

***FISCAL YEAR 2014 - 2015***  
***FIVE YEAR BASE LINE PROJECTION SYNOPSIS***  
***AND***  
***EXISTING OPERATING BUDGET 2013 - 2014***  
***VERSUS***  
***CONTINUATION 2014 - 2015***

**FIVE YEAR BASE LINE PROJECTION  
STATE GENERAL FUND SUMMARY  
CONTINUATION**

	Current Fiscal Year 2013-2014	Ensuing Fiscal Year 2014-2015	Projected Fiscal Year 2015-2016	Projected Fiscal Year 2016-2017	Projected Fiscal Year 2017-2018
<b>REVENUES:</b>					
Taxes, Licenses & Fees	\$10,314,000,000	\$10,550,000,000	\$10,770,300,000	\$10,929,500,000	\$11,128,300,000
Less Dedications	(\$1,998,100,000)	(\$1,932,400,000)	(\$2,285,100,000)	(\$1,942,600,000)	(\$1,954,200,000)
Carry Forward Balances	\$21,781,323	\$0	\$0	\$0	\$0
Act 597 of 2012 RLS - (Funds Bill) - Transfer of Funds	\$0	\$0	\$0	\$0	\$0
Act 23 of 2012 RLS- Use of Capital Outlay	\$0	\$0	\$0	\$0	\$0
Act 420 of 2013 RLS (Funds Bill) - Transfer of Funds	\$33,701,856	\$0	\$0	\$0	\$0
Acts 423 and 425 of 2013 RLS - Tax Credit Suspension/Elimination	\$25,600,000	\$0	\$0	\$0	\$0
Act 14 of 2013 RLS (General Appropriation Bill) - Transfer of Funds	\$4,201,724	\$0	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$8,401,184,903</b>	<b>\$8,617,600,000</b>	<b>\$8,485,200,000</b>	<b>\$8,986,900,000</b>	<b>\$9,174,100,000</b>
<b>ANNUAL GROWTH RATE</b>		<b>2.58%</b>	<b>-1.54%</b>	<b>5.91%</b>	<b>2.08%</b>
<b>EXPENDITURES:</b>					
General Appropriation Bill (Act 14 of 2013 RLS)	\$7,799,309,314	\$8,571,562,205	\$9,115,487,320	\$9,372,270,808	\$9,804,446,798
Ancillary Appropriation Bill (Act 44 of 2013 RLS)	\$0	\$0	\$5,774,004	\$9,779,532	\$13,993,140
Non-Appropriated Requirements	\$416,436,412	\$410,220,531	\$392,779,504	\$393,007,464	\$373,085,396
Judicial Appropriation Bill (Act 64 of 2013 RLS)	\$147,338,908	\$147,392,479	\$147,339,509	\$147,340,133	\$147,340,783
Legislative Appropriation Bill (Act 74 of 2013 RLS)	\$69,263,933	\$69,306,971	\$69,263,991	\$69,264,050	\$69,264,112
Special Acts	\$0	\$23,785,398	\$23,785,398	\$23,785,398	\$23,785,398
Capital Outlay Bill (Act 24 of 2013 RLS)	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$8,432,348,567</b>	<b>\$9,222,267,584</b>	<b>\$9,754,429,726</b>	<b>\$10,015,447,385</b>	<b>\$10,431,915,627</b>
<b>ANNUAL GROWTH RATE</b>		<b>9.37%</b>	<b>5.77%</b>	<b>2.68%</b>	<b>4.16%</b>
Midyear Adjustments after 12/1/2013	\$0	\$0	\$0	\$0	\$0
FY12-13 Revenue not Carried Forward into FY 13-14	\$411,744	\$0	\$0	\$0	\$0
<b>PROJECTED BALANCE</b>	<b>(\$31,575,408)</b>	<b>(\$604,667,584)</b>	<b>(\$1,269,229,726)</b>	<b>(\$1,028,547,385)</b>	<b>(\$1,257,815,627)</b>

Oil Prices included in the REC official forecast as of January 15, 2014

\$99.80

\$95.80

\$95.89

\$94.99

\$94.90

## FIVE YEAR BASE LINE PROJECTION STATE GENERAL FUND REVENUE

	Current Fiscal Year 2013-2014	Ensuing Fiscal Year 2014-2015	Projected Fiscal Year 2015-2016	Projected Fiscal Year 2016-2017	Projected Fiscal Year 2017-2018
REVENUES:					
Taxes, Licenses & Fees:					
Corporate Franchise & Income	\$279,500,000	\$368,300,000	\$290,000,000	\$253,900,000	\$245,100,000
Individual Income	\$2,811,500,000	\$2,932,400,000	\$3,107,700,000	\$3,254,800,000	\$3,399,300,000
Sales, General & Motor Vehicle	\$2,976,000,000	\$3,025,900,000	\$3,056,600,000	\$3,087,000,000	\$3,124,500,000
Sales, Suspension of Exemptions 2)	\$0	\$0	\$0	\$0	\$0
Mineral Revenues	\$1,403,500,000	\$1,367,900,000	\$1,343,700,000	\$1,326,600,000	\$1,318,200,000
Gaming Revenues	\$862,600,000	\$852,100,000	\$854,400,000	\$856,800,000	\$859,200,000
Other	\$1,980,900,000	\$2,003,400,000	\$2,117,900,000	\$2,150,400,000	\$2,182,000,000
TOTAL TAXES, LICENSES, & FEES	\$10,314,000,000	\$10,550,000,000	\$10,770,300,000	\$10,929,500,000	\$11,128,300,000
LESS DEDICATIONS	(\$1,998,100,000)	(\$1,932,400,000)	(\$2,285,100,000)	(\$1,942,600,000)	(\$1,954,200,000)
TOTAL REVENUE	\$8,315,900,000	\$8,617,600,000	\$8,485,200,000	\$8,986,900,000	\$9,174,100,000
ANNUAL GROWTH RATE	0.50%	3.63%	-1.54%	5.91%	2.08%
OIL PRICE	\$99.80	\$95.80	\$95.89	\$94.99	\$94.90
NOTES:					
Source: The official forecast adopted by the Revenue Estimating Conference on January 15, 2014.					

**STATE**  
**State of Louisiana**  
**Baseline Projection - Statewide**  
**Continuation for FY 2014-2015**

DI Description	Existing Oper Budget as of 12/01/13	Total Continuation Adjustments	Projected Fiscal Year 2015-2016	Projected Fiscal Year 2016 - 2017	Projected Fiscal Year 2017 - 2018
Existing Oper Budget as of 12/01/13	\$8,431,496,459	\$8,431,496,459	\$8,431,496,459	\$8,431,496,459	\$8,431,496,459
<b>STATEWIDE STANDARDS</b>					
Annualize Classified State Employees Performance Adjustment		\$8,801,401	\$17,954,858	\$27,474,453	\$37,374,832
Annualize Unclassified State Employees Merits		\$483,342	\$986,018	\$1,508,800	\$2,052,494
Annualize Unclassified Teacher Merits		\$27,284	\$55,659	\$85,170	\$115,861
Classified State Employees Performance Adjustment		\$27,516,505	\$56,133,670	\$85,895,522	\$116,847,848
Unclassified State Employees Performance Adjustment		\$895,489	\$1,826,798	\$2,795,358	\$3,802,662
Unclassified Teacher Performance Adjustment		\$789,192	\$1,609,952	\$2,463,542	\$3,351,275
Civil Service Training Series		\$1,383,734	\$1,383,734	\$1,383,734	\$1,383,734
Louisiana State Employees' Retirement System Base Adjustment		\$34,120,997	\$34,120,997	\$34,120,997	\$34,120,997
Teachers Retirement Base Adjustment		(\$4,433,642)	(\$4,433,642)	(\$4,433,642)	(\$4,433,642)
Group Insurance Base Adjustment		\$174,619	\$174,619	\$174,619	\$174,619
Group Insurance Base Adjustment for Retirees		\$8,356,731	\$8,356,731	\$8,356,731	\$8,356,731
Salary Base Adjustment		(\$2,444,007)	(\$2,444,007)	(\$2,444,007)	(\$2,444,007)
Personnel Reductions		(\$1,766,168)	(\$1,766,168)	(\$1,766,168)	(\$1,766,168)
Acquisitions & Major Repairs		\$11,661,017	\$11,900,068	\$12,146,399	\$12,401,474
Non-Recurring Acquisitions & Major Repairs		(\$783,494)	(\$799,556)	(\$816,106)	(\$833,245)
Non-recurring Carryforwards		(\$20,517,470)	(\$20,517,470)	(\$20,517,470)	(\$20,517,470)
Inflation		\$14,636,833	\$29,573,722	\$44,822,732	\$60,400,842
Medical Inflation		\$66,837,068	\$133,686,374	\$200,040,952	\$262,820,356
Risk Management		\$3,799,041	\$5,774,004	\$9,779,532	\$13,993,140
Legislative Auditor Fees		\$1,591,808	\$1,655,480	\$1,721,700	\$1,790,568
Rent in State-Owned Buildings		\$805,209	\$821,716	\$838,725	\$856,339
Maintenance in State-Owned Buildings		(\$124,657)	(\$127,212)	(\$129,846)	(\$132,573)
Capitol Park Security		\$17,937	\$18,305	\$18,684	\$19,076
Capitol Police		\$56,706	\$56,706	\$56,706	\$56,706
UPS Fees		\$58,446	\$59,644	\$60,879	\$62,157

**STATE**  
**State of Louisiana**  
**Baseline Projection - Statewide**  
**Continuation for FY 2014-2015**

DI Description	Existing Oper Budget as of 12/01/13	Total Continuation Adjustments	Projected Fiscal Year 2015-2016	Projected Fiscal Year 2016 - 2017	Projected Fiscal Year 2017 - 2018
<b>STATEWIDE STANDARDS</b>					
Civil Service Fees		\$359,518	\$366,888	\$374,483	\$382,347
State Treasury Fees		(\$12,291)	(\$12,291)	(\$12,291)	(\$12,291)
Office of Computing Services Fees		(\$448,334)	(\$457,525)	(\$466,996)	(\$476,803)
Administrative Law Judges		(\$78,845)	(\$80,461)	(\$82,127)	(\$83,852)
TOTAL MEANS OF FINANCING SUB ADJUSTMENT		\$425,801,018	\$722,749,518	\$721,629,763	\$720,027,858
TOTAL NON-RECURRING OTHER ADJUSTMENT		(\$16,464,680)	(\$16,464,680)	(\$16,464,680)	(\$16,464,680)
TOTAL OTHER ADJUSTMENTS ADJUSTMENT		\$172,618,727	\$229,634,868	\$306,524,692	\$534,984,248
TOTAL OTHER ANNUALIZATIONS ADJUSTMENT		\$9,763,124	\$14,595,868	\$20,228,964	\$26,977,903
TOTAL WORKLOAD ADJUSTMENT		\$47,288,967	\$96,540,083	\$148,581,122	\$205,229,830
<b>TOTAL ADJUSTMENTS</b>		<b>\$790,771,125</b>	<b>\$1,322,933,267</b>	<b>\$1,583,950,926</b>	<b>\$2,000,419,167</b>
<b>TOTAL</b>		<b>\$9,222,267,584</b>	<b>\$9,754,429,726</b>	<b>\$10,015,447,385</b>	<b>\$10,431,915,626</b>

**STATE**  
**State of Louisiana**  
**Baseline Projection of Significant Items**  
**Continuation for FY 2014-2015**

DI Description	Total Continuation Adjustments	Projected Fiscal Year 2015-2016	Projected Fiscal Year 2016 - 2017	Projected Fiscal Year 2017 - 2018
Elections Expense	\$8,707,075	\$11,837,290	\$9,309,042	\$2,535,384
Ballot Printing	\$758,516	\$1,053,516	\$798,298	(\$124,484)
Local Housing _State Offenders	\$6,590,114	\$6,988,455	\$5,489,748	\$5,489,748
Medicaid Payments	\$186,468,152	\$529,984,400	\$614,363,762	\$884,575,691
Econ Development Commitments	\$8,760,019	\$14,687,201	\$14,543,983	\$7,265,106
Taylor Opp Program_Students	\$82,538,994	\$127,797,779	\$155,742,420	\$186,794,859
HIED Overcollections Fund	\$294,265,343	\$294,265,343	\$294,265,343	\$294,265,343
Minimum Foundation Program	\$26,923,395	\$56,472,324	\$80,292,104	\$103,629,735
Bridge and Road Hazards	\$23,785,398	\$23,785,398	\$23,785,398	\$23,785,398

Notes:

The 'Existing Operating Budget as of 12/1/2013' represents the budgeted amount as of December 1, 2013 for FY 2013-2014.

The column labeled 'Total Continuation Adjustments' represents the Continuation Level for FY 2014-2015.

The section labeled 'Statewide Standards' are statewide adjustments and to the extent necessary are made to all appropriations.

Growth rates are not applied to Salaries (Object Codes 2100/2130/5200). Annualization Performance Adjustments and Performance Adjustments are computed separately as specific items allowing a 4% growth rate per year for eligible employees. Performance Adjustments are included for Unclassified Employees only to the extent a structured salary schedule exists relative to the unclassified employees.

Acquisitions and Major Repairs - Comprised of Replacement Equipment, Major Repairs to existing property, and other needed equipment and major repairs but not included as a Workload adjustment, Annualization adjustment, or New or Expanded adjustment.

The Annual Growth Rate, Inflation, forecast for the Projected Years is based upon the Moody's Economy.com forecast of November 2013. The projected fiscal years' growth rate of the implicit price deflator for total consumption expenditures is 1.87%, 2.05%, 2.07%, and 2.10% for fiscal years 2014-2015 through 2017-2018, respectively. The projected fiscal years' growth rate of the implicit price deflator for medical care consumption expenditures is 3.75%, 3.92%, 4.06%, and 4.13%, for fiscal years 2014-2015 through 2017-2018, respectively.

**Risk Management Adjustment**

a - Amortization of past liabilities is not included in the premiums billed. Amortization of unfunded accrued liabilities would increase premiums by \$96.8 million per year for 10 years.

b - FY14-15 premiums will decrease 0.3% for \$212.4 million in total means of financing (State General Fund at \$110.5 million, a \$3.9 million increase over FY13-14). The Office of Risk Management projects an average increase of 3.5% in FY 15-16, FY 16-17, and FY 17-18. In FY 15-16 the estimated increase over FY 13-14 is \$7.5 million in total means of financing (\$5.8 million increase in State General Fund). In FY 16-17 the estimated increase over FY 13-14 is \$15.2 million in total means of financing (\$9.8 million in State General Fund). In FY 17-18 the estimated increase over FY13-14 is \$23.3 million in total means of financing (\$14 million in State General Fund). The Statewide Property Excess insurance total limit (including flood) in FY 13-14 is \$250 million per occurrence -- \$50 million self-insured retention for flood and windstorm, \$10 million self-insured retention for all other perils, and \$200 million in commercial excess coverage, with additional \$50,000,000 excess of \$200,000,000 for all risks excluding flood and earthquake and additional \$100,000,000 excess of \$250,000,000 for fire only. This coverage does not include Louisiana State University - Baton Rouge campus. Higher limits are not available in the insurance market as a result of the high windstorm risk of the gulf south, including losses sustained in Hurricanes Katrina, Rita, Gustav, and Ike, and losses from other worldwide catastrophes that financially impact the international market.

c - The stated assumptions do not attempt to anticipate legislative changes in tort liability and payments.

d - Department of Transportation and Development - There is no funding provided for the payment of Road and Bridge Hazard premiums. Claims paid by the Office of Risk Management for Road and Bridge Hazards in prior years have exceeded premium collections by \$335.7 million, through June 2013. ORM processes Road and Bridge Hazard claims, but no longer pays those claims from the Self Insurance Fund. The 5-Year average on claims payable each year is \$23.7 million. Revised Statute 48:78 prohibits the use of the Transportation Trust Fund for this purpose. The 5-Year average on claims payable for Road and Bridge Hazards for out years are in Special Acts.

e - Appropriated funding for Road and Bridge Hazard administrative expenses and related matters in fiscal year 2013-2014 totals \$10,039,752 in Fees and Self-generated Revenues (via the Self-Insurance Fund) to the Office of Risk Management.

f - Currently no premiums are collected for the payment of Survivor Benefits paid to surviving family members of police and firefighters killed in the line of duty. The Office of Risk Management has been appropriated \$2,950,000 for Survivor Benefits payments for FY 13-14, based upon the 3-Year average of \$1,861,667 in claims paid in prior years. The 5-Year average for claims paid in prior years is \$1,817,000. As of June 30, 2013, \$2,535,000 in claims have been paid for FY 12-13.

### **Election Expenses**

In FY 2014-2015, there are two statewide elections including an open primary and general/congressional and primary and general municipal elections. The total estimated cost of election expenses in FY 2014-2015 is \$15.9M. In FY 2015-2016, there are three statewide elections including an open gubernatorial primary and general and presidential preference. Municipal elections include a municipal primary and municipal general. The total estimated cost of election expenses in FY 2015-2016 is \$19M. In FY 2016-2017, there are two statewide elections including an open primary and general/presidential/congressional and two scheduled dates for municipal primary & general elections. The total estimated cost of election expenses in FY 2016-2017 is \$16.4M. In FY 2017-2018, there will be an open primary and open general election, an Orleans municipal/parochial primary and general election and a municipal primary and general election with a total estimated cost of election expenses of \$9.7M.

Election expenses include the cost of the commissioners, deputy custodians, janitors, drayman, clerk of court, registrar of voters, parish board of election supervisor, and precinct rentals; however, it does not include the cost of ballot printing and precinct supplies. The cost of election expenses and ballot printing fluctuate because of the cyclical nature of the types and number of elections held. Additionally, the costs of elections increased due to Acts 135 and 167 of the 2008 Regular Session, which established a permanent program to conduct of early voting at additional locations and extended hours of early voting in all parishes, respectively. Act 134 of the 2008 Regular Session eliminated the July election date for proposition only elections; citing that it would be more cost efficient for localities to hold propositions elections on dates that coincide with other available elections. Given this, the cost of municipal elections increased slightly to accommodate this change. Municipal elections cost distribution depends on what issues are on the ballot. For gubernatorial, congressional, legislative, constitutional amendment, and judges, the state pays the first 50%.

### **Ballot Printing**

In FY 2014-2015, there are two statewide elections including an open primary and general/congressional and municipal elections. The total estimated cost of ballot printing in FY 2014-2015 is \$1,055,000. In FY 2015-2016, there are three statewide elections including an open gubernatorial primary and general and presidential preference. Municipal elections in FY 2015-2016 include a municipal primary and municipal general. The total estimated cost of ballot printing in FY 2015-2016 is \$1,350,000. In FY 2016-2017, there are two statewide elections including an open primary and general/presidential/congressional and two scheduled dates for municipal primary & general elections. The total estimated cost of ballot printing in FY 2016-2017 is \$1,094,782. In FY 2017-2018, there will be an open primary and open general election, an Orleans municipal/parochial primary and general election and a municipal primary and general election with a total estimated cost of ballot printing of \$172,000.

### **Local Housing of State Adult Offenders**

Continuation Level funding for FY14-15 includes an increase in State General Fund (Direct) of \$6.3m (from EOB) for the Local Housing of State Adult Offenders Program for approximately 711 additional offenders. Savings from Act 389 of 2013 (which provided for the early release of first and second time substance abuse offenders to mandatory treatment, as well as diversion to treatment for "new" offenders) have not materialized as projected. Appropriated funding for FY13-14 is based on original projections from DOC, and includes an anticipated reduction of approximately 1,023 offenders due in part to Act 389. Revised projections include an offender count of approximately 17,313. The Transitional Work Program Continuation Level of Funding for FY14-15 includes an increase in State General Fund (Direct) of \$231,163 (from EOB). This adjustment provides funding for approximately 44 additional offenders.

FY15-16 projections include an increase in State General Fund (Direct) of \$6,988,455 for the housing of state offenders in local facilities and in Transitional Work programs. This represents an increase from EOB funding of approximately 758 offenders being housed in local jails, and approximately 38 offenders participating in a work-release program.

FY16-17 and FY17-18 projections include a net increase in State General Fund (Direct) of approx. \$5.5m each year for the housing of state offenders in local facilities and in Transitional Work programs. This represents a net increase (from EOB level of funding) of approximately 711 offenders being housed in local jails, and approximately 38 offenders participating in a work-release program and contract elimination of additional payment to Natchitoches and Morehouse Parishes.

### **Medical Vendor Payments**

- I. The Continuation Budget for FY14-15 for Medical Vendor Payments is \$8.3 billion, of which, \$2.1 billion is State General Fund. The Continuation Budget is based on the following facts:
  - A. For the Medical Vendor Payments program, growth for the out years is measured using the chained price index for Medical Services as published by Moody, as of November, 2013. The rates are as follows: FY 2015-2016 = 3.92%; FY 2016-2017 = 4.06% and FY 2017-2018 = 4.13%. Applying these rates against the total State General



Fund, the required amount of State General Fund for the out years is: FY 2015-2016 - \$66.7 million; FY 2016-2017 - \$132.8 million; and FY 2017-2018 - \$195.5 million.

- B. Means of Financing Substitutions replacing State General Fund with non-recurring revenue which allows for services to continue at current level.

These Means of Financing Substitutions result in a net increase in State General Fund of \$46.2 million for FY 14-15, and include:

1. \$62.4 million State General Fund decrease due to being replaced with 2013 Amnesty Collections Fund.
  2. \$56.8 million replacing federal Funds due to the FMAP rate changing from 62.96% in FY 14 to 62.06% for Title XIX in FY 15.
  3. \$19.6 million replacing one-time LSU Health Care Services Division Claims lag funds.
  4. \$16.4 million replacing one-time GO Zone funds used as match for the Medical Assistance Trust Fund.
  5. \$6.3 million State General Fund decrease due to increases in Third Party Liability funds and prior year pharmaceutical drug rebates.
- C. The following adjustments also increased the need for State General Fund in the following amounts: Utilization, \$24 Million; Pharmacy Utilization, \$17.6 million; Cooperative Endeavor Agreement growth, \$25.6 million; Clawback payments for dual eligibles, \$10.9 million; Long Term Personal Care Services growth, \$9.8 million; and Applied Behavior Analysis Services from the Chisholm v. Kliebert case, \$9.3 million.
- D. Increases in Medicaid payments for the out years include \$343.5 million in FY2015-2016 due to replacement of \$262 million from the 2013 Amnesty Collections Fund, \$22 million for utilization, \$10.7 million for Long Term Care Personal Care Services utilization, \$11.7 million for Clawback, \$10.9 million for pharmacy utilization, \$8.4 million for the Cooperative Endeavor Agreements, \$3.5 million for the Health Trust Fund, \$3.1 million for Third party Liability Collections, \$2 million for Medicaid Part A and Part B, \$2 million to replace the Health Excellence Fund, and \$1.7 million for Federally Qualified Health Centers and Rural Health Centers. In FY2016-2017, there will be a need of \$84.4 million due to \$8.6 million for the Cooperative Endeavor Agreements, \$12.6 million for Clawback, \$40.7 million for utilization and pharmacy utilization, \$11.3 million for Long Term Care Personal Care Services utilization, and \$2.6 million for Medicaid Part A and Part B. In FY2017-2018, there will be a need of \$270.2 million due to \$175 million to provide for Uncompensated Care Costs that are above the Federal UCC program cap, \$49.1 million for utilization and pharmacy utilization, \$12.2 million for Long Term Personal Care Services utilization, \$13.6 million for Clawback, and \$8.9 for the Cooperative Endeavor Agreements.
- E. The Medicaid Trust Fund for the Elderly will not have sufficient funds to sustain appropriations at FY 15 levels in the out years. DHH is working with the nursing home association on a plan to replenish these funds so the state does not have to replace them with State General Fund. This will keep the state from having to come up with as much as \$240 million in FY 17 and FY 18.

#### **Economic Development Debt Service and Project Commitments**

1. The projections for FY 14-15 through FY 17-18 are based upon Debt Service Payments and Commitments to companies and projects that are vital to the state's economic development. The State General Fund is as follows: FY 14-15, \$27,944,154; FY 15-16, \$33,871,336; FY 16-17, \$33,728,118; and FY 17-18, \$26,449,241.
  - A. **Northrop Grumman** is a project where the state has debt service payments to provide public infrastructure at Northrop Grumman Ship Systems. The commitment for FY 14-15 \$3,266,750, FY 15-16 \$3,269,105, FY 16-17 \$3,269,175, and FY 17-18 \$3,266,340.
  - B. **NUCOR** This project is a multi-phase iron and steel manufacturing facility. The commitment for FY 14-15 is \$4,016,550, FY 15-16 is \$4,015,125, FY 16-17 is \$4,015,750, and FY 17-18 is \$4,017,875.
  - C. **SNF Holdings** State investment for public infrastructure improvements to construct and operate a new chemical manufacturing plant in Iberville Parish creating jobs and payroll. The commitment for FY 14-15 \$1,280,000, FY 15-16 \$1,280,000, FY 16-17 \$1,280,000 and FY 17-18 \$1,280,000.
  - D. **Saint Gobain** Provide funding for the company to relocate and consolidate its glass container manufacturing operations to its facility in the City of Simsboro, Lincoln Parish, Louisiana and improve and operate the facility, including rebuilding the second furnace therein, making capital expenditures, and maintaining jobs and payroll. The commitment for FY 14-15 \$1,200,000, FY 15-16 \$1,200,000, FY 16-17 \$1,200,000, and FY 17-18 \$1,200,000.
  - E. **EA Sports** Funding provided for EA Sports as part of a 10 year commitment for a global quality assurance (QA) center in Baton Rouge. The commitment for FY 14-15 is \$615,000, FY 15-16 is \$615,000, FY 16-17 is \$615,000, and FY 17-18 is \$615,000.
  - F. **Globalstar** To relocate its headquarters, research and development, and call center operations to its new Covington, LA facility. The commitment for FY 14-15 is \$352,782, FY 15-16 is \$352,782, FY 16-17 is \$352,782, and FY 17-18 is \$352,782.
  - G. **Blade Dynamics** To provide for a wind turbine blade manufacturing facility at Michoud Assembly Facility, in the City of New Orleans. The commitment for FY 15-16 is \$285,140.
  - H. **Lighthouse for the Blind** To provide for paper cup manufacturing facility in Baton Rouge. The commitment for FY 14-15 is \$150,000, FY 15-16 is \$150,000, FY 16-17 is \$150,000, and FY 17-18 is \$150,000.

- I. **KPAQ** To provide funding for the re-opening of the St. Francisville Paper mill Plant. The funding commitment for FY 14-15 is \$2,250,000, FY 15-16 is \$1,875,000, FY16-17 is \$1,875,000, and FY 17-18 is \$1,875,000.
- J. **Gameloft** To provide funding for the establishment of a major new game development studio in New Orleans. The commitment in FY 14-15 is \$200,000, FY 15-16 is \$200,000, FY 16-17 is \$200,000, and FY 17-18 is \$200,000.
- K. **Ronpak** To provide funding will build a manufacturing facility at the port to produce consumer packaging. Construction of Ronpak's 155,000-square-foot facility at The Port of Shreveport-Bossier will begin in the fourth quarter of 2011 and is expected to be complete by the end of 2012. The commitment in FY 14-15 is \$940,000, FY 15-16 is 1,930,000, FY 16-17 is \$1,300,000, and FY 17-18 is \$90,000.
- L. **CenturyLink** This agreement that will maintain CenturyLink's corporate headquarters in Louisiana. The commitment in FY 14-15 is \$300,000; FY 15-16 \$300,000; and FY 16-17 \$300,000.
- M. **Sundrop Fuels** is committed to building a biofuels refinery in Central Louisiana. The commitment in FY 14-15 is \$0, FY 15-16 is \$5,900,000, FY 16-17 is \$1,400,000, and FY 17-18 is \$1,400,000.
- N. **GE Capital** will create the GE Capital Technology Center, an IT Center of Excellence, which will provide software development and IT support for the company's financial services business and will create more than 600 direct and indirect jobs. The commitment in FY 14-15 is \$500,000, FY 15-16 is \$1,418,668, FY 16-17 is \$2,612,786, and FY 17-18 is \$1,073,619.
- O. **Ameritas** will open an information technology center to provide IT services from the Chase Tower South in Baton Rouge. The commitment for FY 14-15 is \$125,000, for FY 15-16 \$125,000, for FY 16-17 \$125,000, and for FY 17-18 \$125,000.
- P. **Union Tank Car** is a project where the state has debt service payments for public infrastructure to construct a manufacturing facility in Alexandria, LA and these payments provide for interest owed. The commitment for FY 14-15 is \$3,297,725, FY 15-16 is \$3,295,850, FY16-17 is \$3,292,625, and FY17-18 is \$3,293,625.
- Q. **CG Railway** is a project where infrastructure improvements to the Port of New Orleans will result in CG Railway, Inc. relocating its facility from the Port of Mobile to the State of Louisiana, which deals with the transport of railcars via a water rail service to Mexico and back. The commitment for FY 14-15 is \$1,753,680.
- R. **Benteler Steel** will build a two-phase facility that will include both a seamless steel tube mill (phase one) and a steel mill (phase two) in Shreveport, LA. The commitment for FY 14-15 \$1,266,667, FY 15-16 \$1,266,666, FY 16-17 \$5,510,000, and FY 17-18 \$5,510,000. \$2,000,000 is utilized in Agency 251 for FastStart in FY 14-15 and \$500,000 in FY 15-16.
- S. **IBM** will build a Technology Services Center in Downtown Baton Rouge which will offer 800 new direct jobs concentrating on Application Development, and will provide Specialized training for current Computer Science and Engineering students at LSU. The entire contract will last to FY30 and total \$78.5 million. The commitment for FY 14-15 \$4,300,000, FY 15-16 \$4,800,000 FY 16-17 \$5,700,000 and FY 17-18 \$1,950,000.
- T. **Mortgage Contracting Services (MCS)** To assist with relocation of business operations for a 10,300 square foot business process outsourcing center along the interstate 20 business district of Ruston. The commitment for FY 14-15 \$100,000, FY 15-16 \$50,000, FY 16-17 \$50,000 and FY 17-18 \$50,000.
- U. **Smoothie King** Retain and expand its corporate headquarters in Metairie, LA. The commitment for FY 14-15 \$480,000, FY 15-16 \$480,000, FY 16-17 \$480,000 and FY 17-18 \$480,000.
- V. **Wingspan Portfolio Advisors** Performance based grant to reimburse facility lease costs as well as building renovation costs. The commitment for FY 14-15 \$450,000.
- W. **Teleperformance** Performance based grant for its expanded customer contact service center. The commitment for FY 14-15 \$100,000.
- X. **Rain II Carbon** The commitment for FY 14-15 \$1,000,000, FY 15-16 \$1,000,000.

#### **Taylor Opportunity Program for Students (TOPS)**

The projections for the out years are based on anticipated retention rates and the projected number of high school graduates. Act 741 of the 2010 Regular Session provided for tuition increases of 10% beginning in FY 12-13, based on certain performance criteria being met. The projected number of participants from 2016 through 2018 was obtained from the agency. Funding associated with the FY13-14 Existing Operating Budget is \$217.5 million, of which \$75.9 million is State General Fund (Direct). The projected awards for FY15 is 52,074 for a total need of \$235,092,694, of which \$158,416,419 is State General Fund; awards for FY16 is 52,673 for a total need of \$260,499,640, of which \$203,675,204 is State General Fund; awards for FY17 is 53,230 for a total need of \$288,449,589, of which \$231,619,845 is State General Fund; and awards for FY18 is 53,789 for a total need of \$319,501,728, of which \$262,672,284 is State General Fund (Direct). State General Fund (Direct) utilized to replace \$22,300,000 in one-time revenue from the Tobacco Arbitration. State General Fund was also used to replace Tobacco Refinance savings: FY15 is \$45,000,000; and FY16 - FY18 is \$67,000,000.

#### **HIED Overcollections Fund**

The FY 13-14 budget provides \$294.3 million in revenues out of Statutory Dedications from the Overcollections Fund for recurring Higher Education expenditures. For FY 14-15 through FY 17-18, State General Fund (Direct) is used to replace the \$294.3 million in Statutory Dedications from the Overcollections Fund used to fund recurring expenditures in FY 13-14 for Higher Education.

#### **Minimum Foundation Program (MFP)**

##### **Overview:**

FY16 through FY18 student enrollment projections are based on the net October 1, 2013, and February 1, 2014, data for student count growth and associated costs.

**FY 2014-2015:**

FY 2014-2015 Recommended is \$3.274 billion State General Fund and a total cost of \$3.529 billion with an estimated student count of 686,333. Base per pupil amount is \$3,855. The net state general fund increase of \$26.9 million consists of the following: \$25.6 million net increase for the February 1, 2014, student count of an additional 5,354 students; \$8.2 million increase in State General Fund and a net decrease in Statutory Dedications in Lottery Proceeds Fund and Support Education In Louisiana First Fund revenue forecasts as of 05/15/13; and a decrease of \$6.9 million for 1,355 students moving from the MFP to the Student Scholarships for Educational Excellence Program (SSEEP).

**FY 2015-2016:**

Projections include an additional \$56.4 million State General Fund need including a net \$12.2 million to replace Lottery Proceeds Fund and SELF revenues; \$51.1 million for additional student cost increase for a total cost of \$3.573 billion based upon a student count projection is 690,332; and a decrease of \$6.9 million for 1,355 students moving from the MFP to the Student Scholarships for Educational Excellence Program (SSEEP).

**FY 2016-2017:**

Projections include an additional \$80.2 million State General Fund need including a net \$10.4 million to replace Lottery Proceeds Fund and SELF revenues; \$76.7 million for additional student cost increase for a total cost of \$3.643 billion based upon a student count projection is 694,331; and a decrease of \$6.9 million for 1,355 students moving from the MFP to the Student Scholarships for Educational Excellence Program (SSEEP).

**FY 2017-2018:**

Projections include an additional \$103.6 million State General Fund need including a net \$8.2 million to replace Lottery Proceeds Fund and SELF revenues; \$102.3 million for additional student cost increase for a total cost of \$3.738 billion based upon a student count projection is 698,330; and a decrease of \$6.9 million for 1,355 students moving from the MFP to the Student Scholarships for Educational Excellence Program (SSEEP).

**Road and Bridge Hazard Claims (Special Acts)**

The 2013 Regular Legislative Session appropriated approximately \$6,492,602 in Special Acts - Judgments for road and bridge hazard judgments in FY 13-14. Out year projections are approximately \$23.8 million per year. Projections are based on 5 years of average claim payments.