

FISCAL YEAR 2015 - 2016
FIVE YEAR BASE LINE PROJECTION SYNOPSIS
AND
EXISTING OPERATING BUDGET FY 2014 - 2015
VERSUS
APPROPRIATED FY 2015 - 2016

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

	Current Fiscal Year 2014-2015	Projected Fiscal Year 2015-2016	Projected Fiscal Year 2016-2017	Projected Fiscal Year 2017-2018	Projected Fiscal Year 2018-2019
REVENUES:					
Taxes, Licenses & Fees	\$10,494,100,000	\$10,545,800,000	\$10,803,400,000	\$11,034,500,000	\$11,212,300,000
Less Dedications	(\$2,009,100,000)	(\$1,949,600,000)	(\$1,990,700,000)	(\$1,976,900,000)	(\$1,980,700,000)
Carry Forward Balances	\$11,239,379	\$0	\$0	\$0	\$0
Additional Revenues - 2015 Acts of the Legislature	\$0	\$255,500,000	\$494,600,000	\$476,600,000	\$217,500,000
Act 121 of 2015 RLS (Funds Bill) - Transfer of Funds	\$0	\$30,300,000	\$0	\$0	\$0
Revenue Transferred to the General Fund by Acts of the Legislature	\$28,500,000	\$0	\$0	\$0	\$0
Per action by JLCB on 12/18/2014 on the Mid-Year Deficit	\$17,332,443	\$0	\$0	\$0	\$0
Per action by JLCB on 02/20/2015 on the 2nd Mid-Year Deficit	\$31,556,470	\$0	\$0	\$0	\$0
Per action by JLCB on 02/27/2015 on the 2nd Mid-Year Deficit	\$939,570	\$0	\$0	\$0	\$0
Use of Prior Year Undesignated Fund Balance	\$133,883,673	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$8,708,451,535	\$8,882,100,000	\$9,307,200,000	\$9,534,200,000	\$9,449,000,000
ANNUAL GROWTH RATE		1.99%	4.79%	2.44%	-0.89%
EXPENDITURES:					
General Appropriation Bill (Act 15 of 2014 RLS)	\$8,299,155,544	\$8,490,136,197	\$9,417,501,132	\$9,661,186,689	\$10,137,823,189
Ancillary Appropriation Bill (Act 45 of 2014 RLS)	\$0	\$0	\$6,081,617	\$9,381,607	\$12,797,096
Non-Appropriated Requirements	\$206,170,216	\$285,155,251	\$477,964,823	\$459,890,030	\$449,127,786
Judicial Appropriation Bill (Act 65 of 2014 RLS)	\$155,338,908	\$159,838,908	\$159,768,171	\$159,768,687	\$159,769,224
Legislative Appropriation Bill (Act 75 of 2014 RLS)	\$73,352,811	\$73,352,811	\$73,223,034	\$73,221,615	\$73,219,979
Special Acts	\$0	\$0	\$13,400,000	\$13,400,000	\$13,400,000
Capital Outlay Bill (Act 25 of 2014 RLS)	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$8,734,017,479	\$9,008,483,167	\$10,147,938,777	\$10,376,848,628	\$10,846,137,274
ANNUAL GROWTH RATE		3.14%	12.65%	2.26%	4.52%
Midyear Adjustments after 12/1/2014	(\$19,109,509)	\$0	\$0	\$0	\$0
Preamble Adjustment	(\$6,456,435)	(\$18,840,452)	(\$18,840,452)	(\$18,840,452)	(\$18,840,452)
DHH Tobacco Tax MOF Substitution	\$0	(\$102,900,000)	(\$103,900,000)	(\$103,900,000)	(\$103,900,000)
Act 16 of 2015 Supplementary Appropriation Pro-rata Adjustment	\$0	(\$4,642,715)	(\$4,642,715)	(\$4,642,715)	(\$4,642,715)
PROJECTED BALANCE	\$0	\$0	(\$713,355,610)	(\$715,265,461)	(\$1,269,754,107)

Oil Prices included in the REC official forecast

\$69.05

\$61.70

\$64.96

\$66.73

\$68.07

**FIVE YEAR BASE LINE PROJECTION
STATE GENERAL FUND REVENUE**

	Current Fiscal Year 2014-2015	Ensuing Fiscal Year 2015-2016	Projected Fiscal Year 2016-2017	Projected Fiscal Year 2017-2018	Projected Fiscal Year 2018-2019
REVENUES:					
Taxes, Licenses & Fees:					
Corporate Franchise & Income	\$385,000,000	\$385,000,000	\$385,000,000	\$385,000,000	\$385,000,000
Individual Income	\$2,863,000,000	\$2,976,600,000	\$3,090,100,000	\$3,191,800,000	\$3,259,100,000
Sales, General & Motor Vehicle	\$3,121,700,000	\$3,232,400,000	\$3,329,100,000	\$3,421,600,000	\$3,515,200,000
Sales, Suspension of Exemptions 2)	\$0	\$0	\$0	\$0	\$0
Mineral Revenues	\$1,009,700,000	\$846,300,000	\$904,000,000	\$920,500,000	\$923,300,000
Gaming Revenues	\$877,500,000	\$871,700,000	\$871,700,000	\$871,700,000	\$871,700,000
Other	\$2,237,200,000	\$2,233,800,000	\$2,223,500,000	\$2,243,900,000	\$2,258,000,000
TOTAL TAXES, LICENSES, & FEES	\$10,494,100,000	\$10,545,800,000	\$10,803,400,000	\$11,034,500,000	\$11,212,300,000
LESS DEDICATIONS	(\$2,009,100,000)	(\$1,949,600,000)	(\$1,990,700,000)	(\$1,976,900,000)	(\$1,980,700,000)
TOTAL REVENUE	\$8,485,000,000	\$8,596,300,000	\$8,812,700,000	\$9,057,600,000	\$9,231,600,000
ANNUAL GROWTH RATE	0.50%	1.31%	2.52%	2.78%	1.92%
OIL PRICE	\$69.05	\$61.70	\$64.96	\$66.73	\$68.07
NOTES:					
Source: The official forecast adopted by the Revenue Estimating Conference on May 14, 2015					

STATE
State of Louisiana
Baseline Projection - Statewide
Appropriated

DI Description	Existing Oper Budget as of 12/01/14	Total Executive Legislative Adjustments	Projected Fiscal Year 2016 - 2017	Projected Fiscal Year 2017 - 2018	Projected Fiscal Year 2018 - 2019
Existing Oper Budget as of 12/01/14	\$8,734,017,479	\$8,734,017,479	\$8,734,017,479	\$8,734,017,479	\$8,734,017,479
STATEWIDE STANDARDS					
Annualization of Fiscal Year 2015 Mid Year Reduction Plan		(\$32,877,341)	(\$32,877,341)	(\$32,877,341)	(\$32,877,341)
Annualize Classified State Employees Performance Adjustment		\$7,263,326	\$18,734,360	\$28,667,245	\$38,997,445
Annualize Unclassified State Employees Merits		\$155,187	\$316,581	\$484,432	\$658,996
Annualize Unclassified Teacher Merits		\$52,487	\$107,073	\$163,843	\$222,884
Classified State Employees Performance Adjustment		\$0	\$20,790,076	\$42,411,755	\$64,898,301
Unclassified State Employees Performance Adjustment		\$0	\$457,230	\$932,749	\$1,427,289
Unclassified Teacher Performance Adjustment		\$0	\$209,944	\$428,286	\$655,361
Civil Service Training Series		\$1,096,484	\$1,096,484	\$1,096,484	\$1,096,484
Louisiana State Employees' Retirement System Rate Adjustment		(\$8,363,000)	(\$7,869,933)	(\$7,869,933)	(\$7,869,933)
Louisiana State Employees' Retirement System Base Adjustment		(\$5,601,033)	(\$6,165,363)	(\$6,165,363)	(\$6,165,363)
Teachers Retirement System of Louisiana Rate Adjustment		(\$417,923)	(\$8,637,528)	(\$8,637,528)	(\$8,637,528)
Teachers Retirement Base Adjustment		(\$286,680)	(\$3,595,135)	(\$3,595,135)	(\$3,595,135)
Group Insurance Rate Adjustment for Active Employees		\$7,052,592	\$22,743,906	\$30,840,015	\$39,340,929
Group Insurance Rate Adjustment for Retirees		\$7,756,726	\$21,969,932	\$29,780,750	\$37,982,106
Group Insurance Base Adjustment		(\$2,296,227)	(\$2,296,227)	(\$2,296,227)	(\$2,296,227)
Group Insurance Base Adjustment for Retirees		(\$50,571)	\$2,273,985	\$2,273,985	\$2,273,985
Salary Base Adjustment		\$19,765,821	\$19,765,821	\$19,765,821	\$19,765,821
Attrition Adjustment		(\$18,739,418)	(\$18,739,418)	(\$18,739,418)	(\$18,739,418)
Personnel Reductions		(\$3,123,569)	(\$3,123,569)	(\$3,123,569)	(\$3,123,569)
Acquisitions & Major Repairs		\$14,065	(\$0)	\$0	\$0
Non-Recurring Acquisitions & Major Repairs		(\$273,635)	(\$273,635)	(\$273,635)	(\$273,635)
Non-recurring Carryforwards		(\$11,239,378)	(\$11,239,378)	(\$11,239,378)	(\$11,239,378)
Inflation		\$0	\$17,274,545	\$34,562,372	\$52,287,589
Medical Inflation		\$0	\$45,065,737	\$92,559,034	\$141,176,392
Risk Management		\$2,578,258	\$6,081,617	\$9,381,607	\$12,797,096

STATE
State of Louisiana
Baseline Projection - Statewide
Appropriated

DI Description	Existing Oper Budget as of 12/01/14	Total Executive Legislative Adjustments	Projected Fiscal Year 2016 - 2017	Projected Fiscal Year 2017 - 2018	Projected Fiscal Year 2018 - 2019
STATEWIDE STANDARDS					
Legislative Auditor Fees		\$355,272	\$302,095	\$314,179	\$326,746
Rent in State-Owned Buildings		\$418,639	\$662,533	\$679,958	\$697,501
Maintenance in State-Owned Buildings		(\$161,975)	(\$166,219)	(\$170,590)	(\$174,992)
Capitol Park Security		\$13,344	\$13,455	\$13,769	\$14,122
Capitol Police		\$11,563	\$11,866	\$12,178	\$12,492
UPS Fees		\$68,443	\$71,367	\$73,244	\$75,134
Civil Service Fees		\$297,924	\$334,751	\$343,554	\$352,415
State Treasury Fees		\$24,717	\$25,365	\$26,032	\$26,703
Office of Technology Services (OTS)		(\$2,017,868)	(\$1,379,276)	(\$1,415,551)	(\$1,452,073)
Administrative Law Judges		(\$27,612)	(\$28,335)	(\$29,081)	(\$29,831)
GEMS Savings		(\$22,364,913)	(\$22,364,913)	(\$22,364,913)	(\$22,364,913)
Office of State Human Capital		(\$211,516)	(\$211,516)	(\$211,516)	(\$211,516)
Office of State Procurement		\$1,214,040	\$1,214,040	\$1,214,040	\$1,214,040
TOTAL MEANS OF FINANCING SUB ADJUSTMENT		\$113,902,385	\$661,380,179	\$650,334,046	\$661,304,831
TOTAL NEW AND EXPANDED ADJUSTMENT		\$56,742,483	\$5,313,228	\$5,356,189	\$5,357,108
TOTAL NON-RECURRING OTHER ADJUSTMENT		(\$59,762,717)	(\$59,762,717)	(\$59,762,717)	(\$59,762,717)
TOTAL OTHER ADJUSTMENTS ADJUSTMENT		\$251,725,852	\$739,418,338	\$843,181,902	\$1,163,929,268
TOTAL OTHER ANNUALIZATIONS ADJUSTMENT		(\$34,145,000)	(\$23,059,124)	(\$13,781,852)	(\$6,856,110)
TOTAL OTHER TECHNICAL ADJUSTMENTS ADJUSTMENT		\$6,192,346	\$6,192,346	\$6,192,346	\$6,192,346
TOTAL WORKLOAD ADJUSTMENT		(\$275,890)	\$23,884,073	\$34,295,082	\$44,706,091
TOTAL ADJUSTMENTS		\$274,465,688	\$1,413,921,299	\$1,642,831,150	\$2,112,119,797
TOTAL		\$9,008,483,167	\$10,147,938,778	\$10,376,848,629	\$10,846,137,276

STATE
State of Louisiana
Baseline Projection of Significant Items
Appropriated

DI Description	Total Executive Legislative Adjustments	Projected Fiscal Year 2016 - 2017	Projected Fiscal Year 2017 - 2018	Projected Fiscal Year 2018 - 2019
Elections Expense	\$3,314,329	\$641,749	(\$6,988,094)	\$3,425,215
Local Housing _State Offenders	(\$15,125,019)	(\$17,686,620)	(\$17,686,620)	(\$17,686,620)
Medicaid Payments	\$468,739,530	\$802,984,664	\$914,213,442	\$1,161,485,333
Office of Revenue MOF Sub	\$0	\$34,747,698	\$33,402,236	\$32,854,050
Econ Development Commitments	\$30,635,557	\$43,360,004	\$29,136,851	\$83,727,941
Taylor Opp Program_Students	\$30,190,376	\$58,466,020	\$58,805,133	\$63,081,066
SAVE Credit Program	(\$350,000,000)	\$0	\$0	\$0
Minimum Foundation Program	\$89,327,676	\$143,561,476	\$171,895,276	\$200,229,076
State Debt Service	\$78,985,035	\$271,794,607	\$253,719,814	\$242,957,570
Bridge and Road Hazards	\$0	\$13,400,000	\$13,400,000	\$13,400,000

Notes:

The 'Existing Operating Budget as of 12/1/2014' represents the budgeted amount as of December 1, 2014 for FY 2014-2015.*

The column labeled 'Total Executive Legislative Adjustments' represents the Appropriated Level for FY 2015-2016.

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 June 2014. The projected fiscal years' growth rate of the implicit price deflator for total consumption expenditures is 2.47%, 2.65%, 2.50%, and 2.14% for fiscal years 2015-2016 through 2018-2019, respectively.

Group Benefits Adjustments

Group Insurance Premiums in FY 15-16 increases 10.8% for both active employees and retirees. This is reflected by a \$27.3 million (\$15.1 million in State General Fund) increase for active employees, and a \$28.2 million (\$14.5 million in State General Fund) increase for Retirees, for an overall increase of \$55.5 million (\$29.6 million in State General Fund) over FY 14-15. This follows premium increase of 5% in FY15, which had a overall increase of \$17.9 million (\$6.9 million increase in State General Fund). The out years projection of State General Fund needs in FY 16-17 through FY 18-19 include a rate increase of 5% each year.

Risk Management Adjustments

- A. Amortization of past liabilities is not included in the premiums billed. Amortization of unfunded accrued liabilities would increase premiums by \$97.1 million per year for 10 years.
- B. FY15-16 premiums will decrease 0.46% for \$186.04 million in total means of financing (State General Fund at \$91.44 million, a \$3.24 million increase over FY14-15). The Office of Risk Management projects an average increase of 3.5% in FY 16-17, FY 17-18, and FY 18-19. In FY 16-17 the estimated increase over FY 14-15 is \$5.65 million in total means of financing (\$3.19 million increase in State General Fund). In FY 17-18 the estimated increase over FY 14-15 is \$12.39 million in total means of financing (\$6.08 million increase in State General Fund). In FY 18-19 the estimated decrease over FY14-15 is \$19.37 million in total means of financing (\$12.80 million increase in State General Fund). The Statewide Property Excess insurance total limit in FY 15-16 are as follows: catastrophe limit of \$400 million per occurrence for named windstorm above the self-insured retention; \$800 million per occurrence for all other perils (excluding named windstorm, flood and earthquake) above the self-insured retention; \$325 million per occurrence for flood above the self-insured retention. Self-insured retention per occurrence -- \$50 million self-insured retention for flood and windstorm, \$10 million for all other perils and earthquake. This property coverage does not include Louisiana State University - Baton Rouge campus, LSU Board of Supervisors, and Paul Hebert Law Center. Limits for July 1, 2015 were increased as available in the insurance market at the time of placement. Although the market has provided reduced rates and higher capacity for the FY 15-16 placement, high windstorm risk of the gulf south and worldwide catastrophes that financially impact the international insurance market continue to impact the placement of the State of LA property program.
- 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 \$333.9 million, through June 30, 2015. 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 \$13.4 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 2015-2016 totals \$9,839,752 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 15-16, based upon the 3-Year average of \$2,736,667 in claims paid in prior years. The 5-Year average for claims paid in prior years is \$2,252,000. As of June 30, 2015, \$1,975,000 in claims have been paid for FY 14-15.

Election Expenses

The total estimated cost of election expenses including ballot printing in FY 2015-2016 is \$20.2 million. There are three statewide elections including an open primary/gubernatorial, open general/gubernatorial, and presidential preference. There is also a scheduled date for a municipal primary election. The total estimated cost of election expenses including ballot printing in FY 2016-2017 is \$17.5 million. There are two statewide elections including an open primary/congressional/presidential and an open general presidential/congressional. There are also two scheduled dates for municipal elections in FY 2016-2017 including a municipal primary and municipal general. The total estimated cost of election expenses including ballot printing in FY 2017-2018 is \$9.9 million. There are two statewide elections including an open primary and open general. There are also two scheduled dates for municipal elections including Orleans municipal elections. The total estimated cost of election expenses including ballot printing in FY 2018-2019 is \$20.4 million. There are two statewide elections including an Open primary/congressional and an open general/congressional. There are also two scheduled dates for municipal elections in FY 2018-2019 including a municipal primary and municipal general.

Election and ballot 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. The cost of election expenses and ballot printing fluctuates 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 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%.

Local Housing of State Adult Offenders

The FY15-16 Appropriated Budget for Local Housing of State Adult Offenders is \$161.2 million in total funding; \$154.2 million is State General Fund (Direct). The State General Fund (Direct) adjustments include a decrease of \$15.4 million from the Existing Operating Budget (EOB). The FY15-16 adjustments include a decrease of \$6.4 million as a result of savings realized from cost avoidance measures implemented as part of the Governmental Efficiencies Management Support (GEMS) recommendations, a decrease of \$878,040 due to savings realized by expanding certain programs which allow for the early release of certain offenders, a decrease of \$1.3 million as a result of implementing a \$1.00 reduction in the state's share of the per-diem paid to operators of Transitional Work Programs, a reduction of \$4 million in funding provided for the housing of parolees who have been detained pending a trial/hearing, and a reduction of \$2.8 million due to a projected decrease in the offender population as a result of recently enacted legislation and other initiatives aimed at reducing the recidivism rate.

Projected funding in FY16-17, FY17-18, and FY18-19 reflects a further decrease of \$2.6 million due to a projected decrease in the offender population as a result of recently enacted legislation and other initiatives aimed at reducing the recidivism rate. These projections show a slight overall decrease in the number of offenders from 16,753 in FY15-16 to 16,443 in FY16-17, FY17-18 and FY18-19.

Medical Vendor Payments

The Appropriated Budget for FY2015-2016 for Medical Vendor Payments is \$8.4 billion, of which, \$2.3 billion is State General Fund. The Appropriated Budget is based on the following facts:

- A. For the Medical Vendor Payments program, growth for the out years is measured using an inflation rate of 2.5%. The 2.5% inflation rate is projected flat across all fiscal years. Applying this rate against the total State General Fund and backing out CEA and small rural hospital inflation already included, the required amount of State General Fund for the out years is: FY 2016-2017 - \$44.9 million; FY 2017-2018 - \$92.4 million; and FY 2018-2019 - \$141 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 \$461.1 million for FY 2015-2016, and include:
1. \$8.1 million State General Fund (Direct) increase due to a means of financing substitution replacing Louisiana Fund.
 2. \$20.8 million State General Fund (Direct) due to a decline in federal funds associated with an anticipated decline in CPEs.
 3. \$18.1 million replacing Low Income and Needy Care Collaboration Agreement (LINCCA) Fees and Self-generated Revenue with State General Fund (Direct).
 4. \$104.5 million State General Fund (Direct) increase due to a means of financing substitution replacing 2013 Amnesty Collections Fund.
 5. \$151.8 million State General Fund (Direct) increase due to a means of financing substitution replacing Overcollections Fund.
 6. \$231.8 million State General Fund (Direct) increase due to a means of financing substitution replacing Medicaid Trust Fund for the Elderly (MTFE).
 7. \$31.2 million replacing State General Fund (Direct) due to a means of financing substitution with Medical Assistance Trust Fund (MATF).
 8. \$36.7 million replacing State General Fund (Direct) due to the ACA authorizing the state to receive a 23% increase in FFP rate for the CHIP Program.
- C. The following adjustments also increased the need for State General Fund in the following amounts: UPL/FMP and UCC payments to partner hospitals, \$53.7 million; \$7.6 million for Upper Payment Limit payments to Children's Hospital; LBHP from MVA to MVP, \$6.5 million; DSH payments to Children's Hospital, \$1.9 million; Payments to LSU Physicians, \$1.4 million. In FY 2015-2016, State General Fund (Direct) savings of \$33.9 million are achieved through the annualization of GEMS savings included in Act 15.
- D. Increases in Medicaid payments for the out years include, in FY 2016-2017, \$56.8 million for Bayou Health; \$35.6 million for LBHP; \$26 million for Clawback; \$13.9 million for Cooperative Endeavor Agreement inflation; \$7.2 million for Medicare Part A and B premiums; \$4.2 million for Hospice Room & Board/CMS. In FY 2017-2018, \$108.2 million for Bayou Health; \$35.6 million for LBHP; \$28.3 million for Cooperative Endeavor Agreement inflation; \$52.8 million for Clawback; \$9.5 million for Medicare Part A and B premiums; \$8.3 million for Hospice Room & Board/CMS. In FY 2018-2019, \$116.7 million for State General Fund (Direct) need over the UCC cap; \$154.7 million Bayou Health; \$35.6 million for LBHP; \$43.1 million for Cooperative Endeavor Agreement inflation; \$85.4 million for Clawback; \$20.4 million for Nursing Home Rebasing; \$12.5 million for Hospice Room & Board/CMS; \$11.7 million for Medicare Part A and B premiums.
- E. Act 646 of the 2014 session provides for deposits into the Medicaid Trust Fund for the Elderly from proceeds of the Deepwater Horizon litigation. If these proceeds should materialize during the out years it will lessen the need for State General Fund.
- F. HB-1 (Act 16) Preamble Section 18D(3) states that the commissioner of administration is authorized to reduce the appropriation out of State General Fund (Direct) and increase the appropriation out of State General Fund by Statutory Dedications out of the Tobacco Tax Medicaid Match Fund (H39) to adjust for revenue incorporated into the official forecast for fiscal Year 2015-2016 due to the enactment of House Bill No. 119 (Act 94). REC must recognize this revenue before it can be appropriated. According to the enrolled fiscal note, this legislation will create \$106.4 million in revenue based on the increase in taxes for cigarettes. The increase in revenue appropriated will be \$102.9, which is the difference between the \$106.9 million forecast and \$3.5 million currently appropriated for Home and Community Based Services Waivers.

Department of Revenue

The anticipated General Fund need for the Tax Collection Program can be attributed to the loss of carry over revenue from Tax Amnesty. The programs expenditures are projected to remain the same in the out years at \$88,220,809. FY 16-17 General Fund need is estimated to be \$34,747,698, FY 17-18 General Fund need is estimated at \$33,402,236 and FY 18-19 General Fund need is at \$32,854,050.

Economic Development Debt Service and Project Commitments

The projections for FY 15-16 through FY 18-19 are based upon Debt Service Payments and Commitments to companies and projects that are vital to the state's economic development. The total State General Fund for FY 15-16 is \$34.1 million, FY 16-17 \$46.8 million, FY 17-18 \$32.6 million and FY 18-19 \$87.2 million. For FY 15-16, Fees and Self-generated Revenues of \$1.3 million and Statutory Dedications totaling \$30.7 million are also provided. A means of financing substitution replacing the Fees and Self-generated Revenues and \$20.7 million of the Statutory Dedications with State General Fund is included in FY 16-17 through and commitments. The total funding for each fiscal year is as follows; FY 15-16 is \$66.1 million, FY 16-17 \$56.8 million, FY 17-18 \$42.6 million and FY 18-19 \$97.2 million.

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. The projected number of participants from 2016 through 2019 was obtained from the agency. Funding associated with the FY14-15 Existing Operating Budget is \$250 million, of which \$165 million is State General Fund (Direct). The projected awards for FY16 is 54,009 for a total need of \$265.2 million of which \$200.1 million is State General Fund; awards for FY17 is 54,697 for a total need of \$284.5 million, of which \$228.4.0 million is State General Fund; awards for FY18 is 55,015 for a total need of \$286.3 million, of which \$228.7 million is State General Fund; and awards for FY19 is 55,527 for a total need of \$289.2 million, of which \$233 million is State General Fund (Direct). State General Fund is used to replace Tobacco Refinance savings of \$22m for FY16-FY19.

Minimum Foundation Program (MFP)

FY17 through FY19 student enrollment projections and associated expenditures are based on a historical analysis.

FY 2015-2016 - Appropriated is \$3.391 billion State General Fund and a total cost of \$3.679 billion with an estimated student count of 690,842. Base per pupil amount is \$4,015. This includes a growth factor of 1.375%. The state general fund increase of \$89.3 million consists of the following: \$40.5 million increase based on the February 2015 student count; \$5.4 million for increased weight for certain students with exceptionalities; \$2.6 million for Course Choice costs; and \$16.2 million for the continuance of a pay raise for certificated classroom teachers (\$20.0 million is added to the Lottery Proceeds Fund for a total of \$36.2 million in pay raises for certificated classroom teachers). A means for finance substitution increases State General Fund by \$24.6 million and decreases Statutory Dedications by a net \$4.6 million in Lottery Proceeds Fund (+4.2 million) and Support Education in Louisiana First (SELF) Fund revenues (-\$8.8 million).

FY 2016-2017 - Projections include an additional \$54.2 million State General Fund need which includes \$25.9 million to replace one-time Lottery Proceeds Fund added during the Legislative Session and \$28.3 million for an increase in student count of 5,400 based on historical analysis. The total cost of \$3.798 billion is based upon a student count projection of 696,242.

FY 2017-2018 - Projections include an additional \$28.3 million State General Fund need which includes an increase in student count of 5,400 based on historical analysis. The total cost of \$3.826 billion is based upon a student count projection of 701,642.

FY 2018- 2019 - Projections include an additional \$28.3 million State General Fund need which includes an increase in student count of 5,400 based on historical analysis. The total cost of \$3.854 billion is based upon a student count projection of 707,042.

Debt Service

Debt Service increased by \$79 million for FY 2015-2016 and is associated with the following changes; Defeasance of debt in FY 2013-2014 (\$210 million), Defeasance of debt in FY 2014-2015 (-\$125 million), Funding requirements for debt service in FY 2015-2016 (-\$9.4 million), Bond premium savings utilized in FY 2014-2015 (\$41.4 million) and 2014-2015 (-\$40 million), Bond refunding savings utilized in FY 2014-2015 (\$1.5 million). The projections for FY17-FY19 include the replacement of the \$210 million for the defeasance of debt in FY 2013-2014 and \$125 million for FY 2014-2015, Bond premium savings utilized in FY 2014-2015 \$41.4 million and FY 2015-2016 of \$40 million and \$1.5 million in bond refunding savings utilized in FY 2014-2015. The projections also include adjustments to balance to the current bond schedule for FY17 of \$18.9 million, FY18 \$798,940 and FY19 -\$10 million.

Road and Bridge Hazard Claims (Special Acts)

Projections are based on 5 years of average claim payments of approximately \$13.4 million.

Student Assessment for a Valuable Education (SAVE) Credit Program

For FY17 through FY19, \$350 million in State General Fund is being provided to replace Statutory Dedications from the Higher Education Initiatives Fund provided in FY16 associated with the Student Assessment for a Valuable Education (SAVE) Credit Program. This means of financing substitution is necessary to reflect the out-year forecast by the Revenue Estimating Conference (REC), which did not include a projection for the SAVE Credit Program for FY17 through FY19.

JOINT LEGISLATIVE COMMITTEE ON THE BUDGET
GENERAL FUND FISCAL STATUS STATEMENT
FISCAL YEAR 2015-2016
(\$ in millions)

August 14, 2015

	JUL 2015	AUG 2015	AUGUST 2015 Over/(Under) JULY 2015
<u>GENERAL FUND REVENUE</u>			
Revenue Estimating Conference, May 14, 2015	\$8,596.300	\$8,596.300	\$0.000
Revenue Estimating Conference, August 14, 2015 - Acts of the Legislature	\$261.300	\$255.500	(\$5.800)
Act 121 of 2015 - Funds Bill - Transfer of Funds	\$30.300	\$30.300	\$0.000
FY14-15 Revenue Carried Forward into FY 15-16	\$0.000	\$0.000	\$0.000
Total Available General Fund Revenue	<u>\$8,887.900</u>	<u>\$8,882.100</u>	<u>(\$5.800)</u>
<u>APPROPRIATIONS AND REQUIREMENTS</u>			
Non-Appropriated Constitutional Requirements			
Debt Service	\$193.397	\$193.397	\$0.000
Interim Emergency Board	\$1.758	\$1.758	\$0.000
Revenue Sharing	<u>\$90.000</u>	<u>\$90.000</u>	<u>\$0.000</u>
Total Non-Appropriated Constitutional Requirements	<u>\$285.155</u>	<u>\$285.155</u>	<u>\$0.000</u>
Appropriations			
General (Act 16 of 2015 RLS)	\$8,490.136	\$8,490.136	\$0.000
Ancillary (Act 46 of 2015 RLS)	\$0.000	\$0.000	\$0.000
Judicial (Act 66 of 2015 RLS)	\$159.839	\$159.839	\$0.000
Legislative (Act 76 of 2015 RLS)	\$73.353	\$73.353	\$0.000
Capital Outlay (Act 26 of 2015 RLS)	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
Total Appropriations	<u>\$8,723.328</u>	<u>\$8,723.328</u>	<u>\$0.000</u>
Total Appropriations and Requirements	<u>\$9,008.483</u>	<u>\$9,008.483</u>	<u>\$0.000</u>
General Fund Revenue Less Appropriations and Requirements			
	<u>(\$120.583)</u>	<u>(\$126.383)</u>	<u>(\$5.800)</u>
Other Adjustments			
Preamble Reductions	\$18.840	\$18.840	\$0.000
DHH Tobacco Tax MOF Substitution, Tobacco Tax Medicaid Match Fund	\$102.900	\$102.900	\$0.000
Act 16 of 2015 Supplementary Appropriation Pro-rata Adjustment	<u>\$0.000</u>	<u>\$4.643</u>	<u>\$4.643</u>
Total Other Adjustments	<u>\$121.740</u>	<u>\$126.383</u>	<u>\$4.643</u>
General Fund Revenue Less Appropriations and Requirements after Other Adjustments	<u>\$1.157</u>	<u>\$0.000</u>	<u>(\$1.157)</u>

II. FY 2014-2015 Fiscal Status Summary:

In accordance with Act 1092 of the 2001 Regular Session and Act 107 of the 2002 First Extraordinary Session (R.S. 39:75), the first budget status report presented after October 15th shall reflect the fund balance for the previous fiscal year.

III. Current Year Items Requiring Action

IV. Horizon Issues Not Contained in 5-Year Plan

CONTINGENT

HB 119, 218, 402, 445, 466, 549, 555, 624, 629, 635, 779, 805, 829, or 833, or HCR 8 or 15

DEPT AGENCY AGENCY NAME			DESCRIPTION	Supplementary SGF - Act 16	Pro-Rata	Funding after Pro-rata
					(\$4,642,715)	-0.63%
04A_DOS	04_139	Secretary of State	Increases funding for Registrars of Voters to address personnel vacancies.	\$997,000	(\$6,229)	\$990,771
	04_139	Secretary of State	Restores funding for Museum and Other Operations.	\$1,700,000	(\$10,621)	\$1,689,379
	04_139	Secretary of State	Restores funding for Voter Outreach Services in the Elections Program.	\$355,585	(\$2,221)	\$353,364
04A_DOS				\$3,052,585	(\$19,071)	\$3,033,514
04F_AGR1	04_160	Agriculture and Forestry	Restores Executive Budget reductions to State General Fund (Direct).	\$3,921,447	(\$24,499)	\$3,896,948
04F_AGR1				\$3,921,447	(\$24,499)	\$3,896,948
06A_CRT	06_262	CRT - State Library	Payable out of State General Fund (Direct) to the Library Services Program.	\$300,000	(\$1,874)	\$298,126
	06_263	CRT - State Museum	Payable out of the State General Fund (Direct) to the Museum Program for expenses.	\$100,000	(\$625)	\$99,375
	06_264	CRT - State Parks	Restores SGF funding to the Office of the State Parks.	\$7,000,000	(\$43,732)	\$6,956,268
	06_267	CRT - Tourism	Payable out of the State General Fund (Direct) to the Marketing Program for expenses.	\$400,000	(\$2,499)	\$397,501
06A_CRT				\$7,800,000	(\$48,730)	\$7,751,270
09A_DHH	09_303	DD Council	Provides supplementary funding for the Families Helping Families Centers.	\$170,000	(\$1,062)	\$168,938
	09_306	MVP	Contingent - Supplementary budget recommendation.	\$41,408,637	(\$258,697)	\$41,149,940
	09_306	MVP	Contingent - Supplementary funding for Payments to LSU physicians.	\$7,004,981	(\$43,763)	\$6,961,218
	09_306	MVP	Means of financing substitution replacing federal funds associated with an anticipated decline in CPEs with State General Fund.	\$4,500,000	(\$28,113)	\$4,471,887
	09_306	MVP	Contingent - Supplementary funding for UPL/FMP payments and UCC payments to the partner hospitals.	\$35,994,388	(\$224,872)	\$35,769,516
	09_306	MVP	Provides additional funding required for the UPL/FMP Payments to Children's Hospital.	\$7,566,000	(\$47,268)	\$7,518,732
	09_306	MVP	UCC payments for the New Orleans partner hospital.	\$1,889,500	(\$11,804)	\$1,877,696
09A_DHH	09_340	OCDD	Provides supplementary funding for Early Steps.	\$500,000	(\$3,124)	\$496,876
	09_340	OCDD	Provides supplementary funding for LATAN.	\$250,000	(\$1,562)	\$248,438
09A_DHH				\$99,283,506	(\$620,265)	\$98,663,241
19A_HIED	19A_600	LSU System	Provide additional support for the Louisiana State University - Agricultural Center.	\$2,000,000	(\$12,495)	\$1,987,505
	19A_600	LSU System	Provide additional support for the LSU Health Sciences Center in New Orleans.	\$2,500,000	(\$15,619)	\$2,484,381
	19A_600	LSU System	Provide additional support for the LSU Health Sciences Center in New Orleans for the Louisiana Cancer Research Center.	\$490,000	(\$3,061)	\$486,939
	19A_600	LSU System	Provide additional support for the LSU Health Sciences Center in Shreveport.	\$31,100,000	(\$194,294)	\$30,905,706
	19A_600	LSU System	Provide funding for legacy cost for the LSU Health Sciences Center in Shreveport, which includes the E.A. Conway Medical Center and Huey P. Long Medical Center.	\$3,755,947	(\$23,465)	\$3,732,482
	19A_615	SU System	Provide additional support for the Southern University System.	\$4,500,000	(\$28,113)	\$4,471,887
	19A_620	UL System	Provide additional support for Grambling State University.	\$2,000,000	(\$12,495)	\$1,987,505
19A_HIED	19A_649	LCTCS	Provides funding for the Louisiana Community and Technical Colleges System (LCTCS) Board of Supervisors for competitive core funding to be allocated to the lowest funded LCTCS institutions.	\$5,000,000	(\$31,237)	\$4,968,763
	19A_671	Board of Regents	Adds additional State General Fund (Direct) revenue from supplementary sources.	\$548,591,363	(\$3,427,274)	\$545,164,089
	19A_671	Board of Regents	Provide additional support for the Pennington Biomedical Research Center.	\$4,000,000	(\$24,990)	\$3,975,010
				\$603,937,310	(\$3,773,043)	\$600,164,267
19D_DOE	19D_695	MFP	Provides \$2,621,961 SGF for additional costs related to the Supplemental Course Allocation.	\$2,621,961	(\$16,380)	\$2,605,581
19D_DOE	19D_695	MFP	Provides \$16,202,485 SGF for the continuation of a pay raise for certificated classroom teachers provided for by appropriation in FY 2013-2014.	\$16,202,485	(\$101,224)	\$16,101,261
19D_DOE				\$18,824,446	(\$117,604)	\$18,706,842
19E_HCSD	19E_610	HCSD	Provide funding for legacy cost for the LSU Health Care Services Division.	\$6,323,421	(\$39,505)	\$6,283,916
19E_HCSD				\$6,323,421	(\$39,505)	\$6,283,916
Total Contingencies				743,142,715	(4,642,717)	738,499,998