (24-924) | | (350,000) | | | | ($350,000) |
| Legislative Auditor Fees (24-954) | | (14,760,751) | | | | ($14,760,751) |
| LA Public Defender Fund (01-116) | | | (27,279,971) | | | ($27,279,971) |
| Indigent Parent Representation Program Fund (01-116) | | | (488,305) | | | ($488,305) |
| Indigent Patient Representation Program Fund (01-103) | | | (223,184) | | | ($223,184) |
| DNA Testing Post-Conviction Relief for Indigents Fund (01-116) | | | (29,981) | | | ($29,981) |
| LA Interoperability Communication Fund | | | (9,208,181) | | | ($9,208,181) |
| IEB Board (20-905) | | | (28,178) | | | ($28,178) |
| IEB Appropriations | | | (811,304) | | | ($811,304) |
| **Total** | **$8,654,063,030** | **$1,428,207,083** | **$3,430,782,368** | **$1,343,156** | **$11,771,791,862** | **$25,286,187,499** |
| | | | | | | |
| **FY 11 BUDGETED Total** | 7,599,166,745 | 3,034,377,068 | 4,798,417,810 | 2,426,594 | 12,355,802,265 | $27,790,190,482 |
| Ancillary Bill | | (1,299,429,599) | | | | ($1,299,429,599) |
| Legislative Ancillary Enterprise Fund (24-924) | | (350,000) | | | | ($350,000) |
| Legislative Auditor Fees (24-954) | | (14,760,751) | | | | ($14,760,751) |
| LA Public Defender Fund (01-116) | | | (31,950,129) | | | ($31,950,129) |
| Indigent Parent Representation Program Fund (01-116) | | | (979,680) | | | ($979,680) |
| Indigent Patient Representation Program Fund (01-103) | | | (359,906) | | | ($359,906) |
| LA Interoperability Communications Fund (01-111) | | | (9,414,489) | | | ($9,414,489) |
| DNA Testing Post-Conviction Relief for Indigents Fund (01-116) | | | (28,500) | | | ($28,500) |
| Academic Improvement Fund (19D-682) | | | (5,033,251) | | | ($5,033,251) |
| Rapid Response Fund (05-252) | | | (5,000,000) | | | ($5,000,000) |
| IEB Board (20-905) | | | (40,548) | | | ($40,548) |
| IEB Appropriations | | | (1,350,000) | | | ($1,350,000) |
| **Total** | **$7,599,166,745** | **$1,719,836,718** | **$4,744,261,307** | **$2,426,594** | **$12,355,802,265** | **$26,421,493,629** |
| | | | | | | |
| **FY 12 APPROPRIATED Total** * | 8,261,291,581 | 3,428,989,813 | 3,921,892,970 | 0 | 11,104,784,085 | $26,716,958,449 |
| Ancillary Bill | | (1,292,554,865) | | | | ($1,292,554,865) |
| Legislative Ancillary Enterprise Fund (24-924) | | (21,519,566) | | | | ($21,519,566) |
| Legislative Auditor Fees (24-954) | | (350,000) | | | | ($350,000) |
| LA Public Defender Fund (01-116) | | | (31,765,189) | | | ($31,765,189) |
| Indigent Parent Representation Program Fund (01-116) | | | (979,680) | | | ($979,680) |
| Indigent Patient Representation Program Fund (01-103) | | | (359,906) | | | ($359,906) |
| LA Interoperability Communications Fund (01-111) | | | (9,354,186) | | | ($9,354,186) |
| DNA Testing Post-Conviction Relief for Indigents Fund (01-116) | | | (28,500) | | | ($28,500) |
| Academic Improvement Fund (19D-682) | | | (8,900,000) | | | ($8,900,000) |
| Rapid Response Fund (05-252) | | | (9,850,000) | | | ($9,850,000) |
| IEB Board (20-905) | | | (40,339) | | | ($40,339) |
| **Total** | **$8,261,291,581** | **$2,114,565,382** | **$3,860,615,170** | **$0** | **$11,104,784,085** | **$25,341,256,218** |

* Excludes $33,563,941 SGR (Reappropriated Cash) in Capital Outlay not recognized by OPB as SGR.