



## JOINT LEGISLATIVE COMMITTEE ON THE BUDGET

STATE CAPITOL  
P.O. BOX 44294, CAPITOL STATION  
BATON ROUGE, LOUISIANA 70804  
(225) 342-7244

REPRESENTATIVE CAMERON HENRY  
CHAIRMAN

SENATOR ERIC LAFLEUR  
VICE-CHAIRMAN

### AGENDA

Friday, August 10, 2018  
9:30 AM  
House Committee Room 5

#### **I. CALL TO ORDER**

#### **II. ROLL CALL**

#### **III. BUSINESS**

1. Fiscal Status Statement and Five-Year Base-Line Budget
2. Carryforward BA-7 Agenda
3. Facility Planning and Control - Capital Outlay Change Orders
4. Review and approval of a proposed modification to the approved annual operating budget for Fiscal Year 2018-2019 by the Louisiana State Police Retirement System, in accordance with R.S. 11:176(C)(1)
5. Report by the Department of Public Safety and Corrections of the calculated annual savings for Fiscal Year 2017-2018 realized as a result of reforms to the criminal justice system in accordance with R.S. 15:827.3
6. Review of a five-year contract between McNeese State University and I-Design for the creation of an RN to BSN online nursing program, in accordance with R.S. 39:1615(J)
7. Review of contract extensions between the Louisiana Department of Health Office of Aging and Adult Services and the following entities, in accordance with R.S. 39:1615(J):
  - A. Crescent Care
  - B. Florida Parishes Human Services District
  - C. Start Corporation
  - D. Volunteers of America, Greater Baton Rouge
  - E. Volunteers of America, Greater New Orleans
8. Review of an amendment to a contract between the Louisiana Department of Health/Office of Technology Services and Health Tech Solutions LLC, in accordance with R.S. 39:1615(J)
9. Presentation by the Office of Group Benefits on proposed group benefits plan changes and alternative cost savings initiatives proposed for implementation in 2019

10. Update from the Commissioner of Administration on the cooperative endeavor agreement for the public private partnership hospitals in Shreveport and Monroe
11. Review and approval of guidelines to establish a pilot evidence-based budget proposal process for adult mental health programs administered by the Louisiana Department of Health, in accordance with R.S. 39:87.7

**IV. CONSIDERATION OF ANY OTHER BUSINESS THAT MAY COME BEFORE THE COMMITTEE**

**V. ADJOURNMENT**

*THIS NOTICE CONTAINS A TENTATIVE AGENDA AND MAY BE REVISED PRIOR TO THE MEETING.*

**Representative Cameron Henry, Chairman**

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**  
**GENERAL FUND FISCAL STATUS STATEMENT**  
**FISCAL YEAR 2018-2019**  
(\$ in millions)

August 10, 2018

	<u>JULY 2018</u>	<u>AUGUST 2018</u>	<u>AUGUST 2018 Over/(Under) JULY 2018</u>
<b><u>GENERAL FUND REVENUE</u></b>			
Revenue Estimating Conference, June 26, 2018	\$9,443.800	\$9,443.800	\$0.000
Transfer of Funds - Act 10 of the 2018 Second Extraordinary Legislative Session	\$53.333	\$53.333	\$0.000
Use of Prior Year Undesignated Fund Balance (Surplus)	\$62.952	\$62.952	\$0.000
<b>Total Available General Fund Revenue</b>	<b><u>\$9,560.085</u></b>	<b><u>\$9,560.085</u></b>	<b><u>\$0.000</u></b>
<b><u>APPROPRIATIONS AND REQUIREMENTS</u></b>			
<b>Non-Appropriated Constitutional Requirements</b>			
Debt Service	\$422.651	\$422.651	\$0.000
Interim Emergency Board	\$1.721	\$1.721	\$0.000
Revenue Sharing	\$90.000	\$90.000	\$0.000
<b>Total Non-Appropriated Constitutional Requirements</b>	<b><u>\$514.371</u></b>	<b><u>\$514.371</u></b>	<b><u>\$0.000</u></b>
<b>Appropriations</b>			
General (Act 2 of 2018 2nd ELS and Act 2 of the 3rd ELS)	\$8,766.758	\$8,766.758	\$0.000
Ancillary (Act 49 of 2018 RLS)	\$0.000	\$0.000	\$0.000
Judicial (Act 69 of 2018 RLS)	\$153.531	\$153.531	\$0.000
Legislative (Act 79 of 2018 RLS)	\$62.473	\$62.473	\$0.000
Capital Outlay (Act 29 of 2018 RLS)	\$62.952	\$62.952	\$0.000
<b>Total Appropriations</b>	<b><u>\$9,045.714</u></b>	<b><u>\$9,045.714</u></b>	<b><u>\$0.000</u></b>
<b>Total Appropriations and Requirements</b>	<b><u>\$9,560.085</u></b>	<b><u>\$9,560.085</u></b>	<b><u>\$0.000</u></b>
<b>General Fund Revenue Less Appropriations and Requirements</b>	<b><u>\$0.000</u></b>	<b><u>\$0.000</u></b>	<b><u>\$0.000</u></b>

## **II. FY 2017-2018 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**

State share owed to FEMA upon the final closeout of various disasters, including Hurricane Katrina, for public assistance (state, local, and private non-profits) and hazard mitigation projects. Final closeouts of the various disasters are not expected until FY20 at the earliest but could extend beyond the 5-year baseline projection window.



***FISCAL YEAR 2018 - 2019***  
***FIVE YEAR BASE LINE PROJECTION SYNOPSIS***  
***AND***  
***EXISTING OPERATING BUDGET FY 2017 - 2018***  
***VERSUS***  
***APPROPRIATED FY 2018 - 2019***

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# FIVE YEAR BASE LINE PROJECTION STATE GENERAL FUND SUMMARY APPROPRIATED

	Prior Fiscal Year 2017-2018	Current Fiscal Year 2018-2019	Projected Fiscal Year 2019-2020	Projected Fiscal Year 2020-2021	Projected Fiscal Year 2021-2022
<b>REVENUES:</b>					
Taxes, Licenses & Fees	\$12,065,200,000	\$11,973,200,000	\$12,144,300,000	\$12,218,300,000	\$12,475,200,000
Less Dedications	(\$2,476,800,000)	(\$2,529,500,000)	(\$2,538,700,000)	(\$2,553,900,000)	(\$2,571,100,000)
Carry Forward Balances	\$19,157,479	\$0	\$0	\$0	\$0
Act 10 of the 2018 Second Extraordinary Session - Transfer of Funds	\$0	\$53,333,333	\$0	\$0	\$0
Utilization of Prior Year Surplus	\$29,013,210	\$62,951,760	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$9,636,570,689</b>	<b>\$9,560,085,093</b>	<b>\$9,605,500,000</b>	<b>\$9,664,400,000</b>	<b>\$9,904,200,000</b>
<b>ANNUAL GROWTH RATE</b>		<b>-1.51%</b>	<b>1.71%</b>	<b>0.61%</b>	<b>2.48%</b>
<b>EXPENDITURES:</b>					
General Appropriation Bill (Act 2 of 2018 2nd ES and Act 2 of the 3rd ES)	\$8,737,948,098	\$8,766,758,058	\$9,191,333,261	\$9,469,731,759	\$9,657,910,723
Ancillary Appropriation Bill (Act 49 of 2018 RLS)	\$0	\$0	\$5,382,783	\$22,069,410	\$33,938,446
Non-Appropriated Requirements	\$507,903,581	\$514,371,375	\$514,742,663	\$478,628,093	\$465,151,454
Judicial Appropriation Bill (Act 69 of 2018 RLS)	\$151,530,944	\$153,530,944	\$153,586,682	\$153,587,179	\$153,587,696
Legislative Appropriation Bill (Act 79 of 2018 RLS)	\$62,472,956	\$62,472,956	\$62,550,725	\$62,550,665	\$62,550,611
Special Acts	\$0	\$0	\$10,569,776	\$10,569,776	\$10,569,776
Capital Outlay Bill (Act 29 of 2018 RS)	\$1,500,000	\$62,951,760	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$9,461,355,579</b>	<b>\$9,560,085,093</b>	<b>\$9,938,165,890</b>	<b>\$10,197,136,882</b>	<b>\$10,383,708,706</b>
<b>ANNUAL GROWTH RATE</b>		<b>1.04%</b>	<b>3.95%</b>	<b>2.61%</b>	<b>1.83%</b>
Mid-Year Adjustments after 12/1/2017	\$175,141,210	\$0	\$0	\$0	\$0
<b>PROJECTED BALANCE</b>	<b>\$73,900</b>	<b>\$0</b>	<b>(\$332,665,890)</b>	<b>(\$532,736,882)</b>	<b>(\$479,508,706)</b>

Oil Prices included in the REC official forecast

\$57.05

\$59.42

\$59.20

\$58.91

\$59.37

## FIVE YEAR BASE LINE PROJECTION STATE GENERAL FUND REVENUE

	Prior Fiscal Year 2017-2018	Current Fiscal Year 2018-2019	Projected Fiscal Year 2019-2020	Projected Fiscal Year 2020-2021	Projected Fiscal Year 2021-2022
REVENUES:					
Taxes, Licenses & Fees:					
Corporate Franchise & Income	\$350,000,000	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000
Individual Income	\$3,078,900,000	\$3,413,200,000	\$3,449,300,000	\$3,553,000,000	\$3,696,900,000
Sales, General & Motor Vehicle	\$4,406,000,000	\$3,993,600,000	\$4,101,400,000	\$4,053,000,000	\$4,123,800,000
Sales, Suspension of Exemptions 2)	\$0	\$0	\$0	\$0	\$0
Mineral Revenues	\$564,700,000	\$594,100,000	\$569,800,000	\$564,000,000	\$561,200,000
Gaming Revenues	\$876,000,000	\$875,100,000	\$873,100,000	\$873,100,000	\$873,100,000
Other	\$2,789,600,000	\$2,797,200,000	\$2,850,700,000	\$2,875,200,000	\$2,920,200,000
TOTAL TAXES, LICENSES, & FEES	\$12,065,200,000	\$11,973,200,000	\$12,144,300,000	\$12,218,300,000	\$12,475,200,000
LESS DEDICATIONS	(\$2,476,800,000)	(\$2,529,500,000)	(\$2,538,700,000)	(\$2,553,900,000)	(\$2,571,100,000)
FUND TRANSFER	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	\$9,588,400,000	\$9,443,800,000	\$9,605,500,000	\$9,664,400,000	\$9,904,200,000
ANNUAL GROWTH RATE		-1.51%	1.71%	0.61%	2.48%
OIL PRICE	\$57.05	\$59.42	\$59.20	\$58.91	\$59.37
NOTES:					
Source: The official forecast adopted by the Revenue Estimating Conference on April 12, 2018 (FY2017-2018) and June 26, 2018 (FY2018-2019 and beyond)					

**STATE**  
**State of Louisiana**  
**Five Year Baseline Projection - Statewide**  
**Appropriated**

ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
Existing Operating Budget as of 12/01/2017		\$9,461,355,579	\$9,461,355,579	\$9,461,355,579	\$9,461,355,579
STATEWIDE	2% General Increase Annualization Classified	\$7,868,908	\$7,868,908	\$7,868,908	\$7,868,908
STATEWIDE	2% General Increase Annualization Unclassified	\$1,151,093	\$1,151,093	\$1,151,093	\$1,151,093
STATEWIDE	Acquisitions & Major Repairs	\$0	\$0	\$0	\$0
STATEWIDE	Administrative Law Judges	(\$58,349)	(\$59,854)	(\$61,213)	(\$62,370)
STATEWIDE	Attrition Adjustment	(\$29,723,354)	(\$29,723,354)	(\$29,723,354)	(\$29,723,354)
STATEWIDE	Capitol Park Security	\$11,255	\$11,545	\$11,795	\$12,018
STATEWIDE	Capitol Police	(\$1,967)	(\$3,177)	(\$4,216)	(\$5,144)
STATEWIDE	Civil Service Fees	(\$129,610)	(\$132,674)	(\$135,306)	(\$137,658)
STATEWIDE	Civil Service Training Series	\$2,224,969	\$2,224,969	\$2,224,969	\$2,224,969
STATEWIDE	Group Insurance Rate Adjustment for Active Employees	\$0	\$3,652,959	\$12,338,296	\$18,516,092
STATEWIDE	Group Insurance Rate Adjustment for Retirees	\$0	\$1,729,824	\$9,731,114	\$15,422,354
STATEWIDE	Inflation	\$0	\$11,808,107	\$23,574,282	\$35,530,956
STATEWIDE	Legislative Auditor Fees	\$448,031	\$465,746	\$484,169	\$503,329
STATEWIDE	Maintenance in State-Owned Buildings	(\$22,163)	(\$22,700)	(\$23,162)	(\$23,574)
STATEWIDE	Market Rate Classified	\$22,452,936	\$44,249,541	\$66,700,043	\$89,824,061
STATEWIDE	Market Rate Unclassified	\$136,558	\$277,213	\$422,087	\$571,308
STATEWIDE	Medical Inflation	\$0	\$70,970,676	\$136,947,183	\$205,300,001
STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$10,006,008)	(\$10,006,008)	(\$10,006,008)	(\$10,006,008)
STATEWIDE	Non-Recurring Acquisitions & Major Repairs	(\$5,843,168)	(\$5,843,168)	(\$5,843,168)	(\$5,843,168)
STATEWIDE	Non-recurring Carryforwards	(\$19,157,479)	(\$19,157,479)	(\$19,157,479)	(\$19,157,479)

**STATE**  
**State of Louisiana**  
**Five Year Baseline Projection - Statewide**  
**Appropriated**

ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
STATEWIDE	Office of State Procurement	(\$270,014)	(\$270,014)	(\$270,014)	(\$270,014)
STATEWIDE	Office of Technology Services (OTS)	\$2,681,696	\$2,745,635	\$2,800,547	\$2,867,552
STATEWIDE	Personnel Reductions	(\$6,724,519)	(\$6,724,519)	(\$6,724,519)	(\$6,724,519)
STATEWIDE	Related Benefits Base Adjustment	\$9,946,268	\$9,946,268	\$9,946,268	\$9,946,268
STATEWIDE	Rent in State-Owned Buildings	(\$488,516)	(\$504,451)	(\$518,137)	(\$530,370)
STATEWIDE	Retirement Rate Adjustment	\$812,866	\$812,866	\$812,866	\$812,866
STATEWIDE	Risk Management	(\$3,068,024)	(\$3,516,244)	(\$197,880)	\$3,236,627
STATEWIDE	Salary Base Adjustment	\$19,232,090	\$19,232,090	\$19,232,090	\$19,232,090
STATEWIDE	State Treasury Fees	(\$10,354)	(\$10,621)	(\$10,851)	(\$11,056)
STATEWIDE	Structural Annualization Classified	\$4,145,292	\$4,145,292	\$4,145,292	\$4,145,292
STATEWIDE	Structural Annualization Unclassified	\$321,590	\$321,590	\$321,590	\$321,590
STATEWIDE	Topographic Mapping	\$1,097,925	\$1,097,925	\$1,097,925	\$1,097,925
STATEWIDE	UPS Fees	(\$55,662)	(\$57,026)	(\$58,198)	(\$59,245)
Subtotal of Statewide Adjustments		(\$3,027,710)	\$106,680,956	\$227,077,013	\$346,031,339
TOTAL MEANS OF FINANCING SUBSTITUTION ADJUSTMENTS		(\$143,067,415)	(\$1,105,301)	\$46,739,331	\$48,281,225
TOTAL NEW AND EXPANDED ADJUSTMENTS		\$860,000	\$860,000	\$860,000	\$860,000
TOTAL NON-RECURRING OTHER ADJUSTMENTS		(\$18,898,389)	(\$18,638,005)	(\$18,558,773)	(\$18,798,389)
TOTAL OTHER ADJUSTMENTS		\$97,139,208	\$137,422,415	\$193,989,930	\$205,376,579
TOTAL OTHER ANNUALIZATIONS ADJUSTMENTS		\$15,993,603	\$17,447,917	\$18,948,619	\$20,626,504
TOTAL WORKLOAD ADJUSTMENTS		\$149,730,217	\$234,142,328	\$266,725,181	\$319,975,871
TOTAL CONTINUATION ADJUSTMENTS		\$98,729,514	\$476,810,310	\$735,781,301	\$922,353,129
CONTINUATION TOTAL		\$9,560,085,093	\$9,938,165,889	\$10,197,136,880	\$10,383,708,708

**STATE**  
**State of Louisiana**  
**Baseline Projection of Significant Items**  
**Appropriated**

DI Description	Total Executive Legislative Adjustments	Projected Fiscal Year 2019 - 2020	Projected Fiscal Year 2020 - 2021	Projected Fiscal Year 2021 - 2022
Elections Expense	\$1,623,436	\$3,702,600	\$2,649,600	(\$1,254,400)
Local Housing _State Offenders	(\$6,800,396)	\$3,705,801	\$3,705,801	\$3,705,801
Medicaid Payments	\$40,643,633	\$241,530,213	\$431,165,937	\$520,364,951
Office of Revenue MOF Sub	(\$31,608,548)	\$4,723,489	\$6,213,440	\$7,755,334
Taylor Opp Program_Students	\$3,299,250	\$5,658,320	\$8,483,367	\$13,199,535
Minimum Foundation Program	(\$20,795,567)	(\$8,881,317)	\$1,029,933	\$10,941,183

**Notes:**

The 'Existing Operating Budget as of 12/1/2017' represents the budgeted amount as of December 1, 2017 for FY 2017-2018.

The column labeled 'Total Executive Legislative Adjustments' represents the Appropriated Level for FY 2018-2019.

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 2100/2130/3670/5200). Implementation of the new civil service pay plan and the annualization of the new plan are included as specific items and flatlined for the out years. The Market Rate Adjustment and the Annualization of the Market Rate Adjustment are included as specific items allowing for a 3% growth rate per year for eligible employees. Implementation of the new civil service pay plan and market rate adjustments are included for Unclassified Employees only to the extent a approved pay 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 2018. The projected fiscal years' growth rate of the implicit price deflator for total consumption expenditures is 2.71%, 2.58%, 2.16%, and 1.89% for fiscal years 2018-2019 through 2021-2022, respectively.

**Group Benefits Adjustments**

While OGB's actuary recommended to increase premium revenues by \$72.0 million in Plan Year 2019, due to the timing of this recommendation additional funding was not appropriated to state agencies to provide for an FY19 premium rate increase. While OGB is currently not seeking to implement premium rate increases in Plan Year 2019, it has presented to the Group Benefits Estimating Conference and Group Benefits Policy and Planning Board the following savings initiatives, which it intends to implement in Plan Year 2019: a capitated primary care program; a pharmacy market check program; implementation of a new EGWP formulary; and implementation of a \$50 per month premium surcharge for self-funded health plan enrollees who cover a spouse, when the spouse has access to (non-OGB) health insurance coverage through their own employer, but declines to enroll in such coverage. The implementation of some or all of these savings initiatives may be subject to change from the Group Benefits Policy and Planning Board, the Commissioner of Administration, Legislative oversight committees, and/or the administrative rule making process. OGB's actuary projects the growth of agency expenditures in out-years, assuming the aforementioned savings initiatives have been implemented, are as follows: 4.8% increase in FY19, 4.3% increase in FY20, 6.7% increase in FY21, and 6.8% increase in FY22, it consists primarily of medical and pharmacy claims. These growth projections are dependent on OGB's operating environment remaining the same. Thus, the actuarial out-year growth projections do not factor in changes to federal or state law, national or regional healthcare trends, benefits offered, plan enrollment, or membership demographics. As a result of the projected expenditure growth, a recommendation was presented to the Group Benefits Policy and Planning Board at the July 19, 2018 meeting to increase premium rates by a minimum of 4.5% for Plan Years 2020-2022. Projections for FY20-22 assume a 5% annual premium increase effective January 1, 2020.

The FYE 2018 fund balance is projected to be \$266.2 million, and the FYE 2019 fund balance is projected to be \$304.0 million, according to actuarial projections received on July 10, 2018, which is based on FY18 financial data through May 31, 2018. The FYE 2019 fund balance projection assumes a January 1, 2019 implementation of the savings initiatives mentioned above, but does not include a change in premium rates over FY18 premium rates.

**Risk Management Adjustments**

- A. Amortization of past liabilities is not included in the premiums billed. Amortization of unfunded accrued liabilities would increase premiums by \$97.8 million per year for 10 years.
- B. FY18-19 premiums will decrease 7.41% for \$169 million in total means of financing (State General Fund at \$91.6 million, a \$13.53 million decrease over FY17-18). The Office of Risk Management projects an average increase of 3.5% in FY 19-20, FY 20-21, and FY 21-22. In FY 19-20 the estimated decrease over FY 17-18 is \$7.61 million in total means of financing (\$6.47 million decrease in State General Fund). In FY 20-21 the estimated decrease over FY 17-18 is \$1.49 million in total means of financing (\$3.15 million decrease in State General Fund). In FY 21-22 the estimated increase over FY17-18 is \$4.85 million in total means of financing (\$0.27 million increase in State General Fund). The Statewide Property Excess insurance total limit in FY 18-19 is as follows: Catastrophe limit of \$400 million per occurrence for named hurricane above the self-insured retention; \$800 million per occurrence for all other perils (excluding named hurricane, flood and earthquake) above the self-insured retention; \$325 million per occurrence for flood above the self-insured retention. Self-Insured retention (SIR) per occurrence - \$50 million each occurrence self-insured retention for Named Hurricane, \$50 million self-insured retention for flood and windstorm, \$10 million for all other perils and earthquake (with a \$5 million SIR for AOP for losses involving Higher Education only). This property coverage does not include Louisiana State University – Baton Rouge



Campus, LSU Board of Supervisors, and Paul Hebert Law Center. The market has extended the rates from FY 17-18 for the FY 18-19 policy period based on lower-than-average claims experience, although the high windstorm risk of the gulf south and worldwide catastrophes have financially impacted the international insurance market and 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. The payments of Claims and other costs paid by the Office of Risk Management for Road and Bridge Hazards in prior years have exceeded premium collections by \$330.0 million, through June 30, 2017. ORM processes Road and Bridge Hazard claims, but no longer pays those claims from the Self Insurance Fund. Through June 30, 2017, the 5-Year average on claims payments is \$6.05 million. During this 5-year period, \$14,202,534 was paid in FY 13, \$11,313,517 was paid in FY 2014, \$4,729,967 was paid in FY 15. No Legislative Appropriations for Road Hazards Judgements were paid in FY 2016 or FY 2017. In FY 2018, Road Hazard Judgments were appropriated by the Legislature in the principle amount of \$29,062,838. After adding judicial interest and liens the actual total payments are estimated to be \$36,805,397 at present. Payments on these judgments will begin in July 2018. 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 is in Special Acts.
- E. Appropriated funding for Road and Bridge Hazard administrative expenses and related matters in fiscal year 2018-2019 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. In 2017's Regular Session act 391, an additional provision to the Survivor Benefits law was added for payments for certain law enforcement officers and firemen disability benefits. The Office of Risk Management was appropriated \$5,000,000 in FY 2018-2019 for these payments. The 3- Year average for claims paid in FY 16 through FY 18 is \$4,167,471. The 5-Year average for claims paid in FY 14 through FY 18 is \$3,635,483. In FY17-18, as of June 30, 2018, twenty-two (22) claims were paid totaling \$4,696,913. The average time for the Survivor Benefit Board to receive documentation and approve claims for the last three years has been 10 ½ months. The Office of Risk Management processes the approved claims for payment within 5 days of receipt.

#### **Election Expenses**

The Appropriated Budget for FY 2018-2019 for election expenses including ballot printing is \$17.3 million. There is an Open Primary/Congressional, Open General/Congressional, Municipal Primary, and Municipal General. The total estimated cost of election expenses including ballot printing in FY 2019-2020 is \$19.3 million. There is a Gubernatorial Primary/General, Presidential Preference/Municipal Primary, and Municipal General. The total estimated cost of election expenses including ballot printing in FY 2020-2021 is \$18.3 million. Elections include an Open Primary/General/Presidential/Congressional, Municipal Primary/Municipal General. The total estimated cost of election expenses including ballot printing in FY 2021-2022 is \$14.4 million. Elections include an Open Primary/Orleans Municipal Primary, Open General/Orleans Municipal General, 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 Appropriated Budget for FY 2018-2019 for Local Housing of State Adult Offenders is \$168.3 million, a net decrease from EOB of \$6.8 million in State General Fund (Direct). Adjustments to State General Fund (Direct) include a decrease of \$12.1 million in payments to sheriffs for housing state offenders (including offenders on parole hold), and an increase of \$5.3 million in funding provided to sheriffs' and other operators of Transitional Work Programs (TWP) based on the projected offender population. The appropriated amount does not include the \$10,506,197 contained in Section 19B of Act 2 of the Third Extraordinary Session which would provide funding for approximately 1,180 offenders housed in local jails. However, this \$10.5 million is provided for in the out year projections. The appropriated amount provides funding for the housing of approximately 18,562 offenders (14,697 in local jails and 3,865 in Transitional Work Programs), as well as \$10 million for the housing of approximately 15,700 parolees in accordance with R.S. 15:824.

FY 2019-2020, FY 2020-2021, & FY 2021-2022 contain no growth in the population estimates but does include \$10,506,197 contained in Section 19B of Act 2 of the 2018 Third Extraordinary Session. This level of funding provides for the housing of approximately 19,437 offenders (15,877 in local jails and 3,560 in Transitional Work Programs), as well as \$10 million for the housing of approximately 15,700 parolees in accordance with R.S. 15:824.

*Note Regarding Criminal Justice Reinvestment Initiative Savings:* Total projected savings realized in FY18 as related to reforms made to the criminal justice system is \$12.2 million; as per

R.S. 15:827.3, 70% of the total savings (\$8.5m) will be reinvested in FY19 as specified by the statute, and the remaining savings will revert to the State General Fund. The out year projections do not contain any estimates on savings amounts related to criminal justice reforms as those savings are calculated on June 30th at the end of each fiscal year.

70% of the FY18 savings (\$8,542,100) will be reinvested as follows:

1. \$1,708,420 will be allocated to the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice to award competitive grants for various victim services, including but not limited to victim safety assessments and safety planning, trauma-informed treatment and services for victims and survivors, shelters and transitional housing for domestic violence victims and their children, batterers' intervention programming, and victim-focused education and training for justice system professionals.
2. \$2,562,630 will be allocated to Department of Public Safety and Corrections to award incentive grants to parishes, judicial districts, and nonprofit community partner organizations to expand evidence-backed prison alternatives and reduce admissions to the state prison system.
3. \$4,271,050 will be allocated to the Department of Public Safety and Corrections for targeted investments in reentry services, community supervision, educational and vocational programming, transitional work programs, and contracts with parish jails and other local facilities that house state inmates to incentivize expansion of recidivism reduction programming and treatment services.

#### **Medical Vendor Payments**

- 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 June 2018. The rates are as follows: FY 2019-2020 = 3.69%; FY 2020-2021 = 3.82% and FY 2021-2022 = 3.75%. Applying these rates against the total State General Fund, the required amount of State General Fund for the out years is: FY 2019-2020 - \$71 million; FY 2020-2021 - \$134 million; and FY 2021-2022 - \$205.3 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 decrease in State General Fund of \$94.3million for FY 2018-2019, and include:
  1. (70.2) million replacing State General Fund (Direct) due to the FMAP rate changing from 63.34% in FY 17 to 64.67% for Title XIX in FY 18.
  2. (\$13.1) million replacing State General Fund (Direct) and Fees and Self-generated Revenue with Hospital Stabilization Fund based on a higher than projected fund balance available.
  3. (7.8) million replacing State General Fund (Direct) with Health Trust Fund based on a higher than projected FY 18 initial fund balance.
  4. (\$16.9) million State General Fund (Direct) decrease due to a means of financing substitution replacing Louisiana Medical Assistance Trust Fund (MATF) based on projected FY 19 collections.
  5. \$5.5 million State General Fund (Direct) increase due to a means of financing substitution replacing Fees and Self-generated Revenues received from public providers for Low-income and Needy Care Collaboration Agreement (LINCCA) Disproportional Share Hospital (DSH) payments.
  6. \$3.9 million State General Fund (Direct) increase due to a means of financing substitution replacing Tobacco Tax Medicaid Match Fund based on projected FY 19 collections.
  7. \$3.6 million State General Fund (Direct) increase due to a means of financing substitution replacing Fees and Self-generated Revenues to adjust the New Orleans Medical School's maximum Fair Market Value to match the prior year actual collections.
  8. \$2 million State General Fund (Direct) increases due to a means of financing substitution replacing Louisiana Fund with State General Fund (Direct) based on projected FY 19 collections.
- C. The following adjustments also increased the need for State General Fund in the following amounts: Managed Care Organization (MCO) adjustment, \$132.5 million; Public Private Partnership (PPP) up to FY 18 MOUs, \$8.8 million; Adjustments to balance projected Title XIX and UCC needs from various state agencies, \$8.5 million; Annualization of additional New Opportunities Waiver, Children's Choice Waivers, and Community Choice waivers which were added in FY18, \$6.3million; Rural Health Clinics (RHCs) & Federally Qualified Health Clinics (FQHCs) New Clinics, Medicare Economic Index (MEI), & Annualization, \$4.6 million; Pharmacy Utilization, \$3.3 million; Dental Benefits Program, \$2 million; Medicare Part A&B Premiums, \$1.8 million; Annualization of LaHIPP, \$1.8 million; Nursing Home rebase, \$1.1 million; Reduction due to eligibility reform processes, (\$20.9 million); Updated projections for Fee for Service costs (\$17.6 million); Clawback growth, (\$2.6 million).
- D. Increases in Medicaid payments for the out years include:  
FY 2019-2020, State General Fund (Direct) to replace Hospital Stabilization Fund, \$69.4 million; MCO growth, \$27.8 million; Remainder of 13th Checkwrite payment \$26.1 million; Replacement of Medicaid Trust Fund for the Elderly (MTFE), \$19 million; Home and Community-based waiver services growth, \$14.3 million; MOF Swap and Annualization expenses for 650 New Opportunities Waivers (NOW) added during FY18 legislative session, \$9.6 million; Clawback growth, \$8.3 million; Increases due to projected reimbursement rates for FMAP, Medicaid Expansion, and CHIP, \$8 million; Medicare Part A&B Premiums, \$4.9 million; Rural Health Clinics (RHCs) & Federally Qualified Health Clinics (FQHCs) - New Clinics, Medicare Economic Index (MEI), & Annualization, \$3.7 million; LT-PCS growth, \$3.2 million; Means of Finance Substitutions based on projected fund balance, \$2.5 million; Pharmacy Utilization, \$2.1 million; Adjustments to balance projected Title XIX and UCC need from various state agencies, \$1.2 million.

FY 2020-2021, State General Fund (Direct) need over the UCC Cap, not including LINCCA payments, \$94.3 million; MCO growth, \$84.8 million; State General Fund (Direct) to replace Hospital Stabilization Fund, \$69.4 million; Increases due to projected reimbursement rates for FMAP, Medicaid; Expansion, and CHIP, \$52.2 million; HCBS growth, \$28.5million; Replacement of Medicaid Trust Fund for the Elderly (MTFE), \$19 million; MOF Swap and Annualization expenses for 650; New Opportunities Waivers (NOW) added during FY18

legislative session, \$18.4 million; Clawback growth, \$17.1 million; Part A&B Premiums, \$10 million; Rural Health Clinics (RHCs) & Federally Qualified Health Clinics (FQHCs)-New Clinics, Medicare Economic Index (MEI), & Annualization, \$7.3 million; LT-PCS growth, \$6.6 million; Pharmacy Utilization, \$4.4 million; Means of Finance swaps based on projected fund balance, \$2.5 million; Adjustments to balance projected; Title XIX and UCC needs from various state agencies, \$1.2 million.

FY 2021-2022, State General Fund (Direct) need over the UCC Cap, not including LINCCA payments, \$94.3 million; State General Fund (Direct) to replace Hospital Stabilization Fund, \$69.4 million; Expansion, and CHIP, \$52.2 million; HCBS growth, \$43.5million; Replacement of Medicaid Trust Fund for the Elderly (MTFE) and additional State General Fund Obligation for Nursing Home Rebase, \$40.5 million; Clawback growth, \$26.3 million; MOF Swap and legislative session, \$19.5 million; Annualization expenses for 650 New Opportunities Waivers (NOW) added during FY18: \$19.5 million; Medicare Part A&B Premiums, \$15.3 million; Rural Health Clinics (RHCs) & Federally Qualified Health Clinics (FQHCs) - New Clinics, Medicare Economic Index (MEI), & Annualization, \$11 million; LT-PCS growth, \$10.2 million; Pharmacy Utilization, \$6.8 million; Means of Finance Swaps based on projected fund balance, \$2.5 million; PACE growth, \$1.4 million; Adjustments to balance projected Title XIX and UCC needs from various state agencies, \$1.2 million.

- 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.

#### **Department of Revenue**

Means of financing substitution to reflect the collections of Fees and Self-generated Revenues. FY 19-20 General Fund need is estimated to be \$36,332,037; FY 20-21 General Fund need is estimated to be \$37,821,988; and FY 21-22 is estimated to be \$39,363,882. The projections includes a small growth factor for each out year. There is also an offset by a small growth factor in Fees and Self-generated Revenue collections in the out years.

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

The FY19 Appropriated Budget provided the agency full funding in the amount of \$294.56M for 53,718 awards. Act 44 of 2017 modified language contained in Act 18 of 2016, stating the TOPS award must equal tuition amounts charged during the 2016-2017 academic year. The agency is projecting a 0.8% increase in the number of awards for FY20 (\$296.9M for 53,989 awards), a 1.0% increase in the number of awards in FY21 (\$299.8M for 54,271 awards), a 1.6% increase in the number of awards for FY22 (\$304.6M for 55,249 awards), and a 1.1% increase in the number of awards for FY23 (\$308.1M for 55,796 awards). These projected award increases are built into the estimate.

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

Summary:

FY 2018-2019 Appropriation Budget contains a net decrease of \$20.8 million State General Fund and a total net decrease of \$7.6 million. FY 2019-2020 through FY 2021-2022 out year projections are based on the most recent October 1 five year average which is 1,875 and calculates the cost using the average state cost per pupil of \$5,286 for a total cost of \$9.9 million.

##### **Specific Adjustments:**

FY 2018-2019 - Appropriation Budget is \$3.44 billion State General Fund and a total cost of \$3.71 billion with a student count of 693,806. Base per pupil amount is \$3,961. The State General Fund net decrease of \$20.8 million consists of the following: \$9.8 million increase based on Louisiana Department of Education student count projections of 1,858; a means of finance substitution decreases State General Fund by \$13.1 million and increases Statutory Dedications, Support Education in Louisiana First (SELF) Fund by \$3.05 million for a total of \$107.2 million and Lottery Proceeds Fund by \$10.1 million for a total of \$164.6 million based on the Revenue Estimating Conference (REC); \$7.5 million decrease to non-recur one-time emergency assistance funding in FY 2017-2018 to Livingston, East Baton Rouge, and Tangipahoa Parish school systems to mitigate temporary declines in student enrollment due to the August 2016 floods; and reduces \$10.0 million due to lower than anticipated student count growth.

##### **Out-Year Projections:**

FY 2019-2020 - Projections include an additional \$9.9 million of State General Fund attributed to the projected student count of 695,538 for a total increase of \$19.7 million in State General Fund.

FY 2020-2021 - Projections include an additional \$9.9 million of State General Fund attributed to the projected student count of 697,413 for a total increase of \$29.6 million in State General Fund.

FY 2021-2022 - Projections include an additional \$9.9 million of State General Fund attributed to the projected student count of 699,288 for a total increase of \$39.5 million in State General Fund.

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

Projections are based on 5 years of average claim payments of approximately \$10.57 million. This number includes the anticipation of \$30+ million to be paid out in the 13th period of FY18.

**LaGov**

Statewide LaGov project expansion is the funded in FY2018-2019 Appropriation Budget for the following agencies: Public Safety, Military Affairs, Corrections, Revenue, Special Schools and Commissions, Office of Student Financial Assurances. The out year projection includes the funding for the following agencies: FY 2019-2020 for Office of Elderly Affairs, Secretary of State, Agriculture & Forestry, Insurance, Workforce Commission, Board of Supervisors University of Louisiana System, Department of Education. FY 2020-2021 for Division of Administration and Related agencies, Louisiana Department of Health, Children and Family Services, Treasury.

**STATE**  
**State of Louisiana**  
**Five Year Baseline Projection - Department**  
**Appropriated**

DEPT	ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
01A_EXEC		Existing Operating Budget as of 12/01/2017	\$152,107,148	\$152,107,148	\$152,107,148	\$152,107,148
01A_EXEC	STATEWIDE	2% General Increase Annualization Classified	\$393,604	\$393,604	\$393,604	\$393,604
01A_EXEC	STATEWIDE	2% General Increase Annualization Unclassified	\$229,524	\$229,524	\$229,524	\$229,524
01A_EXEC	STATEWIDE	Attrition Adjustment	(\$603,710)	(\$603,710)	(\$603,710)	(\$603,710)
01A_EXEC	STATEWIDE	Capitol Park Security	\$15,519	\$15,919	\$16,263	\$16,571
01A_EXEC	STATEWIDE	Capitol Police	(\$3,019)	(\$3,097)	(\$3,164)	(\$3,224)
01A_EXEC	STATEWIDE	Civil Service Fees	\$9,217	\$9,455	\$9,659	\$9,842
01A_EXEC	STATEWIDE	Civil Service Training Series	\$78,670	\$78,670	\$78,670	\$78,670
01A_EXEC	STATEWIDE	Inflation	\$0	\$1,018,023	\$2,032,432	\$3,063,264
01A_EXEC	STATEWIDE	Legislative Auditor Fees	\$9,958	\$10,356	\$10,771	\$11,201
01A_EXEC	STATEWIDE	Maintenance in State-Owned Buildings	\$54,396	\$55,799	\$57,005	\$58,082
01A_EXEC	STATEWIDE	Market Rate Classified	\$1,242,022	\$2,521,305	\$3,838,966	\$5,196,157
01A_EXEC	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)
01A_EXEC	STATEWIDE	Non-Recurring Acquisitions & Major Repairs	(\$268,367)	(\$268,367)	(\$268,367)	(\$268,367)
01A_EXEC	STATEWIDE	Non-recurring Carryforwards	(\$3,193,609)	(\$3,193,609)	(\$3,193,609)	(\$3,193,609)
01A_EXEC	STATEWIDE	Office of State Procurement	(\$71,179)	(\$71,179)	(\$71,179)	(\$71,179)
01A_EXEC	STATEWIDE	Office of Technology Services (OTS)	\$461,016	\$472,910	\$483,125	\$495,590
01A_EXEC	STATEWIDE	Related Benefits Base Adjustment	\$896,569	\$896,569	\$896,569	\$896,569
01A_EXEC	STATEWIDE	Rent in State-Owned Buildings	(\$251,037)	(\$257,514)	(\$263,076)	(\$268,048)
01A_EXEC	STATEWIDE	Retirement Rate Adjustment	\$1,557	\$1,557	\$1,557	\$1,557
01A_EXEC	STATEWIDE	Risk Management	(\$233,778)	\$0	\$0	\$0
01A_EXEC	STATEWIDE	Salary Base Adjustment	\$312,369	\$312,369	\$312,369	\$312,369
01A_EXEC	STATEWIDE	State Treasury Fees	(\$62,948)	(\$64,572)	(\$65,967)	(\$67,214)
01A_EXEC	STATEWIDE	Structural Annualization Classified	\$213,923	\$213,923	\$213,923	\$213,923
01A_EXEC	STATEWIDE	Structural Annualization Unclassified	\$321,590	\$321,590	\$321,590	\$321,590
01A_EXEC	STATEWIDE	Topographic Mapping	\$396,138	\$396,138	\$396,138	\$396,138
01A_EXEC	STATEWIDE	UPS Fees	(\$3,940)	(\$4,042)	(\$4,129)	(\$4,207)
01A_EXEC	OTHTECH	Transfers in funding for operations from the Office of Aging and Adult Services for the Elderly Protective Services Activity previously transferred in FY18.	\$2,920	\$2,920	\$2,920	\$2,920
01A_EXEC	OTHDADJ	Adds two (2) Authorized Unclassified T.O. FTEs and provides funding for Individual Assistance Officers to serve as liaisons between FEMA and the State of Louisiana regarding the Federal Individuals and Households Program (IHP) assistance programs, which include Housing Assistance (HA) and Other Needs Assistance (ONA).	\$145,759	\$145,759	\$145,759	\$145,759

**STATE**  
**State of Louisiana**  
**Five Year Baseline Projection - Department**  
**Appropriated**

DEPT	ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
01A_EXEC	OTHDADJ	Funding for Louisiana Wireless Information Network system associated with the replacement of remaining 137 STR 3000 repeaters, conversion of four-state owned deployable trailers to nine channel repeater packages to increase capacity, and purchase of 50 talkgroup licenses, 100 WAVE mobile communicator Android and iOS licenses, and one WAVE server.	\$4,711,998	\$2,560,000	\$2,560,000	\$2,560,000
01A_EXEC	OTHDADJ	Funds provided for architectural and engineering (A&E) contracts related to major repairs at armory locations statewide.	\$25,000	\$25,000	\$25,000	\$25,000
01A_EXEC	OTHDADJ	Increases funding for normal operating expenditure requirements related to repair and replacement of HVAC chiller systems. Covers preventative maintenance contracts costs for various armories and other state facilities that exceed current operating maintenance capabilities.	\$73,340	\$73,340	\$73,340	\$73,340
01A_EXEC	OTHDADJ	Increases funding for preventative maintenance contract costs of emergency generators that support designated critical use facilities aboard installations and readiness centers in support of All-Hazards. Preventative maintenance will allow annual load test on 22 generators to validate each generator will support its facility and quarterly service function tests.	\$64,000	\$64,000	\$64,000	\$64,000
01A_EXEC	OTHDADJ	Market rate adjustment for unclassified employees on pay scale.	\$1,022,382	\$1,022,382	\$1,022,382	\$1,022,382
01A_EXEC	OTHDADJ	Provides funding for ERP interface to bring additional agencies to the LaGov system.	\$4,557,000	\$8,172,351	\$13,955,000	\$0
01A_EXEC	OTHDADJ	Provides funding for specialized training in trial practice, appellate procedure, child development, and psychiatric medication and treatment.	\$10,000	\$10,000	\$10,000	\$10,000
01A_EXEC	OTHDADJ	Provides funding needed for fourth payment of FEMA Debt Repayment plan related to multiple disasters and Hazard Mitigation audit.	\$3,455,148	\$7,339,783	(\$10,365,450)	(\$10,365,450)
01A_EXEC	OTHDADJ	Provides funding to support non-federally declared emergency events, including personnel costs to conduct damage assessments and procurement of rental response equipment.	\$25,000	\$25,000	\$25,000	\$25,000
01A_EXEC	OTHDADJ	Reduces funding associated with two (2) T.O. positions.	(\$104,915)	(\$104,915)	(\$104,915)	(\$104,915)
01A_EXEC	OTHDADJ	Reduces funding for FY 19 debt repayment to Federal Emergency Management Agency (FEMA).	(\$21,220,598)	\$0	\$0	\$0
01A_EXEC	OTHDADJ	Reduces funding for the second of five installment payments to the Federal Emergency Management Agency for the state's cost share of the August 2016 Flood event (DR-4277).	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$3,901,665)
01A_EXEC	OTHDADJ	Reduces funding to the D.A.R.E. Program, which is designed to equip school children with skills for resisting peer pressure to experiment with tobacco, drugs, and alcohol.	(\$409,644)	(\$409,644)	(\$409,644)	(\$409,644)
01A_EXEC	OTHDADJ	Reduction of DOA IT services, attrition, and state office building maintenance etc.	(\$2,131,043)	(\$2,131,043)	(\$2,131,043)	(\$2,131,043)

**STATE**  
**State of Louisiana**  
**Five Year Baseline Projection - Department**  
**Appropriated**

DEPT	ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
01A_EXEC	OTHDADJ	Reduction of student workers and support staff in the Community Programs activity.	(\$343,000)	(\$343,000)	(\$343,000)	(\$343,000)
01A_EXEC	OTHDADJ	Restores the Supplemental Senior Center (non formula) Funding.	\$0	\$0	\$0	\$0
01A_EXEC	NROTHER	Non-recurs funding for Meals Ready-to-Eat that replenished state supply used during emergencies prior to execution of supply from the Federal Emergency Management Agency or a contracted vendor.	(\$684,225)	(\$423,841)	(\$344,609)	(\$584,225)
01A_EXEC	NROTHER	Non-recurs funding of the Federal Emergency Management Agency debt payment plan related to Louisiana Severe Storms and Flood, DR-4263 (March 2016 Flood Event).	(\$2,860,000)	(\$2,860,000)	(\$2,860,000)	(\$2,860,000)
01A_EXEC	MOFSUB	Means of finance substitution reducing State General Fund and increases Statutory Dedications in the Overcollections Fund for Senior Supplemental (Non formula) Funding.	(\$1,521,928)	\$0	\$0	\$0
01A_EXEC	MOFSUB	Means of Finance Substitution to cover administrative expenses as a result of the loss of federal dollars.	\$91,898	\$91,898	\$91,898	\$91,898
01A_EXEC	MOFSUB	Means of Financing Substitution for the Louisiana Wireless Information Network by using Statutory Dedications out of the Louisiana Interoperability Communication Fund.	(\$458,688)	\$0	\$0	\$0
01A_EXEC	MOFSUB	Means of Financing Substitution related to the loss of Interagency Transfers revenue from the Louisiana Department of Education's Non-Public Educational Assistance that provided Non-Public School Lunch Salary Supplement funding to dining facility staff associated with the Youth Challenge Program.	\$528,316	\$528,316	\$528,316	\$528,316
<b>01A_EXEC</b>		<b>Total Adjustments:</b>	<b>(\$21,076,795)</b>	<b>\$10,269,929</b>	<b>\$763,918</b>	<b>(\$10,936,235)</b>
		<b>TOTAL</b>	<b>\$131,030,353</b>	<b>\$162,377,077</b>	<b>\$152,871,066</b>	<b>\$141,170,913</b>
<b>03A_VETS</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$5,476,292</b>	<b>\$5,476,292</b>	<b>\$5,476,292</b>	<b>\$5,476,292</b>
03A_VETS	STATEWIDE	2% General Increase Annualization Classified	\$54,480	\$54,480	\$54,480	\$54,480
03A_VETS	STATEWIDE	Attrition Adjustment	(\$82,916)	(\$82,916)	(\$82,916)	(\$82,916)
03A_VETS	STATEWIDE	Capitol Park Security	\$217	\$223	\$227	\$232
03A_VETS	STATEWIDE	Civil Service Fees	\$2,679	\$2,748	\$2,807	\$2,861
03A_VETS	STATEWIDE	Civil Service Training Series	\$18,254	\$18,254	\$18,254	\$18,254
03A_VETS	STATEWIDE	Inflation	\$0	\$15,785	\$31,514	\$47,498
03A_VETS	STATEWIDE	Legislative Auditor Fees	(\$25,859)	(\$26,893)	(\$27,969)	(\$29,088)
03A_VETS	STATEWIDE	Market Rate Classified	\$173,838	\$352,891	\$537,316	\$727,273
03A_VETS	STATEWIDE	Non-Recurring Acquisitions & Major Repairs	(\$91,884)	(\$91,884)	(\$91,884)	(\$91,884)
03A_VETS	STATEWIDE	Office of State Procurement	(\$5,792)	(\$5,792)	(\$5,792)	(\$5,792)
03A_VETS	STATEWIDE	Office of Technology Services (OTS)	\$40,433	\$41,476	\$42,372	\$43,465

**STATE**  
**State of Louisiana**  
**Five Year Baseline Projection - Department**  
**Appropriated**

DEPT	ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
03A_VETS	STATEWIDE	Related Benefits Base Adjustment	(\$61,907)	(\$61,907)	(\$61,907)	(\$61,907)
03A_VETS	STATEWIDE	Rent in State-Owned Buildings	(\$7,195)	(\$7,381)	(\$7,540)	(\$7,683)
03A_VETS	STATEWIDE	Retirement Rate Adjustment	\$147	\$147	\$147	\$147
03A_VETS	STATEWIDE	Risk Management	\$3,783	\$0	\$0	\$0
03A_VETS	STATEWIDE	Salary Base Adjustment	\$83,901	\$83,901	\$83,901	\$83,901
03A_VETS	STATEWIDE	State Treasury Fees	\$727	\$746	\$762	\$776
03A_VETS	STATEWIDE	Structural Annualization Classified	\$13,253	\$13,253	\$13,253	\$13,253
03A_VETS	STATEWIDE	UPS Fees	(\$33)	(\$34)	(\$35)	(\$35)
03A_VETS	OTHDADJ	Funding for the Jennings cemetery which is currently under construction. The cemetery is projected to open in November 2019.	\$0	\$152,482	\$313,227	\$356,188
<b>03A_VETS</b>		<b>Total Adjustments:</b>	<b>\$116,126</b>	<b>\$459,579</b>	<b>\$820,218</b>	<b>\$1,069,023</b>
		<b>TOTAL</b>	<b>\$5,592,418</b>	<b>\$5,935,871</b>	<b>\$6,296,510</b>	<b>\$6,545,315</b>
<b>04A_DOS</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$53,158,836</b>	<b>\$53,158,836</b>	<b>\$53,158,836</b>	<b>\$53,158,836</b>
04A_DOS	STATEWIDE	2% General Increase Annualization Classified	\$95,475	\$95,475	\$95,475	\$95,475
04A_DOS	STATEWIDE	2% General Increase Annualization Unclassified	\$5,010	\$5,010	\$5,010	\$5,010
04A_DOS	STATEWIDE	Attrition Adjustment	(\$240,594)	(\$240,594)	(\$240,594)	(\$240,594)
04A_DOS	STATEWIDE	Capitol Park Security	\$87	\$89	\$91	\$93
04A_DOS	STATEWIDE	Civil Service Training Series	\$42,092	\$42,092	\$42,092	\$42,092
04A_DOS	STATEWIDE	Market Rate Classified	\$256,883	\$521,472	\$794,000	\$1,074,703
04A_DOS	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$664,468)	(\$664,468)	(\$664,468)	(\$664,468)
04A_DOS	STATEWIDE	Non-Recurring Acquisitions & Major Repairs	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)
04A_DOS	STATEWIDE	Non-recurring Carryforwards	(\$294,748)	(\$294,748)	(\$294,748)	(\$294,748)
04A_DOS	STATEWIDE	Personnel Reductions	(\$244,568)	(\$244,568)	(\$244,568)	(\$244,568)
04A_DOS	STATEWIDE	Related Benefits Base Adjustment	\$25,620	\$25,620	\$25,620	\$25,620
04A_DOS	STATEWIDE	Retirement Rate Adjustment	\$134	\$134	\$134	\$134
04A_DOS	STATEWIDE	Risk Management	(\$211,526)	\$0	\$0	\$0
04A_DOS	STATEWIDE	Salary Base Adjustment	\$278,671	\$278,671	\$278,671	\$278,671
04A_DOS	STATEWIDE	Structural Annualization Classified	\$8,990	\$8,990	\$8,990	\$8,990
04A_DOS	OTHDADJ	To continue the purchase of new voting system equipment and commercial off-the-shelf equipment (software, firmware, devices, etc.) that is necessary for operation and storage.	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000



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DEPT	ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
04A_DOS	WORKLOAD	Increases six (6) Registrar of Voter positions due to additional parish growth in St. Landry Parish, East Baton Rouge Parish, Lafayette Parish, and St. Martin Parish and a new Voter Registration Office in Sulphur. R.S. 18:59.2 regulates the number of positions a Registrars' office may have according to the population of the parish.	\$166,250	\$166,250	\$166,250	\$166,250
04A_DOS	WORKLOAD	The total estimated cost of election expenses including ballot printing in FY 2019-2020 is \$20.8 million. There is a Gubernatorial Primary/General, Presidential Preference/Municipal Primary, and Municipal General.	\$1,623,436	\$3,702,600	\$2,649,600	(\$1,254,400)
<b>04A_DOS</b>		<b>Total Adjustments:</b>	<b>\$2,346,744</b>	<b>\$4,902,026</b>	<b>\$4,121,555</b>	<b>\$498,260</b>
		<b>TOTAL</b>	<b>\$55,505,580</b>	<b>\$58,060,862</b>	<b>\$57,280,391</b>	<b>\$53,657,096</b>
<b>04B_AG</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$19,387,540</b>	<b>\$19,387,540</b>	<b>\$19,387,540</b>	<b>\$19,387,540</b>
04B_AG	STATEWIDE	2% General Increase Annualization Unclassified	\$254,408	\$254,408	\$254,408	\$254,408
04B_AG	STATEWIDE	Attrition Adjustment	(\$786,637)	(\$786,637)	(\$786,637)	(\$786,637)
04B_AG	STATEWIDE	Capitol Park Security	\$4,503	\$4,619	\$4,719	\$4,808
04B_AG	STATEWIDE	Capitol Police	(\$660)	(\$677)	(\$692)	(\$705)
04B_AG	STATEWIDE	Inflation	\$0	\$137,600	\$274,711	\$414,042
04B_AG	STATEWIDE	Legislative Auditor Fees	\$19,533	\$20,314	\$21,127	\$21,972
04B_AG	STATEWIDE	Maintenance in State-Owned Buildings	(\$2,034)	(\$2,086)	(\$2,132)	(\$2,172)
04B_AG	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$296,630)	(\$296,630)	(\$296,630)	(\$296,630)
04B_AG	STATEWIDE	Non-Recurring Acquisitions & Major Repairs	(\$245,363)	(\$245,363)	(\$245,363)	(\$245,363)
04B_AG	STATEWIDE	Non-recurring Carryforwards	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
04B_AG	STATEWIDE	Office of State Procurement	(\$27,161)	(\$27,161)	(\$27,161)	(\$27,161)
04B_AG	STATEWIDE	Office of Technology Services (OTS)	(\$35,705)	(\$36,626)	(\$37,417)	(\$38,383)
04B_AG	STATEWIDE	Personnel Reductions	(\$117,564)	(\$117,564)	(\$117,564)	(\$117,564)
04B_AG	STATEWIDE	Related Benefits Base Adjustment	\$642,754	\$642,754	\$642,754	\$642,754
04B_AG	STATEWIDE	Rent in State-Owned Buildings	(\$12,128)	(\$12,441)	(\$12,710)	(\$12,950)
04B_AG	STATEWIDE	Retirement Rate Adjustment	\$4,333	\$4,333	\$4,333	\$4,333
04B_AG	STATEWIDE	Risk Management	\$49,545	\$0	\$0	\$0
04B_AG	STATEWIDE	Salary Base Adjustment	\$730,719	\$730,719	\$730,719	\$730,719
04B_AG	STATEWIDE	UPS Fees	(\$2,181)	(\$2,237)	(\$2,286)	(\$2,329)
04B_AG	OTHDADJ	5% reduction to expenditures out of State General Fund.	(\$869,649)	(\$869,649)	(\$869,649)	(\$869,649)

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04B_AG	NROTHER	Non-recurring the additional State General Fund appropriation of \$2.6 million that was provided by legislative amendment in 2017.	(\$2,632,514)	(\$2,632,514)	(\$2,632,514)	(\$2,632,514)
04B_AG	MOFSUB	Means of financing substitution to maximize the available revenues for FY 19.	(\$146,254)	(\$146,254)	(\$146,254)	(\$146,254)
<b>04B_AG</b>		<b>Total Adjustments:</b>	<b>(\$3,473,685)</b>	<b>(\$3,386,093)</b>	<b>(\$3,249,237)</b>	<b>(\$3,110,274)</b>
		<b>TOTAL</b>	<b>\$15,913,855</b>	<b>\$16,001,447</b>	<b>\$16,138,303</b>	<b>\$16,277,266</b>
<b>04C_LGOV</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$1,047,280</b>	<b>\$1,047,280</b>	<b>\$1,047,280</b>	<b>\$1,047,280</b>
04C_LGOV	STATEWIDE	2% General Increase Annualization Unclassified	\$10,161	\$10,161	\$10,161	\$10,161
04C_LGOV	STATEWIDE	Capitol Park Security	\$3,794	\$3,892	\$3,976	\$4,051
04C_LGOV	STATEWIDE	Civil Service Fees	(\$239)	(\$245)	(\$250)	(\$255)
04C_LGOV	STATEWIDE	Maintenance in State-Owned Buildings	(\$16,958)	(\$17,396)	(\$17,771)	(\$18,107)
04C_LGOV	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$15,345)	(\$15,345)	(\$15,345)	(\$15,345)
04C_LGOV	STATEWIDE	Non-recurring Carryforwards	(\$23,000)	(\$23,000)	(\$23,000)	(\$23,000)
04C_LGOV	STATEWIDE	Office of Technology Services (OTS)	\$196	\$201	\$205	\$211
04C_LGOV	STATEWIDE	Related Benefits Base Adjustment	\$45,654	\$45,654	\$45,654	\$45,654
04C_LGOV	STATEWIDE	Retirement Rate Adjustment	(\$76)	(\$76)	(\$76)	(\$76)
04C_LGOV	STATEWIDE	Risk Management	(\$1,332)	\$0	\$0	\$0
04C_LGOV	STATEWIDE	Salary Base Adjustment	(\$11,433)	(\$11,433)	(\$11,433)	(\$11,433)
04C_LGOV	STATEWIDE	UPS Fees	\$14	\$14	\$15	\$15
04C_LGOV	OTHDADJ	This provides funding for the agency to pay an increase in annual fees for computer hardware and software maintenance, and software licenses.	\$3,126	\$3,126	\$3,126	\$3,126
<b>04C_LGOV</b>		<b>Total Adjustments:</b>	<b>(\$5,438)</b>	<b>(\$4,446)</b>	<b>(\$4,739)</b>	<b>(\$4,999)</b>
		<b>TOTAL</b>	<b>\$1,041,842</b>	<b>\$1,042,834</b>	<b>\$1,042,541</b>	<b>\$1,042,281</b>
<b>04E_PSER</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$66,396</b>	<b>\$66,396</b>	<b>\$66,396</b>	<b>\$66,396</b>
04E_PSER	STATEWIDE	Attrition Adjustment	(\$63,076)	(\$63,076)	(\$63,076)	(\$63,076)
04E_PSER	STATEWIDE	Salary Base Adjustment	(\$3,320)	(\$3,320)	(\$3,320)	(\$3,320)
<b>04E_PSER</b>		<b>Total Adjustments:</b>	<b>(\$66,396)</b>	<b>(\$66,396)</b>	<b>(\$66,396)</b>	<b>(\$66,396)</b>
		<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>04F_AGRI</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$25,275,042</b>	<b>\$25,275,042</b>	<b>\$25,275,042</b>	<b>\$25,275,042</b>
04F_AGRI	STATEWIDE	2% General Increase Annualization Classified	\$216,898	\$216,898	\$216,898	\$216,898

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04F_AGRI	STATEWIDE	2% General Increase Annualization Unclassified	\$18,319	\$18,319	\$18,319	\$18,319
04F_AGRI	STATEWIDE	Attrition Adjustment	(\$828,956)	(\$828,956)	(\$828,956)	(\$828,956)
04F_AGRI	STATEWIDE	Civil Service Fees	\$1,398	\$1,434	\$1,465	\$1,493
04F_AGRI	STATEWIDE	Civil Service Training Series	\$36,676	\$36,676	\$36,676	\$36,676
04F_AGRI	STATEWIDE	Inflation	\$0	\$299,011	\$596,961	\$899,735
04F_AGRI	STATEWIDE	Legislative Auditor Fees	(\$606)	(\$630)	(\$655)	(\$682)
04F_AGRI	STATEWIDE	Market Rate Classified	\$609,833	\$1,237,961	\$1,884,933	\$2,551,314
04F_AGRI	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$865,542)	(\$865,542)	(\$865,542)	(\$865,542)
04F_AGRI	STATEWIDE	Office of State Procurement	(\$4,335)	(\$4,335)	(\$4,335)	(\$4,335)
04F_AGRI	STATEWIDE	Office of Technology Services (OTS)	\$29,053	\$29,803	\$30,446	\$31,232
04F_AGRI	STATEWIDE	Personnel Reductions	(\$191,271)	(\$191,271)	(\$191,271)	(\$191,271)
04F_AGRI	STATEWIDE	Related Benefits Base Adjustment	\$129,529	\$129,529	\$129,529	\$129,529
04F_AGRI	STATEWIDE	Retirement Rate Adjustment	\$877	\$877	\$877	\$877
04F_AGRI	STATEWIDE	Risk Management	(\$74,088)	\$0	\$0	\$0
04F_AGRI	STATEWIDE	Salary Base Adjustment	\$370,880	\$370,880	\$370,880	\$370,880
04F_AGRI	STATEWIDE	State Treasury Fees	\$3,471	\$3,561	\$3,637	\$3,706
04F_AGRI	STATEWIDE	Structural Annualization Classified	\$230,606	\$230,606	\$230,606	\$230,606
04F_AGRI	STATEWIDE	Topographic Mapping	\$139,112	\$139,112	\$139,112	\$139,112
04F_AGRI	STATEWIDE	UPS Fees	(\$1,545)	(\$1,585)	(\$1,619)	(\$1,650)
04F_AGRI	MOFSUB	Means of financing substitution reducing State General Fund and increasing the Louisiana Agricultural Finance Authority Fund.	(\$6,630,632)	(\$6,630,632)	(\$6,630,632)	(\$6,630,632)
04F_AGRI	MOFSUB	Means of financing substitution to maximize the available revenues for FY 19.	(\$164,568)	(\$164,568)	(\$164,568)	(\$164,568)
04F_AGRI		<b>Total Adjustments:</b>	<b>(\$6,974,891)</b>	<b>(\$5,972,852)</b>	<b>(\$5,027,239)</b>	<b>(\$4,057,259)</b>
		<b>TOTAL</b>	<b>\$18,300,151</b>	<b>\$19,302,190</b>	<b>\$20,247,803</b>	<b>\$21,217,783</b>
05A_ECON		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$14,373,495</b>	<b>\$14,373,495</b>	<b>\$14,373,495</b>	<b>\$14,373,495</b>
05A_ECON	STATEWIDE	2% General Increase Annualization Classified	\$25,298	\$25,298	\$25,298	\$25,298
05A_ECON	STATEWIDE	2% General Increase Annualization Unclassified	\$41,568	\$41,568	\$41,568	\$41,568
05A_ECON	STATEWIDE	Attrition Adjustment	(\$192,988)	(\$192,988)	(\$192,988)	(\$192,988)
05A_ECON	STATEWIDE	Capitol Park Security	(\$19,768)	(\$20,278)	(\$20,716)	(\$21,108)
05A_ECON	STATEWIDE	Civil Service Fees	(\$1,099)	(\$1,127)	(\$1,152)	(\$1,173)
05A_ECON	STATEWIDE	Civil Service Training Series	\$2,765	\$2,765	\$2,765	\$2,765
05A_ECON	STATEWIDE	Inflation	\$0	\$57,630	\$115,056	\$173,412
05A_ECON	STATEWIDE	Legislative Auditor Fees	\$26,922	\$27,999	\$29,119	\$30,284
05A_ECON	STATEWIDE	Maintenance in State-Owned Buildings	(\$120,050)	(\$123,147)	(\$125,807)	(\$128,185)

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05A_ECON	STATEWIDE	Market Rate Classified	\$89,200	\$181,076	\$275,708	\$373,180
05A_ECON	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$856,494)	(\$856,494)	(\$856,494)	(\$856,494)
05A_ECON	STATEWIDE	Non-recurring Carryforwards	(\$576,171)	(\$576,171)	(\$576,171)	(\$576,171)
05A_ECON	STATEWIDE	Office of State Procurement	(\$14,205)	(\$14,205)	(\$14,205)	(\$14,205)
05A_ECON	STATEWIDE	Office of Technology Services (OTS)	\$22,848	\$23,437	\$23,944	\$24,561
05A_ECON	STATEWIDE	Related Benefits Base Adjustment	\$31,396	\$31,396	\$31,396	\$31,396
05A_ECON	STATEWIDE	Rent in State-Owned Buildings	\$217,508	\$223,120	\$227,939	\$232,247
05A_ECON	STATEWIDE	Retirement Rate Adjustment	\$103	\$103	\$103	\$103
05A_ECON	STATEWIDE	Risk Management	(\$45,714)	\$0	\$0	\$0
05A_ECON	STATEWIDE	Salary Base Adjustment	\$110,331	\$110,331	\$110,331	\$110,331
05A_ECON	STATEWIDE	State Treasury Fees	\$1,883	\$1,932	\$1,973	\$2,011
05A_ECON	STATEWIDE	Structural Annualization Classified	\$6,103	\$6,103	\$6,103	\$6,103
05A_ECON	STATEWIDE	Topographic Mapping	\$39,746	\$39,746	\$39,746	\$39,746
05A_ECON	STATEWIDE	UPS Fees	(\$332)	(\$341)	(\$348)	(\$354)
05A_ECON	MOFSUB	Means of finance substitution increasing State General Fund and decreasing Statutory Dedications out of the Louisiana Economic Development (LED) Fund due to the funding limitations for FastStart Expenditures per Act 612 of the 2018 Regular Session. This change will require additional State General Fund as expenditures previously funded by the LED Fund will no longer be eligible to be funded using this Statutory Dedication.	\$0	\$0	\$2,154,068	\$2,154,068
05A_ECON	MOFSUB	Means of financing substitution decreasing State General Fund and increasing Fees and Self-generated Revenues in order to maximize means of financing in the program.	(\$13,011)	(\$13,011)	(\$13,011)	(\$13,011)
05A_ECON	MOFSUB	Means of financing substitution increasing State General Fund and decreasing Statutory Dedications out of the Louisiana Economic Development Fund to reflect the Revenue Estimating Conference (REC) projections.	\$3,172,695	\$3,172,695	\$3,172,695	\$3,172,695
05A_ECON	MOFSUB	Means of financing substitution increasing State General Fund, decreasing Fees and Self-generated Revenues, and increasing Statutory Dedication out of the LA Economic Development Fund in order to reflect the Revenue Estimating Conference (REC) forecast, as well as continuing to provide for advertising, promotion, communication, and marketing activities that maintain current levels of exposure.	\$3,099,234	\$3,099,234	\$3,099,234	\$3,099,234
05A_ECON		<b>Total Adjustments:</b>	<b>\$5,047,768</b>	<b>\$5,246,671</b>	<b>\$7,556,155</b>	<b>\$7,715,312</b>
		<b>TOTAL</b>	<b>\$19,421,263</b>	<b>\$19,620,166</b>	<b>\$21,929,650</b>	<b>\$22,088,807</b>

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06A_CRAT		Existing Operating Budget as of 12/01/2017	\$31,480,277	\$31,480,277	\$31,480,277	\$31,480,277
06A_CRAT	STATEWIDE	2% General Increase Annualization Classified	\$83,797	\$83,797	\$83,797	\$83,797
06A_CRAT	STATEWIDE	2% General Increase Annualization Unclassified	\$9,092	\$9,092	\$9,092	\$9,092
06A_CRAT	STATEWIDE	Attrition Adjustment	(\$259,067)	(\$259,067)	(\$259,067)	(\$259,067)
06A_CRAT	STATEWIDE	Capitol Park Security	(\$620)	(\$636)	(\$650)	(\$662)
06A_CRAT	STATEWIDE	Civil Service Fees	(\$7,599)	(\$7,795)	(\$7,963)	(\$8,114)
06A_CRAT	STATEWIDE	Civil Service Training Series	\$12,952	\$12,952	\$12,952	\$12,952
06A_CRAT	STATEWIDE	Legislative Auditor Fees	\$9,145	\$9,511	\$9,891	\$10,287
06A_CRAT	STATEWIDE	Maintenance in State-Owned Buildings	\$74,410	\$76,330	\$77,979	\$79,452
06A_CRAT	STATEWIDE	Market Rate Classified	\$235,310	\$477,679	\$727,320	\$984,449
06A_CRAT	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$555,034)	(\$555,034)	(\$555,034)	(\$555,034)
06A_CRAT	STATEWIDE	Non-recurring Carryforwards	(\$246,373)	(\$246,373)	(\$246,373)	(\$246,373)
06A_CRAT	STATEWIDE	Office of State Procurement	(\$136)	(\$136)	(\$136)	(\$136)
06A_CRAT	STATEWIDE	Office of Technology Services (OTS)	\$2,259	\$2,317	\$2,367	\$2,428
06A_CRAT	STATEWIDE	Related Benefits Base Adjustment	\$370,502	\$370,502	\$370,502	\$370,502
06A_CRAT	STATEWIDE	Rent in State-Owned Buildings	(\$13,883)	(\$14,241)	(\$14,549)	(\$14,824)
06A_CRAT	STATEWIDE	Retirement Rate Adjustment	\$422	\$422	\$422	\$422
06A_CRAT	STATEWIDE	Risk Management	(\$174,332)	\$0	\$0	\$0
06A_CRAT	STATEWIDE	Salary Base Adjustment	\$364,046	\$364,046	\$364,046	\$364,046
06A_CRAT	STATEWIDE	Structural Annualization Classified	\$29,815	\$29,815	\$29,815	\$29,815
06A_CRAT	STATEWIDE	UPS Fees	(\$1,461)	(\$1,499)	(\$1,531)	(\$1,560)
06A_CRAT	OTHDADJ	Additional funding for the Office of Tourism in the Administrative Program.	\$900,000	\$900,000	\$900,000	\$900,000
06A_CRAT	OTHDADJ	Restoration of Executive Budget Cuts	\$1,650,000	\$1,650,000	\$1,650,000	\$1,650,000
06A_CRAT	OTHDADJ	This adjustment reflects a 5% reduction in State General Fund expenditures throughout the department.	(\$1,338,233)	(\$1,338,233)	(\$1,338,233)	(\$1,338,233)
06A_CRAT	OTHDADJ	This provides funding for the agency to pay an increase in annual fees for computer hardware and software maintenance, and software licenses.	\$30,185	\$30,185	\$30,185	\$30,185
06A_CRAT	OTHDADJ	This provides funding for the agency to pay an increase in annual fees for computer hardware maintenance, software maintenance, and software licenses.	\$93,946	\$93,946	\$93,946	\$93,946
06A_CRAT	OTHDADJ	This request represents the funded needed for Homework Louisiana, an after-school on-line tutoring service for all Louisiana students and adults.	\$100,000	\$100,000	\$100,000	\$100,000
06A_CRAT		<b>Total Adjustments:</b>	<b>\$1,369,143</b>	<b>\$1,787,580</b>	<b>\$2,038,778</b>	<b>\$2,297,371</b>
		<b>TOTAL</b>	<b>\$32,849,420</b>	<b>\$33,267,857</b>	<b>\$33,519,055</b>	<b>\$33,777,648</b>

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08A_CORR		Existing Operating Budget as of 12/01/2017	\$490,875,885	\$490,875,885	\$490,875,885	\$490,875,885
08A_CORR	STATEWIDE	2% General Increase Annualization Classified	\$2,963,172	\$2,963,172	\$2,963,172	\$2,963,172
08A_CORR	STATEWIDE	2% General Increase Annualization Unclassified	\$29,505	\$29,505	\$29,505	\$29,505
08A_CORR	STATEWIDE	Attrition Adjustment	(\$5,897,737)	(\$5,897,737)	(\$5,897,737)	(\$5,897,737)
08A_CORR	STATEWIDE	Capitol Police	\$19,598	\$20,104	\$20,538	\$20,926
08A_CORR	STATEWIDE	Civil Service Fees	(\$42,972)	(\$44,081)	(\$45,033)	(\$45,884)
08A_CORR	STATEWIDE	Civil Service Training Series	\$944,339	\$944,339	\$944,339	\$944,339
08A_CORR	STATEWIDE	Inflation	\$0	\$2,890,572	\$5,770,879	\$8,697,820
08A_CORR	STATEWIDE	Legislative Auditor Fees	\$21,047	\$21,889	\$22,764	\$23,675
08A_CORR	STATEWIDE	Market Rate Classified	\$7,152,657	\$14,519,894	\$22,108,148	\$29,924,049
08A_CORR	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$1,610,213)	(\$1,610,213)	(\$1,610,213)	(\$1,610,213)
08A_CORR	STATEWIDE	Non-recurring Carryforwards	(\$754,667)	(\$754,667)	(\$754,667)	(\$754,667)
08A_CORR	STATEWIDE	Office of State Procurement	\$22,138	\$22,138	\$22,138	\$22,138
08A_CORR	STATEWIDE	Office of Technology Services (OTS)	\$380,436	\$390,251	\$398,681	\$408,967
08A_CORR	STATEWIDE	Personnel Reductions	(\$1,849,061)	(\$1,849,061)	(\$1,849,061)	(\$1,849,061)
08A_CORR	STATEWIDE	Related Benefits Base Adjustment	(\$506,261)	(\$506,261)	(\$506,261)	(\$506,261)
08A_CORR	STATEWIDE	Rent in State-Owned Buildings	\$8,031	\$8,238	\$8,416	\$8,575
08A_CORR	STATEWIDE	Retirement Rate Adjustment	\$245,444	\$245,444	\$245,444	\$245,444
08A_CORR	STATEWIDE	Risk Management	(\$1,295,703)	\$0	\$0	\$0
08A_CORR	STATEWIDE	Salary Base Adjustment	\$440,868	\$440,868	\$440,868	\$440,868
08A_CORR	STATEWIDE	Structural Annualization Classified	\$1,806,242	\$1,806,242	\$1,806,242	\$1,806,242
08A_CORR	STATEWIDE	UPS Fees	(\$23,125)	(\$23,722)	(\$24,234)	(\$24,692)
08A_CORR	OTHTECH	Realignment of funding and expenditures from the Purchase of Correctional Services to the Incarceration Program as a result of Allen Correctional Center becoming a state-operated facility.	\$12,738,686	\$12,738,686	\$12,738,686	\$12,738,686
08A_CORR	OTHTECH	Realigns the department's supplies budget by spreading it across all agencies.	\$0	\$0	\$0	\$0
08A_CORR	OTHTECH	Transfer of funding and expenditures from the Purchase of Correctional Services to the Incarceration Program as a result of Allen Correctional Center becoming a state-operated facility.	(\$12,738,686)	(\$12,738,686)	(\$12,738,686)	(\$12,738,686)
08A_CORR	OTHDADJ	Provides funding for a Correctional Security Officer (CSO) pay raise.	\$5,400,000	\$9,400,000	\$9,400,000	\$9,400,000
08A_CORR	OTHDADJ	Provides funding for a web-based computer system needed for the on-going maintenance, assessment and care management of offenders.	\$100,000	\$100,000	\$100,000	\$100,000
08A_CORR	OTHDADJ	Provides funding for replacement acquisitions and major repairs.	\$1,022,000	\$0	\$0	\$0
08A_CORR	OTHDADJ	Provides funding for the per diem rate paid to operators of Winn Correctional Center.	\$2,500	\$2,500	\$2,500	\$2,500

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08A_CORR	OTHANN	Adjustment provided to operate Allen Correctional Center as a state facility.	(\$247,710)	(\$247,710)	(\$247,710)	(\$247,710)
08A_CORR	OTHANN	Provides for a pay increase for Probation & Parole Agents.	\$885,093	\$885,093	\$885,093	\$885,093
08A_CORR		<b>Total Adjustments:</b>	<b>\$9,215,621</b>	<b>\$23,756,797</b>	<b>\$34,233,811</b>	<b>\$44,987,088</b>
		<b>TOTAL</b>	<b>\$500,091,506</b>	<b>\$514,632,682</b>	<b>\$525,109,696</b>	<b>\$535,862,973</b>
08B_PSAF		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$19,410,048</b>	<b>\$19,410,048</b>	<b>\$19,410,048</b>	<b>\$19,410,048</b>
08B_PSAF	STATEWIDE	Inflation	\$0	\$2,415,295	\$4,822,014	\$7,267,698
08B_PSAF	NROTHER	Non-recurs funding provided for a state police training academy pursuant to R.S. 47:1676E(1).	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)
08B_PSAF	MOFSUB	Means of Financing substitution reducing State General Fund (Direct) and increasing Fees & Self-generated Revenues derived from Certificate of Title fees.	(\$14,293,390)	(\$14,293,390)	(\$14,293,390)	(\$14,293,390)
08B_PSAF	MOFSUB	Means of Financing substitution reducing State General Fund (Direct) and increasing Statutory Dedications.	(\$116,658)	(\$116,658)	(\$116,658)	(\$116,658)
08B_PSAF		<b>Total Adjustments:</b>	<b>(\$19,410,048)</b>	<b>(\$16,994,753)</b>	<b>(\$14,588,034)</b>	<b>(\$12,142,350)</b>
		<b>TOTAL</b>	<b>\$0</b>	<b>\$2,415,295</b>	<b>\$4,822,014</b>	<b>\$7,267,698</b>
08C_YSER		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$109,587,852</b>	<b>\$109,587,852</b>	<b>\$109,587,852</b>	<b>\$109,587,852</b>
08C_YSER	STATEWIDE	2% General Increase Annualization Classified	\$463,994	\$463,994	\$463,994	\$463,994
08C_YSER	STATEWIDE	2% General Increase Annualization Unclassified	\$53,633	\$53,633	\$53,633	\$53,633
08C_YSER	STATEWIDE	Attrition Adjustment	(\$1,236,282)	(\$1,236,282)	(\$1,236,282)	(\$1,236,282)
08C_YSER	STATEWIDE	Capitol Police	\$44,920	\$44,920	\$44,920	\$44,920
08C_YSER	STATEWIDE	Civil Service Fees	(\$10,842)	(\$10,842)	(\$10,842)	(\$10,842)
08C_YSER	STATEWIDE	Civil Service Training Series	\$459,522	\$459,522	\$459,522	\$459,522
08C_YSER	STATEWIDE	Legislative Auditor Fees	\$5,168	\$5,168	\$5,168	\$5,168
08C_YSER	STATEWIDE	Maintenance in State-Owned Buildings	(\$1,338)	(\$1,338)	(\$1,338)	(\$1,338)
08C_YSER	STATEWIDE	Market Rate Classified	\$1,291,184	\$1,291,184	\$1,291,184	\$1,291,184
08C_YSER	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$1,814,963)	(\$1,814,963)	(\$1,814,963)	(\$1,814,963)
08C_YSER	STATEWIDE	Non-Recurring Acquisitions & Major Repairs	(\$2,294,000)	(\$2,294,000)	(\$2,294,000)	(\$2,294,000)
08C_YSER	STATEWIDE	Non-recurring Carryforwards	(\$482,513)	(\$482,513)	(\$482,513)	(\$482,513)
08C_YSER	STATEWIDE	Office of State Procurement	(\$11,743)	(\$11,743)	(\$11,743)	(\$11,743)
08C_YSER	STATEWIDE	Office of Technology Services (OTS)	\$203,444	\$203,444	\$203,444	\$203,444
08C_YSER	STATEWIDE	Related Benefits Base Adjustment	\$1,869,594	\$1,869,594	\$1,869,594	\$1,869,594
08C_YSER	STATEWIDE	Rent in State-Owned Buildings	\$129,128	\$129,128	\$129,128	\$129,128

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08C_YSER	STATEWIDE	Retirement Rate Adjustment	\$46,785	\$46,785	\$46,785	\$46,785
08C_YSER	STATEWIDE	Risk Management	(\$117,435)	(\$117,435)	(\$117,435)	(\$117,435)
08C_YSER	STATEWIDE	Salary Base Adjustment	\$1,345,011	\$1,345,011	\$1,345,011	\$1,345,011
08C_YSER	STATEWIDE	Structural Annualization Classified	\$78,290	\$78,290	\$78,290	\$78,290
08C_YSER	STATEWIDE	UPS Fees	(\$2,784)	(\$2,784)	(\$2,784)	(\$2,784)
08C_YSER	OTHDADJ	Provides for an increase of \$4M in State General Fund (Direct) for the Acadiana Center for youth in FY 19. The agency is targeting the 4th quarter of FY 19 for a partial opening and will be fully operational in FY 20.	(\$906,000)	\$12,000,000	\$12,000,000	\$12,000,000
08C_YSER	OTHDADJ	Provides State General Fund (Direct) for operating expenses associated with Raise the Age. The initial implementation of Raise the Age will occur on March 1, 2019 with the induction of non-violent offenders. Full implementation will occur in FY 21 which will include the induction of non-violent and violent offenders.	\$500,000	\$2,850,000	\$5,945,994	\$5,945,994
08C_YSER	OTHDADJ	Reduction based on the 10% reduction contained in the FY 18-19 Governor's Executive Budget recommendation. The legislature restored \$10,750,000 related to cuts associated with Community Based Supervision (Non Custody) Services.	(\$4,004)	(\$4,004)	(\$4,004)	(\$4,004)
08C_YSER		<b>Total Adjustments:</b>	<b>(\$391,231)</b>	<b>\$14,864,769</b>	<b>\$17,960,763</b>	<b>\$17,960,763</b>
		<b>TOTAL</b>	<b>\$109,196,621</b>	<b>\$124,452,621</b>	<b>\$127,548,615</b>	<b>\$127,548,615</b>
09A_LDH		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$2,415,119,251</b>	<b>\$2,415,119,251</b>	<b>\$2,415,119,251</b>	<b>\$2,415,119,251</b>
09A_LDH	STATEWIDE	2% General Increase Annualization Classified	\$2,684,006	\$2,684,006	\$2,684,006	\$2,684,006
09A_LDH	STATEWIDE	2% General Increase Annualization Unclassified	\$70,574	\$70,574	\$70,574	\$70,574
09A_LDH	STATEWIDE	Administrative Law Judges	(\$1,942,634)	(\$1,992,754)	(\$2,037,989)	(\$2,076,507)
09A_LDH	STATEWIDE	Attrition Adjustment	(\$14,761,043)	(\$14,761,043)	(\$14,761,043)	(\$14,761,043)
09A_LDH	STATEWIDE	Capitol Park Security	\$8,174	\$8,385	\$8,566	\$8,728
09A_LDH	STATEWIDE	Capitol Police	\$16,785	\$17,218	\$17,590	\$17,922
09A_LDH	STATEWIDE	Civil Service Fees	(\$50,958)	(\$52,273)	(\$53,402)	(\$54,411)
09A_LDH	STATEWIDE	Civil Service Training Series	\$354,724	\$354,724	\$354,724	\$354,724
09A_LDH	STATEWIDE	Inflation	\$0	\$2,627,503	\$5,245,675	\$7,906,236
09A_LDH	STATEWIDE	Legislative Auditor Fees	\$430,804	\$448,036	\$465,958	\$484,596
09A_LDH	STATEWIDE	Maintenance in State-Owned Buildings	(\$2,825)	(\$2,898)	(\$2,960)	(\$3,016)
09A_LDH	STATEWIDE	Market Rate Classified	\$8,953,608	\$18,175,824	\$27,674,707	\$37,458,556
09A_LDH	STATEWIDE	Market Rate Unclassified	\$136,558	\$277,213	\$422,087	\$571,308
09A_LDH	STATEWIDE	Medical Inflation	\$0	\$70,970,676	\$136,947,183	\$205,300,001
09A_LDH	STATEWIDE	Non-Recurring Acquisitions & Major Repairs	(\$318,554)	(\$318,554)	(\$318,554)	(\$318,554)
09A_LDH	STATEWIDE	Non-recurring Carryforwards	(\$4,169,060)	(\$4,169,060)	(\$4,169,060)	(\$4,169,060)



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09A_LDH	STATEWIDE	Office of State Procurement	(\$165,678)	(\$165,678)	(\$165,678)	(\$165,678)
09A_LDH	STATEWIDE	Office of Technology Services (OTS)	\$588,822	\$604,014	\$617,061	\$632,981
09A_LDH	STATEWIDE	Personnel Reductions	(\$3,530,413)	(\$3,530,413)	(\$3,530,413)	(\$3,530,413)
09A_LDH	STATEWIDE	Related Benefits Base Adjustment	\$5,846,851	\$5,846,851	\$5,846,851	\$5,846,851
09A_LDH	STATEWIDE	Rent in State-Owned Buildings	(\$395,396)	(\$405,597)	(\$414,358)	(\$422,189)
09A_LDH	STATEWIDE	Retirement Rate Adjustment	\$7,523	\$7,523	\$7,523	\$7,523
09A_LDH	STATEWIDE	Risk Management	(\$501,218)	\$0	\$0	\$0
09A_LDH	STATEWIDE	Salary Base Adjustment	\$12,845,176	\$12,845,176	\$12,845,176	\$12,845,176
09A_LDH	STATEWIDE	State Treasury Fees	(\$3,592)	(\$3,685)	(\$3,764)	(\$3,835)
09A_LDH	STATEWIDE	Structural Annualization Classified	\$1,537,065	\$1,537,065	\$1,537,065	\$1,537,065
09A_LDH	STATEWIDE	Topographic Mapping	\$139,112	\$139,112	\$139,112	\$139,112
09A_LDH	STATEWIDE	UPS Fees	(\$12,227)	(\$12,542)	(\$12,813)	(\$13,056)
09A_LDH	OTHTECH	Increase funding for the High Medicaid DSH pool for providers, consistent with the outcome of the hospital payment study in progress.	\$175,799,652	\$175,799,652	\$175,799,652	\$175,799,652
09A_LDH	OTHTECH	Increase funding for the High Medicaid UPL/Graduate Medical Education pool for providers consistent with the outcome of the hospital payment study in progress.	\$34,616,893	\$34,616,893	\$34,616,893	\$34,616,893
09A_LDH	OTHTECH	Removes all funding for Disproportionate Share payments associated with the LSU Public Private Partnerships (PPP's) for FY 2019.	(\$175,799,652)	(\$175,799,652)	(\$175,799,652)	(\$175,799,652)
09A_LDH	OTHTECH	Removes all funding for Upper Payment Limit/Full Medicaid Pricing payments associated with the LSU Public Private Partnerships (PPP's) for FY 2019.	(\$34,616,893)	(\$34,616,893)	(\$34,616,893)	(\$34,616,893)
09A_LDH	OTHTECH	Technical adjustment to transfer funds from OBH to Acadiana Area Human Services District, Northwest Louisiana Human Services District, Northeast Delta Human Services Authority, and Central Louisiana Human Services District for pharmaceutical supplies as a result of the closure of Shamrock Pharmacy on November 1, 2017.	(\$284,460)	(\$284,460)	(\$284,460)	(\$284,460)
09A_LDH	OTHTECH	Technical adjustment to transfer funds from OBH to Acadiana Area Human Services District, Northwest Louisiana Human Services District, Northeast Delta Human Services Authority, and Central Louisiana Human Services District for pharmaceutical supplies as a result of the closure of Shamrock Pharmacy on November 1, 2017.	\$62,973	\$62,973	\$62,973	\$62,973
09A_LDH	OTHTECH	Technical adjustment to transfer funds from Office of Behavioral Health (OBH) to Acadiana Area Human Services District (AAHSD), Central Louisiana Human Services District (CLHSD), Northwest Louisiana Human Services District (NLHSD), and Northeast Delta Human Services Authority (NDHSA) for pharmaceutical supplies as a result of the closure of Shamrock Pharmacy on November 1, 2017.	\$175,260	\$175,260	\$175,260	\$175,260

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09A_LDH	OTHTECH	Technical adjustment to transfer funds from Office of Behavioral Health (OBH) to Acadiana Area Human Services District, Northwest Louisiana Human Services District, Northeast Delta Human Services Authority, and Central Louisiana Human Services District for pharmaceutical supplies as a result of the closure of Shamrock Pharmacy on November 1, 2017.	\$3,039	\$3,039	\$3,039	\$3,039
09A_LDH	OTHTECH	Technical adjustment to transfer funds from Office of Behavioral Health to Acadiana Area Human Services District, Northwest Louisiana Human Services District, Northeast Delta Human Services Authority, and Central Louisiana Human Services District for pharmaceutical supplies as a result of the closure of Shamrock Pharmacy on November 1, 2017.	\$43,188	\$43,188	\$43,188	\$43,188
09A_LDH	OTHTECH	Transferring funding to the Governor's Office of Elderly Affairs as part of the transfer of the Elderly Protective Services Program from the Office of Aging and Adult Services to the Governor's Office of Elderly Affairs which took place in FY18.	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)
09A_LDH	OTHDADJ	Adjusted funding to account for changes in Request for Services Registry (RFSR) screening initiative allocation from FY 18 to FY 19. The intent of the screenings is to allow persons with more critical needs for services to more rapidly gain access to needed services.	(\$106,154)	(\$106,154)	(\$106,154)	(\$106,154)
09A_LDH	OTHDADJ	Adjustment in service costs due to an increased number of eligible children being served based on an increased number of referrals to the EarlySteps Program. As more physicians and agencies (such as DCFS) have become aware of Early Steps program services in recent years, and due to changes in federal requirements, the agency anticipates an increase in program participants for the request year.	\$649,947	\$649,947	\$649,947	\$649,947
09A_LDH	OTHDADJ	Adjusts funding in the Public Providers and Uncompensated Care Costs (UCC) programs due to the increased or decreased need for Title XIX and UCC in the various agencies' recommended budgets.	\$3,142,722	\$4,385,685	\$4,385,685	\$4,385,685
09A_LDH	OTHDADJ	Anticipated costs associated with Severe Combined Immunodeficiency (SCID) screening, a Medicaid reimbursable test to be added to the Newborn Screening panel. This is a companion request with the Office of Public Health.	\$81,166	\$81,166	\$81,166	\$81,166
09A_LDH	OTHDADJ	Delayed implementation of the Medicaid Modernization Project	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)
09A_LDH	OTHDADJ	For compliance with the Cooper/Jackson Settlement implementation of phase II: 52 new civil intermediate and 20 Forensic Supervised Transitional Residential Aftercare (FSTRA) community beds will be added to Eastern Louisiana Mental Health System (ELMHS) Facility expansion. This expansion will add 117 new Authorized Classified positions to OBH-ELMHS.	\$4,549,032	\$5,695,566	\$5,695,566	\$5,695,566

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09A_LDH	OTHDADJ	Funding for 20 new Federally Qualified health Clinics (FQHCs) and 13 new Rural Health Clinics (RHCs) projected to enroll in FY 19. The funding is required by the Centers for Medicare and Medicaid Services (CMS) per 42 CFR, part 405, subpart X of the Code of Federal Regulations.	\$2,683,430	\$4,672,345	\$6,661,260	\$8,650,175
09A_LDH	OTHDADJ	Funding for 650 new NOW Waivers and additional waiver slots.	\$0	\$9,591,191	\$18,414,808	\$19,485,663
09A_LDH	OTHDADJ	Funding for a nursing contract to ensure adequate nursing coverage at Louisiana Mental Health System (ELMHS). This contract would be an emergency back-up plan in order to provide for adequate coverage at all times	\$275,000	\$275,000	\$275,000	\$275,000
09A_LDH	OTHDADJ	Funding for twenty four (24) Table of Organization (T.O.) Licensed Practical Nursing (LPN) positions for Louisiana Mental Health System (ELMHS). OBH was cited by the Centers for Medicare and Medicaid Services (CMS) Health Standards in February 2017 for failure to provide adequate nursing coverage to ensure bedside care for all patients. In order to stay in compliance with The Joint Commission, CMS, and Louisiana Department of Health Standards these additional positions are needed.	\$949,161	\$949,161	\$949,161	\$949,161
09A_LDH	OTHDADJ	Funding is for hospital-based physical care services for Eastern Louisiana Mental Health System (ELMHS) clients. ELMHS need eight (8) additional acute care beds from Villa to efficiently and appropriately move patients through the system of care and allow for compliance with Cooper/Jackson Settlement.	\$565,312	\$565,312	\$565,312	\$565,312
09A_LDH	OTHDADJ	Funding the Public Private Partnership (PPP) Uncompensated Care (UCC) budget up to the level of the agreed upon Memorandums of Understanding (MOUs) for FY 18.	\$8,784,696	\$8,784,696	\$8,784,696	\$8,784,696
09A_LDH	OTHDADJ	Funding to implement a \$2/hour premium pay for Correction Guard Therapeutic and Registered and Licensed Practical Nurses at Eastern Louisiana Mental Health System (ELMHS) to be used as a retention and recruitment tool to maintain adequate staffing.	\$1,683,910	\$1,683,910	\$1,683,910	\$1,683,910
09A_LDH	OTHDADJ	Funding to rebase the small rural hospitals inpatient per diem rates. Act 327 of the 2007 Regular Legislative Session requires small rural hospital rates to be rebased every other year. These rates were last rebased in SFY17.	\$991,172	\$1,228,279	\$1,479,139	\$1,744,549
09A_LDH	OTHDADJ	Increase food service contract by 2% in FY 19 to accommodate for the annual increase for the cost of meals, nutritional supplement, and items used to support medication administration.	\$45,483	\$45,483	\$45,483	\$45,483

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09A_LDH	OTHDADJ	Increase Telecommunication for the Deaf fund due to implementation of Act 273 of the 2017 Regular Legislative Session which imposed the telecommunication tax to be levied on wireless lines. These additional funds will replace State General Fund which was added in the FY18 budget to backfill projected shortfall of the Statutory Dedication, and provide for additional services under the charge of the Louisiana Commission for the Deaf.	(\$662,990)	(\$662,990)	(\$662,990)	(\$662,990)
09A_LDH	OTHDADJ	Mass Fatality/Cemetery Disruptions Up-front Readiness Fee. This is an annual fee required by vendors to contract with the state for a catastrophic mass fatality contract. Without funding for this contract, LDH does not have the expertise needed to carry out the duties assigned to them under Emergency Support Function #8 (Public Health and Medical Services) for the mass fatality function.	\$150,000	\$150,000	\$150,000	\$150,000
09A_LDH	OTHDADJ	Meyers and Stauffer contract for prescription drug rates covered by State Maximum Allowable Cost (SMAC) - Increase for periodic Cost of Dispensing (COD) survey required for pharmacy rate setting purposes. The Medicaid State Plan requires a COD survey every 3 years. The last COD survey was completed in 2015.	\$65,383	\$65,383	\$65,383	\$65,383
09A_LDH	OTHDADJ	Ninety-two (92) additional Classified Table of Organization (T.O.) position for Eastern Louisiana Mental Health System (ELMHS). OBH was cited by the Centers for Medicare and Medicaid Services (CMS) Health Standards in February 2017 for failure to provide adequate Correctional Guard Therapeutic (CGT) coverage to ensure the safety and security of patients.	\$3,385,850	\$3,385,850	\$3,385,850	\$3,385,850
09A_LDH	OTHDADJ	One additional Classified Table of Organization (T.O.) position for Community Transition and Diversion- Serious Mental Illness (SMI). This position is being created based on FY 18 Department of Justice (DOJ) findings. The position will provide coordination, policy, and procedure development, oversight and management of the transition and diversion activities associated with OBH.	\$114,398	\$114,398	\$114,398	\$114,398
09A_LDH	OTHDADJ	Projected outyear increases for waiver services existing in FY 18.	\$0	\$14,309,669	\$28,485,051	\$43,482,607
09A_LDH	OTHDADJ	Projected outyear increases to the Program for All-Inclusive Care for the Elderly (PACE).	\$0	\$426,625	\$877,995	\$1,355,544
09A_LDH	OTHDADJ	Provides for rewiring of information technology infrastructure and network support for Eastern Louisiana Mental Health System (ELMHS) client care, administrative, and administrative shop buildings.	\$406,096	\$406,096	\$406,096	\$406,096

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09A_LDH	OTHDADJ	Provisions in the Affordable Care Act decrease the total amount of Uncompensated Care Costs that the state can draw down from the federal government year by year. UCC costs that are above the cap will require 100% State General Fund to reimburse.	\$0	\$0	\$94,344,525	\$94,344,525
09A_LDH	OTHDADJ	Realigning funds from personnel to Other Charges for needed operating expenses and contracts.	\$3,380,865	\$3,380,865	\$3,380,865	\$3,380,865
09A_LDH	OTHDADJ	Reduction due to reforms in the eligibility determination process which will be implemented in FY 18-19.	(\$20,948,852)	(\$20,948,852)	(\$20,948,852)	(\$20,948,852)
09A_LDH	OTHDADJ	Reverses a hospital "base rate" payment adjustment associated with changes to hospital payment methods intended for implementation in FY18 but deferred pending the outcome of a hospital payment study in progress.	(\$51,103,094)	(\$51,103,094)	(\$51,103,094)	(\$51,103,094)
09A_LDH	OTHDADJ	Reverses a hospital Disproportionate Share Hospital (DSH) payment adjustment associated with changes to hospital payment methods intended for implementation in FY18 but deferred pending the outcome of a hospital payment study in progress.	\$42,888,680	\$42,888,680	\$42,888,680	\$42,888,680
09A_LDH	OTHDADJ	Reverses a hospital FMP/UPL payment adjustment associated with changes to hospital payment methods intended for implementation in FY18 but deferred pending the outcome of a hospital payment study in progress.	\$8,214,414	\$8,214,414	\$8,214,414	\$8,214,414
09A_LDH	OTHDADJ	This request is to 1) rebase Nursing Home (NH) rates; 2) rebase Room and Board rates for Hospice recipients who are in nursing homes; and 3) provide for 40 offenders on medical furlough to be placed in nursing homes. State rules requires NH rates to be rebased at least every two years. NH rates were last rebased in SFY 17.	\$3,690,066	\$3,690,066	\$3,690,066	\$25,172,516
09A_LDH	OTHDADJ	Transfer 12 Other Charge positions which support the Money Follows the Person activity to authorized Classified positions. These positions have been supported by the Federal Money Follows the Person grant since 2009; however, this grant will end December 2018. The state is expected to maintain these transition activities and help maintain the efforts to assist individuals with Serious Mental Illness (SMI) who are currently in nursing facilities to transition to the setting most appropriate for their needs.	\$821,333	\$845,973	\$871,352	\$897,493
09A_LDH	OTHDADJ	Transfers funding from positions to Other Charges for needed operating expenses and contracts.	\$149,548	\$149,548	\$149,548	\$149,548
09A_LDH	OTHDADJ	Updated Fee for Service forecast	(\$17,563,123)	(\$17,563,123)	(\$17,563,123)	(\$17,563,123)
09A_LDH	OTHANN	Annualization for payments to 6 Rural Health Clinics (RHCs) and 13 Federally Qualified Health Clinics (FQHCs) that are projected to enroll in FY 18.	\$1,236,355	\$2,394,672	\$3,552,989	\$4,708,306
09A_LDH	OTHANN	Annualization of 79 new PACE enrollees that will be phased in during FY18.	\$532,675	\$532,675	\$532,675	\$532,675

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DEPT	ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
09A_LDH	OTHANN	Annualization of a contract to modernize the provider enrollment functions of the current Medicaid Management Information Systems (MMIS). The solution will provide a single point of entry for health care providers to enroll in the Medicaid program, including both the fee for service and managed care delivery systems, and ensure Louisiana's compliance with the federal managed care rule as it relates to provider enrollment. It will also centralize the credentials verification function of provider enrollment, returning it from Managed Care Organizations (MCO) to the State.	\$1,889,648	\$1,889,648	\$1,889,648	\$1,889,648
09A_LDH	OTHANN	Annualization of expenses for transition and diversion activities related to the use of nursing facilities by persons with Serious Mental Illness (SMI). These expenses include development and implementation of a tracking system to support diversion and transitions, project monitoring and training to improve compliance with screening requirements, 100 rental subsidies for the SMI population, and two additional authorized T.O. to support these activities.	\$2,077,507	\$2,077,507	\$2,077,507	\$2,077,507
09A_LDH	OTHANN	Annualization of Medical Vendor Administration's (MVA) portion of the Serious Mental Illness (SMI) BA-7 costs for creating a system of transition and diversion to community placement where appropriate for recipients with SMI who are currently in nursing facilities.	\$555,424	\$333,899	\$158,762	\$163,808
09A_LDH	OTHANN	Annualization of the FY18 Mid-Year adjustment in response to the Department of Justice findings related to the needs for improvement in the areas of identifying and transitioning adults with Serious Mental Illness (SMI) out of nursing facilities, when appropriate, through the development of a System of Care.	\$266,614	\$266,614	\$266,614	\$266,614
09A_LDH	OTHANN	Annualization of the increase in Medicare Economic Index (MEI) costs for Federally Qualified Health Clinics (FQHCs) and Rural Health Centers.	\$685,842	\$1,203,364	\$1,720,886	\$2,238,408
09A_LDH	OTHANN	Annualize the reinstatement of the LaHIPP program. LaHIPP provides premium subsidies to Medicaid members with access to employer based health insurance. This increase is a companion to the CB-7 Healthy Louisiana form, which includes an offsetting reduction reflecting the exclusion of LaHIPP participants from managed care enrollment.	\$1,821,294	\$1,821,294	\$1,821,294	\$1,821,294
09A_LDH	OTHANN	Funding for the annualization of 627 waiver slots phased in during SFY18. This a combination of Children's Choice, New Opportunities and other waivers.	\$4,841,949	\$4,841,949	\$4,841,949	\$4,841,949
09A_LDH	OTHANN	Funding to annualize 60 Community Choice Waiver slots being added in SFY18 and 223 slots being phased in during FY19 because of the annualization of the Serious Mental Illness BA-7. These slots are meant to be offered to be people currently in nursing homes.	\$1,448,912	\$1,448,912	\$1,448,912	\$1,448,912
09A_LDH	NROTHER	Non-recur one-time funding.	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)

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09A_LDH	MOFSUB	Means of Finance substitution reallocating Statutory Dedicated Medical Assistance Trust Fund (MATF). This adjustment also reduces Disproportionate Share Hospital (DSH) payments, eliminating funding to hospitals for their uncompensated care costs.	(\$12,155,208)	(\$12,155,208)	(\$12,155,208)	(\$12,155,208)
09A_LDH	MOFSUB	Means of Finance substitution reducing Fees and Self-generated Revenue (FSGR) received from public providers for Low-Income and Needy Care Collaboration Agreement (LINCCA) Disproportionate Share Hospital (DSH) payments and replacing with State General Fund (Direct).	\$5,464,415	\$5,464,415	\$5,464,415	\$5,464,415
09A_LDH	MOFSUB	Means of Finance Substitution, replacing State General Fund (Direct) with Medicaid Trust Fund for the Elderly for nursing home rebase.	(\$2,565,285)	(\$2,565,285)	(\$2,565,285)	(\$2,565,285)
09A_LDH	MOFSUB	Means of finance substitution to move funds from Health Care Facility Fund to State General Fund (Direct) to correct an error which caused an over appropriation to the Health Care Facility Fund .	\$1,331,467	\$1,331,467	\$1,331,467	\$1,331,467
09A_LDH	MOFSUB	Means of financing substitution replacing Fees and Self-generated Revenues with State General Fund (Direct) to adjust the New Orleans Medical School's maximum Fair Market Value to match the prior year actual collections.	\$3,578,879	\$3,578,879	\$3,578,879	\$3,578,879
09A_LDH	MOFSUB	Means of financing substitution replacing Healthcare Redesign Fund with State General Fund (Direct) based on projected FY 19 balance.	\$644	\$644	\$644	\$644
09A_LDH	MOFSUB	Means of financing substitution replacing Louisiana Fund with State General Fund (Direct) based on projected FY 19 collections.	\$1,991,997	\$1,991,997	\$1,991,997	\$1,991,997
09A_LDH	MOFSUB	Means of financing substitution replacing Louisiana Medical Assistance Trust Fund (MATF) with State General Fund (Direct) based on projected FY 19 collections.	(\$4,761,875)	(\$4,761,875)	(\$4,761,875)	(\$4,761,875)
09A_LDH	MOFSUB	Means of financing substitution replacing Medical Assistance Programs Fraud Detection Fund with State General Fund (Direct) based on projected FY 19 balance.	(\$427,833)	(\$427,833)	(\$427,833)	(\$427,833)
09A_LDH	MOFSUB	Means of Financing Substitution replacing State General Fund (Direct) and Fees and Self-generated Revenue with Hospital Stabilization Fund	(\$11,638,880)	\$57,856,484	\$57,856,484	\$57,856,484
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct), Interagency Transfers, and Fees and Self-generated Revenues with Federal Funds due to a FMAP rate change in the Private Providers, Public Providers, Uncompensated Care Costs, and Medicare Buy-ins and Supplements Programs. The FY 18 Title XIX blended rate is 63.34% federal and the FY 19 blended rate is 64.67% federal. For UCC, the FY 18 FMAP rate is 63.69% federal and the FY 19 rate is 65% federal.	(\$70,198,214)	(\$62,238,739)	(\$18,038,126)	(\$18,038,126)
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Community and Family Support System Fund due to an available balance.	(\$509,540)	\$0	\$0	\$0

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09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Community Hospital Stabilization Fund due to an available balance.	(\$7,687)	\$0	\$0	\$0
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Federal Funds due to an increased allocation from a federal grant from the U.S. Department of Education (USDOE). Each year the allocation is adjusted based on the population of children ages birth to three years old.	(\$66,204)	(\$66,204)	(\$66,204)	(\$66,204)
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Fees and Self-generated Revenues based on anticipated receipts from Family Cost Participation.	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Health Excellence Fund based on projected collections in FY 19.	\$419,416	\$419,416	\$419,416	\$419,416
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Health Trust Fund based on a higher than projected FY 18 initial fund balance.	(\$7,793,077)	(\$5,793,077)	(\$5,793,077)	(\$5,793,077)
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Medicaid Trust Fund for the Elderly (MTFE) based on a higher than projected FY 18 initial fund balance.	\$0	\$19,020,508	\$19,020,508	\$19,020,508
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Medical Assistance Programs Fraud Detection Fund based on projected FY 19 balance.	(\$357,500)	(\$357,500)	(\$357,500)	(\$357,500)
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with New Opportunities Waiver (NOW) Fund based on projected FY 19 balance.	(\$36)	(\$36)	(\$36)	(\$36)
09A_LDH	MOFSUB	Means of financing substitution replacing State General Fund (Direct) with Tobacco Tax Medicaid Match Fund based on projected collections in FY 19.	\$3,917,682	\$3,917,682	\$3,917,682	\$3,917,682
09A_LDH	WORKLOAD	Capitation rate payments for the population covered under the Dental Benefit Program (PAHP) for dental services. It reflects PMPMs paid, on average, at the 25th percentile in the actuarially sound rate range and the increase is a result of 1) utilization/trend adjustment and 2) continued enrollment growth in the expansion population.	\$2,068,676	\$2,068,676	\$2,068,676	\$2,068,676
09A_LDH	WORKLOAD	Clawback to accommodate for payments to the Centers for Medicare and Medicaid Services (CMS) for a phase-down contribution to finance a portion of the Medicare drug expenditures for individuals (known as dual eligibles) whose projected Medicaid drug coverage is assumed by Medicare Part-D.	(\$2,596,436)	\$5,705,285	\$14,463,601	\$23,703,624
09A_LDH	WORKLOAD	Eligibility Mail Operations and Mainframe Support - Projected increase in postage and mail handling costs related to the increase in enrollment since the implementation of Medicaid Expansion in July 2016.	\$29,923	\$29,923	\$29,923	\$29,923



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09A_LDH	WORKLOAD	Funds projected increases in the total per member per month (PMPM) payments for the population covered under the Healthy Louisiana Managed Care Organizations (MCO). The increase is primarily a result of 1) reinstatement of the Health Insurer's Provider Fee, 2) utilization/trend adjustment, 3) enrollment increases and annualization of SFY18 new enrollees and 4) annualization of planned SFY18 program changes. The projected increase is based on PMPMs paid at the floor of the actuarially sound rate range.	\$132,547,098	\$160,342,675	\$190,642,182	\$217,350,385
09A_LDH	WORKLOAD	Payment for a 13th MCO Checkwrite	\$0	\$26,086,486	\$0	\$0
09A_LDH	WORKLOAD	Pharmacy Utilization	\$3,259,307	\$5,387,862	\$7,639,873	\$10,022,501
09A_LDH	WORKLOAD	The Medicare Part A and Part B adjustment provides funding for federally mandated rate changes to Medicare premiums and for the anticipated increase in the number of "dual eligibles" low-income seniors and disabled individuals who qualify for both Medicare and Medicaid who enroll in the Medicare Savings Program and the Low-Income Subsidy (LIS) program. The adjustment includes \$1,409,199 of 100% federal funds for Qualified Individuals (QI).	\$1,806,812	\$6,709,726	\$11,818,562	\$17,141,970
09A_LDH	WORKLOAD	This adjustment is for a projected increase in utilization of Long Term Personal Care Services (LT-PCS) of 33 recipients per month in FY19.	\$1,001,068	\$4,207,512	\$7,599,931	\$11,189,109
09A_LDH		<b>Total Adjustments:</b>	<b>\$63,092,544</b>	<b>\$348,361,992</b>	<b>\$616,062,377</b>	<b>\$786,226,352</b>
		<b>TOTAL</b>	<b>\$2,478,211,795</b>	<b>\$2,763,481,243</b>	<b>\$3,031,181,628</b>	<b>\$3,201,345,603</b>
10A_DCFS		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$174,260,354</b>	<b>\$174,260,354</b>	<b>\$174,260,354</b>	<b>\$174,260,354</b>
10A_DCFS	STATEWIDE	2% General Increase Annualization Classified	\$691,040	\$691,040	\$691,040	\$691,040
10A_DCFS	STATEWIDE	2% General Increase Annualization Unclassified	\$26,742	\$26,742	\$26,742	\$26,742
10A_DCFS	STATEWIDE	Administrative Law Judges	\$2,040,475	\$2,093,119	\$2,140,633	\$2,181,091
10A_DCFS	STATEWIDE	Attrition Adjustment	(\$3,719,426)	(\$3,719,426)	(\$3,719,426)	(\$3,719,426)
10A_DCFS	STATEWIDE	Capitol Park Security	\$1,620	\$1,662	\$1,698	\$1,730
10A_DCFS	STATEWIDE	Capitol Police	(\$3,924)	(\$4,025)	(\$4,112)	(\$4,190)
10A_DCFS	STATEWIDE	Civil Service Fees	(\$14,695)	(\$15,074)	(\$15,400)	(\$15,691)
10A_DCFS	STATEWIDE	Civil Service Training Series	\$251,226	\$251,226	\$251,226	\$251,226
10A_DCFS	STATEWIDE	Inflation	\$0	\$1,399,219	\$2,793,469	\$4,210,293
10A_DCFS	STATEWIDE	Legislative Auditor Fees	(\$7,173)	(\$7,460)	(\$7,758)	(\$8,069)
10A_DCFS	STATEWIDE	Maintenance in State-Owned Buildings	(\$9,769)	(\$10,021)	(\$10,237)	(\$10,431)
10A_DCFS	STATEWIDE	Market Rate Classified	\$1,931,700	\$3,921,351	\$5,970,692	\$8,081,512
10A_DCFS	STATEWIDE	Non-Recurring Acquisitions & Major Repairs	(\$1,125,000)	(\$1,125,000)	(\$1,125,000)	(\$1,125,000)
10A_DCFS	STATEWIDE	Office of State Procurement	\$1,234	\$1,234	\$1,234	\$1,234

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10A_DCFS	STATEWIDE	Office of Technology Services (OTS)	\$1,349,119	\$1,383,926	\$1,413,819	\$1,450,296
10A_DCFS	STATEWIDE	Related Benefits Base Adjustment	\$607,647	\$607,647	\$607,647	\$607,647
10A_DCFS	STATEWIDE	Rent in State-Owned Buildings	(\$159,234)	(\$163,342)	(\$166,870)	(\$170,024)
10A_DCFS	STATEWIDE	Retirement Rate Adjustment	\$148	\$148	\$148	\$148
10A_DCFS	STATEWIDE	Risk Management	(\$70,392)	\$0	\$0	\$0
10A_DCFS	STATEWIDE	Salary Base Adjustment	\$1,410,593	\$1,410,593	\$1,410,593	\$1,410,593
10A_DCFS	STATEWIDE	State Treasury Fees	\$36,970	\$37,924	\$38,743	\$39,475
10A_DCFS	STATEWIDE	Structural Annualization Classified	\$210,113	\$210,113	\$210,113	\$210,113
10A_DCFS	STATEWIDE	Topographic Mapping	\$47,298	\$47,298	\$47,298	\$47,298
10A_DCFS	STATEWIDE	UPS Fees	(\$3,489)	(\$3,579)	(\$3,656)	(\$3,725)
10A_DCFS	OTHDADJ	Provides funding for an increase in the Document Imaging and Contract Management (DICM) professional services contract. At FY 2017-2018 Appropriated, \$1,669,949 SGF was budgeted for DICM. The amount needed for the out years is \$6,800,000. The same amount is needed for FY 2018-2019 but the Appropriated budget does not contain funding for this contract increase.	\$0	\$5,130,051	\$5,130,051	\$5,130,051
10A_DCFS	OTHDADJ	Provides funding for costs associated with maintenance of the State Central Registry pursuant to Act 348 of the 2017 Regular Session.	\$2,454,145	\$2,454,145	\$2,454,145	\$2,454,145
10A_DCFS	OTHDADJ	Provides funding for leases for non-state-owned offices in various parishes. The leases expire June 30, 2018.	\$127,203	\$127,203	\$127,203	\$127,203
10A_DCFS	OTHDADJ	Provides funding for leases in non-state-owned offices in various parishes. The leases expire 6/30/2018.	\$227,735	\$227,735	\$227,735	\$227,735
10A_DCFS	OTHDADJ	Provides funding for the continued development and implementation of the Comprehensive Child Welfare Information System (CCWIS) project. FY 2017-2018 contained \$2,377,916 SGF for this project. FY 2018-2019 contains \$9,300,541 SGF. The estimated SGF need for the out years is: \$10,989,978 for FY 2019-2020; \$12,995,752 for FY 2020-2021; and \$3,688,960 for FY 2021-2022. Development and implementation is estimated to be completed by FY 2021-2022.	\$6,922,625	\$8,612,062	\$10,617,836	\$1,311,044
10A_DCFS	OTHDADJ	Provides funding for the continued development and implementation of the Integrated Eligibility (IE) project. FY 2017-2018 contained \$4,401,665 SGF for this project. FY 2018-2019 contains \$9,294,199 SGF. The estimated SGF need for FY 2019-2020 is \$11,402,425. Development and implementation is estimated to be completed by the end of FY 2019-2020. After that point there may be additional costs associated with the operation and maintenance of the system which cannot be determined at this time.	\$4,892,534	\$7,000,760	(\$4,401,665)	(\$4,401,665)

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10A_DCFS	OTHDADJ	Provides funding to increase the maximum foster care age from 18 to 21 in certain circumstances in accordance with Act 649 (SB 129) of the 2018 Regular Session.	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>10A_DCFS</b>		<b>Total Adjustments:</b>	<b>\$19,117,065</b>	<b>\$31,587,270</b>	<b>\$25,707,939</b>	<b>\$20,002,394</b>
		<b>TOTAL</b>	<b>\$193,377,419</b>	<b>\$205,847,624</b>	<b>\$199,968,293</b>	<b>\$194,262,748</b>
<b>11A_NATR</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$9,421,017</b>	<b>\$9,421,017</b>	<b>\$9,421,017</b>	<b>\$9,421,017</b>
11A_NATR	STATEWIDE	2% General Increase Annualization Classified	\$13,680	\$13,680	\$13,680	\$13,680
11A_NATR	STATEWIDE	2% General Increase Annualization Unclassified	\$935	\$935	\$935	\$935
11A_NATR	STATEWIDE	Attrition Adjustment	(\$45,013)	(\$45,013)	(\$45,013)	(\$45,013)
11A_NATR	STATEWIDE	Capitol Park Security	(\$4,900)	(\$5,026)	(\$5,135)	(\$5,232)
11A_NATR	STATEWIDE	Civil Service Fees	(\$2,276)	(\$2,335)	(\$2,385)	(\$2,430)
11A_NATR	STATEWIDE	Civil Service Training Series	\$764	\$764	\$764	\$764
11A_NATR	STATEWIDE	Market Rate Classified	\$42,713	\$86,707	\$132,022	\$178,695
11A_NATR	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$673,920)	(\$673,920)	(\$673,920)	(\$673,920)
11A_NATR	STATEWIDE	Office of State Procurement	(\$6,048)	(\$6,048)	(\$6,048)	(\$6,048)
11A_NATR	STATEWIDE	Office of Technology Services (OTS)	(\$207)	(\$212)	(\$217)	(\$223)
11A_NATR	STATEWIDE	Personnel Reductions	(\$128,377)	(\$128,377)	(\$128,377)	(\$128,377)
11A_NATR	STATEWIDE	Related Benefits Base Adjustment	\$36,058	\$36,058	\$36,058	\$36,058
11A_NATR	STATEWIDE	Risk Management	(\$9,012)	\$0	\$0	\$0
11A_NATR	STATEWIDE	Salary Base Adjustment	\$62,295	\$62,295	\$62,295	\$62,295
11A_NATR	STATEWIDE	State Treasury Fees	\$1,513	\$1,552	\$1,586	\$1,616
11A_NATR	STATEWIDE	Structural Annualization Classified	\$754	\$754	\$754	\$754
11A_NATR	STATEWIDE	Topographic Mapping	\$296,773	\$296,773	\$296,773	\$296,773
11A_NATR	OTHDADJ	Eliminates the Public Information Office that will result in not providing public outreach by the Agency.	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
11A_NATR	OTHDADJ	Reduces funding for expenses and two T.O. authorized positions.	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)
11A_NATR	MOFSUB	Means of financing substitution increasing State General Fund to the Atchafalaya Basin Program. The program will be discontinued. The remaining funding will cover administrative costs associated with the elimination of this program.	\$87,052	\$87,052	\$87,052	\$87,052
<b>11A_NATR</b>		<b>Total Adjustments:</b>	<b>(\$677,216)</b>	<b>(\$624,361)</b>	<b>(\$579,177)</b>	<b>(\$532,621)</b>
		<b>TOTAL</b>	<b>\$8,743,801</b>	<b>\$8,796,656</b>	<b>\$8,841,840</b>	<b>\$8,888,396</b>

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12A_RVTX		<b>Existing Operating Budget as of 12/01/2017</b>	\$33,892,165	\$33,892,165	\$33,892,165	\$33,892,165
12A_RVTX	OTHDADJ	Reduction of wage personnel; the State Reciprocal Program; and audit consulting services and legal representation.	(\$2,283,617)	(\$2,283,617)	(\$2,283,617)	(\$2,283,617)
12A_RVTX	MOFSUB	Means of financing substitution reducing State General Fund and increasing Fees and Self-generated Revenues from prior and current year collections to the Tax Collection Program.	(\$31,608,548)	\$4,723,489	\$6,213,440	\$7,755,334
12A_RVTX		<b>Total Adjustments:</b>	<b>(\$33,892,165)</b>	<b>\$2,439,872</b>	<b>\$3,929,823</b>	<b>\$5,471,717</b>
		<b>TOTAL</b>	<b>\$0</b>	<b>\$36,332,037</b>	<b>\$37,821,988</b>	<b>\$39,363,882</b>
14A_LWC		<b>Existing Operating Budget as of 12/01/2017</b>	\$7,399,887	\$7,399,887	\$7,399,887	\$7,399,887
14A_LWC	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$147,668)	(\$147,668)	(\$147,668)	(\$147,668)
14A_LWC	OTHDADJ	Adjustment to funding for Louisiana Rehabilitation Services activities within the Louisiana Workforce Commission, Office of Workforce Development.	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
14A_LWC		<b>Total Adjustments:</b>	<b>\$852,332</b>	<b>\$852,332</b>	<b>\$852,332</b>	<b>\$852,332</b>
		<b>TOTAL</b>	<b>\$8,252,219</b>	<b>\$8,252,219</b>	<b>\$8,252,219</b>	<b>\$8,252,219</b>
17A_CSER		<b>Existing Operating Budget as of 12/01/2017</b>	\$5,326,196	\$5,326,196	\$5,326,196	\$5,326,196
17A_CSER	STATEWIDE	2% General Increase Annualization Classified	\$31,237	\$31,237	\$31,237	\$31,237
17A_CSER	STATEWIDE	2% General Increase Annualization Unclassified	\$5,202	\$5,202	\$5,202	\$5,202
17A_CSER	STATEWIDE	Administrative Law Judges	(\$156,190)	(\$160,220)	(\$163,857)	(\$166,954)
17A_CSER	STATEWIDE	Capitol Park Security	(\$1,610)	(\$1,652)	(\$1,687)	(\$1,719)
17A_CSER	STATEWIDE	Civil Service Fees	\$302	\$310	\$316	\$322
17A_CSER	STATEWIDE	Civil Service Training Series	\$22,985	\$22,985	\$22,985	\$22,985
17A_CSER	STATEWIDE	Inflation	\$0	\$13,722	\$27,396	\$41,290
17A_CSER	STATEWIDE	Legislative Auditor Fees	\$322	\$335	\$348	\$362
17A_CSER	STATEWIDE	Market Rate Classified	\$94,080	\$190,982	\$290,792	\$393,596
17A_CSER	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$99,954)	(\$99,954)	(\$99,954)	(\$99,954)
17A_CSER	STATEWIDE	Office of State Procurement	\$660	\$660	\$660	\$660
17A_CSER	STATEWIDE	Office of Technology Services (OTS)	\$1,778	\$1,824	\$1,863	\$1,911
17A_CSER	STATEWIDE	Related Benefits Base Adjustment	\$67,674	\$67,674	\$67,674	\$67,674
17A_CSER	STATEWIDE	Rent in State-Owned Buildings	(\$1,956)	(\$2,006)	(\$2,050)	(\$2,089)
17A_CSER	STATEWIDE	Retirement Rate Adjustment	\$119	\$119	\$119	\$119
17A_CSER	STATEWIDE	Risk Management	(\$6,192)	\$0	\$0	\$0

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17A_CSER	STATEWIDE	Salary Base Adjustment	\$45,048	\$45,048	\$45,048	\$45,048
17A_CSER	STATEWIDE	Structural Annualization Classified	\$6,010	\$6,010	\$6,010	\$6,010
17A_CSER	STATEWIDE	UPS Fees	(\$49)	(\$50)	(\$51)	(\$52)
17A_CSER	OTHDADJ	Adjustment for increased cost of postage for mailings due to petitions filed for the board.	\$2,139	\$2,139	\$2,139	\$2,139
17A_CSER	OTHDADJ	Increases funding for annual maintenance of the FTR Software Assurance for the recording software needed in the courtroom.	\$908	\$908	\$908	\$908
17A_CSER	OTHDADJ	Increases funding for dues and subscriptions related to Westlaw Select for legal research.	\$3,520	\$3,520	\$3,520	\$3,520
17A_CSER	OTHDADJ	Increases hardware maintenance agreement for Dell data storage device.	\$2,579	\$2,579	\$2,579	\$2,579
17A_CSER	OTHDADJ	Increases per diem for Board of Ethics Members per RS 18:1511.1	\$1,990	\$1,990	\$1,990	\$1,990
17A_CSER	OTHDADJ	Provides funding for costs associated with the agency relocation.	\$44,000	\$44,000	\$44,000	\$44,000
17A_CSER	OTHDADJ	Provides funding for rental of copying machine and printing services.	\$3,400	\$3,400	\$3,400	\$3,400
17A_CSER	OTHDADJ	Reduces funding for legal services.	(\$50,352)	(\$50,352)	(\$50,352)	(\$50,352)
17A_CSER		<b>Total Adjustments:</b>	<b>\$17,650</b>	<b>\$130,410</b>	<b>\$240,235</b>	<b>\$353,833</b>
		<b>TOTAL</b>	<b>\$5,343,846</b>	<b>\$5,456,606</b>	<b>\$5,566,431</b>	<b>\$5,680,029</b>
19A_HIED		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$1,004,971,363</b>	<b>\$1,004,971,363</b>	<b>\$1,004,971,363</b>	<b>\$1,004,971,363</b>
19A_HIED	STATEWIDE	Inflation	\$0	\$253,970	\$507,037	\$764,202
19A_HIED	STATEWIDE	Non-recurring Carryforwards	(\$530,786)	(\$530,786)	(\$530,786)	(\$530,786)
19A_HIED	OTHDADJ	Adjustment for Tuition Opportunity Program for Students awards as projected by the Office of Student Financial Assistance.	\$0	\$2,405,470	\$5,304,867	\$10,083,567
19A_HIED	OTHDADJ	Adjustment of State General Fund (Direct) to the University of Louisiana System – Board of Supervisors for allocation to Grambling State University.	\$1,500,000	\$0	\$0	\$0
19A_HIED	OTHDADJ	Adjustment to State General Fund (Direct) in Higher Education for Go Grants	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
19A_HIED	OTHDADJ	Adjustment to State General Fund (Direct) in Higher Education for Tuition Opportunity Program for Students (TOPS) Awards	\$3,299,250	\$3,299,250	\$3,299,250	\$3,299,250
19A_HIED	OTHDADJ	Adjust Statutory Dedications from the Tuition Opportunity Program for Students (TOPS) Fund reflecting the Revenue Estimating Conference (REC) distribution.	\$0	(\$46,400)	(\$120,750)	(\$183,282)
19A_HIED	OTHDADJ	Funding for the Southern University System for Historical Black Colleges & Universities (HBCU) accreditation process in FY19. It is a non-recurring adjustment.	\$3,200,000	\$0	\$0	\$0

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19A_HIED	MOFSUB	Means of financing substitution decreasing Interagency Transfers (IAT), from the Louisiana Department of Health, Medical Vendor Administration, and increasing State General Fund (Direct). The IAT is for the Medical and Allied Health Professional Education Scholarships and Loan Program with the Southern Regional Education Board (SREB) Regional Contracting Program allowing qualified students, who are Louisiana residents, to pursue professional health degrees at participating out-of-state universities when an in-state school option is not available. The state of Louisiana contracts with SREB to fund the difference by paying in-state tuition at public institutions and reduced tuition at private institutions.	\$300,000	\$300,000	\$300,000	\$300,000
<b>19A_HIED</b>		<b>Total Adjustments:</b>	<b>\$9,768,464</b>	<b>\$7,681,504</b>	<b>\$10,759,618</b>	<b>\$15,732,951</b>
		<b>TOTAL</b>	<b>\$1,014,739,827</b>	<b>\$1,012,652,867</b>	<b>\$1,015,730,981</b>	<b>\$1,020,704,314</b>
<b>19B_OTED</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$42,044,885</b>	<b>\$42,044,885</b>	<b>\$42,044,885</b>	<b>\$42,044,885</b>
19B_OTED	STATEWIDE	2% General Increase Annualization Classified	\$97,019	\$97,019	\$97,019	\$97,019
19B_OTED	STATEWIDE	2% General Increase Annualization Unclassified	\$294,353	\$294,353	\$294,353	\$294,353
19B_OTED	STATEWIDE	Attrition Adjustment	(\$654,716)	(\$654,716)	(\$654,716)	(\$654,716)
19B_OTED	STATEWIDE	Capitol Park Security	\$154	\$158	\$161	\$164
19B_OTED	STATEWIDE	Capitol Police	(\$76,018)	(\$77,979)	(\$79,664)	(\$81,169)
19B_OTED	STATEWIDE	Civil Service Fees	(\$6,340)	(\$6,504)	(\$6,644)	(\$6,770)
19B_OTED	STATEWIDE	Inflation	\$0	\$185,853	\$371,047	\$559,239
19B_OTED	STATEWIDE	Legislative Auditor Fees	\$13,402	\$13,938	\$14,496	\$15,075
19B_OTED	STATEWIDE	Market Rate Classified	\$234,731	\$476,504	\$725,530	\$982,027
19B_OTED	STATEWIDE	Non-recurring Carryforwards	(\$288,705)	(\$288,705)	(\$288,705)	(\$288,705)
19B_OTED	STATEWIDE	Office of State Procurement	(\$6,161)	(\$6,161)	(\$6,161)	(\$6,161)
19B_OTED	STATEWIDE	Office of Technology Services (OTS)	\$15,216	\$15,609	\$15,946	\$16,357
19B_OTED	STATEWIDE	Personnel Reductions	(\$123,540)	(\$123,540)	(\$123,540)	(\$123,540)
19B_OTED	STATEWIDE	Related Benefits Base Adjustment	\$41,065	\$41,065	\$41,065	\$41,065
19B_OTED	STATEWIDE	Rent in State-Owned Buildings	\$66	\$68	\$69	\$70
19B_OTED	STATEWIDE	Retirement Rate Adjustment	\$352,977	\$352,977	\$352,977	\$352,977
19B_OTED	STATEWIDE	Risk Management	(\$75,667)	\$0	\$0	\$0
19B_OTED	STATEWIDE	Salary Base Adjustment	\$916,197	\$916,197	\$916,197	\$916,197
19B_OTED	STATEWIDE	State Treasury Fees	(\$192)	(\$197)	(\$201)	(\$205)
19B_OTED	STATEWIDE	Structural Annualization Classified	\$3,661	\$3,661	\$3,661	\$3,661
19B_OTED	STATEWIDE	UPS Fees	(\$2,377)	(\$2,438)	(\$2,491)	(\$2,538)

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19B_OTED	OTHDADJ	Provides funding for hardware repairs and maintenance of broadcasting equipment.	\$30,897	\$30,897	\$30,897	\$30,897
19B_OTED	OTHDADJ	Provides funds for Acquisitions and Major Repairs for the campus physical plant.	\$1,040,000	\$1,040,000	\$1,040,000	\$1,040,000
19B_OTED	OTHDADJ	Provides funds for building repairs and maintenance.	\$87,250	\$87,250	\$87,250	\$87,250
19B_OTED	OTHDADJ	Provides funds for operating services and building maintenance.	\$195,024	\$195,024	\$195,024	\$195,024
19B_OTED	OTHDADJ	Reduces funding for operating expenses.	(\$3,914)	(\$3,914)	(\$3,914)	(\$3,914)
19B_OTED	NEWEXP	Provides funding to add a Twelfth Grade class. Effective July 1, 2018, Thrive Academy serves grades six through twelve.	\$860,000	\$860,000	\$860,000	\$860,000
19B_OTED	MOFSUB	Increases State General Fund (Direct) and decreases Interagency Transfers (IAT) budget authority to adjust for FY2017-2018 MFP Formula for Thrive Academy.	\$480,419	\$480,419	\$480,419	\$480,419
<b>19B_OTED</b>		<b>Total Adjustments:</b>	<b>\$3,424,801</b>	<b>\$3,926,838</b>	<b>\$4,360,075</b>	<b>\$4,804,077</b>
		<b>TOTAL</b>	<b>\$45,469,686</b>	<b>\$45,971,723</b>	<b>\$46,404,960</b>	<b>\$46,848,962</b>
<b>19D_LDOE</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$3,604,419,133</b>	<b>\$3,604,419,133</b>	<b>\$3,604,419,133</b>	<b>\$3,604,419,133</b>
19D_LDOE	STATEWIDE	2% General Increase Annualization Classified	\$55,208	\$55,208	\$55,208	\$55,208
19D_LDOE	STATEWIDE	2% General Increase Annualization Unclassified	\$102,067	\$102,067	\$102,067	\$102,067
19D_LDOE	STATEWIDE	Attrition Adjustment	(\$351,193)	(\$351,193)	(\$351,193)	(\$351,193)
19D_LDOE	STATEWIDE	Capitol Park Security	\$3,009	\$3,087	\$3,153	\$3,213
19D_LDOE	STATEWIDE	Capitol Police	\$351	\$360	\$368	\$375
19D_LDOE	STATEWIDE	Civil Service Fees	(\$6,186)	(\$6,346)	(\$6,483)	(\$6,605)
19D_LDOE	STATEWIDE	Inflation	\$0	\$368,832	\$736,353	\$1,109,825
19D_LDOE	STATEWIDE	Legislative Auditor Fees	(\$66,662)	(\$69,328)	(\$72,102)	(\$74,986)
19D_LDOE	STATEWIDE	Maintenance in State-Owned Buildings	\$2,005	\$2,057	\$2,101	\$2,141
19D_LDOE	STATEWIDE	Market Rate Classified	\$145,177	\$294,709	\$448,728	\$607,366
19D_LDOE	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	\$0	\$0	\$0	\$0
19D_LDOE	STATEWIDE	Non-recurring Carryforwards	(\$1,529,391)	(\$1,529,391)	(\$1,529,391)	(\$1,529,391)
19D_LDOE	STATEWIDE	Office of State Procurement	\$18,392	\$18,392	\$18,392	\$18,392
19D_LDOE	STATEWIDE	Office of Technology Services (OTS)	(\$375,781)	(\$385,476)	(\$393,802)	(\$403,963)
19D_LDOE	STATEWIDE	Personnel Reductions	(\$539,725)	(\$539,725)	(\$539,725)	(\$539,725)
19D_LDOE	STATEWIDE	Related Benefits Base Adjustment	(\$96,477)	(\$96,477)	(\$96,477)	(\$96,477)
19D_LDOE	STATEWIDE	Rent in State-Owned Buildings	\$1,511	\$1,550	\$1,583	\$1,613
19D_LDOE	STATEWIDE	Retirement Rate Adjustment	\$152,373	\$152,373	\$152,373	\$152,373
19D_LDOE	STATEWIDE	Risk Management	(\$171,864)	\$0	\$0	\$0

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19D_LDOE	STATEWIDE	Salary Base Adjustment	(\$69,262)	(\$69,262)	(\$69,262)	(\$69,262)
19D_LDOE	STATEWIDE	State Treasury Fees	\$11,814	\$12,119	\$12,381	\$12,615
19D_LDOE	STATEWIDE	Structural Annualization Classified	\$467	\$467	\$467	\$467
19D_LDOE	STATEWIDE	Topographic Mapping	\$39,746	\$39,746	\$39,746	\$39,746
19D_LDOE	STATEWIDE	UPS Fees	(\$371)	(\$381)	(\$389)	(\$396)
19D_LDOE	OTHTECH	Reduces funding from the School Lunch Salary Supplement Program which was previously transferred to the Department of Military Affairs, Youth Challenge Program, via Interagency Transfer (IAT.) A Means of Finance substitution is included in the Department of Military Affairs (Budget Unit 01-112) to provide this funding as State General Fund (Direct) to the Youth Challenge Program.	(\$528,316)	(\$528,316)	(\$528,316)	(\$528,316)
19D_LDOE	OTHDADJ	Adjusts funding in the Textbooks and Textbooks Administration Programs to the anticipated level of expenditures based on historical data.	(\$164,319)	(\$164,319)	(\$164,319)	(\$164,319)
19D_LDOE	OTHDADJ	Provides funding for additional slots and for an increased amount per student in the Student Scholarships for Educational Excellence Program (SSEEP.)	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000
19D_LDOE	OTHDADJ	Reduces funding from the Minimum Foundation Program due to lower than anticipated growth in the student count.	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)
19D_LDOE	OTHDADJ	Reduces funding from the Required Services Program.	(\$767,990)	(\$767,990)	(\$767,990)	(\$767,990)
19D_LDOE	NROTHER	Non-recurs one-time funding in FY 2017-2018 associated with assistance to Local Educational Agencies impacted by the August 2016 floods.	(\$7,471,650)	(\$7,471,650)	(\$7,471,650)	(\$7,471,650)
19D_LDOE	MOFSUB	Means of finance substitution decreased State General Fund and increased Statutory Dedications budget authority based upon the June 26, 2018 Revenue Estimating Conference forecast. The Lottery Proceeds Fund increased by \$10.1 million to \$164.6 million. The Support Education In Louisiana First (SELF) Fund increased by \$3.05 million to \$107.2 million. The total projected Lottery Proceeds Fund and SELF in the outyears is \$269,826,163 (Lottery Proceeds Fund decreased by \$2.0 million and SELF remained static).	(\$13,148,000)	(\$11,145,000)	(\$11,145,000)	(\$11,145,000)
19D_LDOE	WORKLOAD	Provides additional funding of \$9,824,083 State General Fund in FY 2018-2019 based upon LDOE projections of a student count increase of 1,858 students. The out-year projections reflect an increase of \$9,911,250 State General Fund for each year based upon the five year average October 1 student count change of +1,875 students using the average state cost per pupil of \$5,286.	\$9,824,083	\$19,735,333	\$29,646,583	\$39,557,833
19D_LDOE		<b>Total Adjustments:</b>	<b>(\$22,830,984)</b>	<b>(\$10,238,555)</b>	<b>\$183,405</b>	<b>\$10,613,962</b>
		<b>TOTAL</b>	<b>\$3,581,588,149</b>	<b>\$3,594,180,578</b>	<b>\$3,604,602,538</b>	<b>\$3,615,033,095</b>



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<b>19E_HCSD</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$24,427,906</b>	<b>\$24,427,906</b>	<b>\$24,427,906</b>	<b>\$24,427,906</b>
19E_HCSD	STATEWIDE	Risk Management	\$0	(\$3,398,809)	(\$80,445)	\$3,354,062
<b>19E_HCSD</b>		<b>Total Adjustments:</b>	<b>\$0</b>	<b>(\$3,398,809)</b>	<b>(\$80,445)</b>	<b>\$3,354,062</b>
		<b>TOTAL</b>	<b>\$24,427,906</b>	<b>\$21,029,097</b>	<b>\$24,347,461</b>	<b>\$27,781,968</b>
<b>20A_OREQ</b>		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$494,419,850</b>	<b>\$494,419,850</b>	<b>\$494,419,850</b>	<b>\$494,419,850</b>
20A_OREQ	STATEWIDE	Inflation	\$0	\$125,091	\$249,738	\$376,403
20A_OREQ	STATEWIDE	Net State General Fund (Direct) reduction per Department Preamble and HB1 of the 3ES	(\$405,777)	(\$405,777)	(\$405,777)	(\$405,777)
20A_OREQ	STATEWIDE	Non-recurring Carryforwards	(\$7,063,456)	(\$7,063,456)	(\$7,063,456)	(\$7,063,456)
20A_OREQ	STATEWIDE	Office of Technology Services (OTS)	(\$1,231)	(\$1,263)	(\$1,290)	(\$1,323)
20A_OREQ	STATEWIDE	UPS Fees	(\$1,762)	(\$1,807)	(\$1,847)	(\$1,881)
20A_OREQ	OTHDADJ	Adjustments associated to funding Statutory Dedications for the Indigent Parent Representation Program Fund shared by the Mental Health Advocacy Service and Louisiana Public Defender Board, the Louisiana Public Defender Fund and DNA Testing Post-Conviction Relief for Indigents Fund in Louisiana Public Defender Board, Innocence Compensation Fund in Louisiana Commission on Law Enforcement, and Fees and Self-generated Revenues for the Self Insurance Fund in Office of Risk Management.	\$2,807,849	\$2,807,849	\$2,807,849	\$2,807,849
20A_OREQ	OTHDADJ	Adjustment to reduce State General Fund excess budget authority that was used to fund a retirement rate adjustment for the District Attorneys.	(\$502,707)	(\$502,707)	(\$502,707)	(\$502,707)
20A_OREQ	OTHDADJ	Decrease related to the annual changes in interest and principal for service on the bonds for the Steve Hoyle Rehabilitation Center based on the amortization schedule. The balance as of 9/1/17 was \$4,745,000, and the final payment (maturity) will be due on 9/1/19. Funding provided by the state for the debt service will be eliminated beginning in Fiscal Year 2019-2020 as reflected.	(\$47,375)	(\$47,375)	(\$47,375)	(\$47,375)
20A_OREQ	OTHDADJ	Direct Transfer to the Health Trust Fund in the amount of \$5,330,000 and into the Medicaid Trust Fund for Elderly in the amount of \$1,777,820.	\$7,107,820	\$0	\$0	\$0
20A_OREQ	OTHDADJ	Funding for debt service and maintenance payments at Louisiana Delta Community College, change due to bond amortization schedule.	(\$3,225)	(\$2,600)	(\$1,850)	(\$3,388)
20A_OREQ	OTHDADJ	Funding for required payments for indebtedness, equipment leases and maintenance reserves on three Community Colleges (Baton Rouge Community College, South Louisiana Community College, and Bossier Parish Community College) in the Louisiana Community and Technical College System, change due to bond amortization schedule.	(\$12,063)	(\$21,913)	(\$27,013)	(\$25,212)

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20A_OREQ	OTHDADJ	Funding for the Louisiana Community and Technical College System for debt service payments for various capital outlay projects as specified in Act 360 of the 2013 Regular Session of the Louisiana Legislature. Change due to revision of estimated bond payment amortization schedule for projected funding.	(\$1,200,000)	\$9,975	\$2,787,350	\$2,787,350
20A_OREQ	OTHDADJ	Funding for the Louisiana Community and Technical College System for debt service payments for various capital outlay projects as specified in Act 391 of the 2007 Regular Session of the Louisiana Legislature. Change due to revision of estimated bond payment amortization schedule for projected funding.	\$0	\$0	\$3,538	\$1,886,700
20A_OREQ	OTHDADJ	Provides additional funding for offenders participating in a Transitional Work Program based on current projections.	\$10,285,063	\$8,682,576	\$8,682,576	\$8,682,576
20A_OREQ	OTHDADJ	Provides funding to cover the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan debt obligation for the Department of Transportation and Development.	\$1,871,659	\$1,871,659	\$1,871,659	\$1,871,659
20A_OREQ	OTHDADJ	Provides funding to the Constables and Justice of the Peace Program for \$100 per month supplemental payments for each eligible Constable and Justice of the Peace.	\$2,548	\$2,548	\$2,548	\$2,548
20A_OREQ	OTHDADJ	Reduces funding provided to sheriffs for housing state adult offenders in local jails (\$12,108,684), and reduces funding provided to the operators of Transitional Work Programs (\$4,976,775).	(\$17,085,459)	(\$4,976,775)	(\$4,976,775)	(\$4,976,775)
20A_OREQ	OTHDADJ	This adjustment provides for an increase in the debt service payment for DOC's Energy Services Contract (ESCO) due to normal increases in the subsidy payments, maintenance charges, as well as the bank's management fees.	\$41,224	\$41,224	\$41,224	\$41,224
20A_OREQ	OTHDADJ	This adjustment reflects the revised level of funding needed for project commitments.	\$16,295,956	\$23,481,236	\$8,564,159	\$9,639,474
20A_OREQ	MOFSUB	Means of Finance substitution decreasing State General Fund and increasing Statutory Dedications out of the Rapid Response Fund due to the increase in the forecast by the Revenue Estimating Conference (REC).	(\$368,120)	(\$368,120)	(\$368,120)	(\$368,120)
20A_OREQ	MOFSUB	Means of finance substitution increasing State General Fund and decreasing Statutory Dedications out of the Louisiana Mega-project Development Fund due to the decrease in available funds.	\$11,519,607	\$14,173,494	\$14,173,494	\$14,173,494
<b>20A_OREQ</b>		<b>Total Adjustments:</b>	<b>\$23,240,551</b>	<b>\$37,803,859</b>	<b>\$25,787,926</b>	<b>\$28,873,262</b>
		<b>TOTAL</b>	<b>\$517,660,401</b>	<b>\$532,223,709</b>	<b>\$520,207,776</b>	<b>\$523,293,112</b>

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21A_ANCIL		Existing Operating Budget as of 12/01/2017	\$0	\$0	\$0	\$0
21A_ANCIL	STATEWIDE	Group Insurance Rate Adjustment for Active Employees	\$0	\$3,652,959	\$12,338,296	\$18,516,092
21A_ANCIL	STATEWIDE	Group Insurance Rate Adjustment for Retirees	\$0	\$1,729,824	\$9,731,114	\$15,422,354
21A_ANCIL		<b>Total Adjustments:</b>	<b>\$0</b>	<b>\$5,382,783</b>	<b>\$22,069,410</b>	<b>\$33,938,446</b>
		<b>TOTAL</b>	<b>\$0</b>	<b>\$5,382,783</b>	<b>\$22,069,410</b>	<b>\$33,938,446</b>
22A_NON		Existing Operating Budget as of 12/01/2017	\$507,903,581	\$507,903,581	\$507,903,581	\$507,903,581
22A_NON	OTHDADJ	Adjustment for Debt Service Amortization Schedule	\$6,467,794	\$6,839,082	(\$29,275,488)	(\$42,752,127)
22A_NON		<b>Total Adjustments:</b>	<b>\$6,467,794</b>	<b>\$6,839,082</b>	<b>(\$29,275,488)</b>	<b>(\$42,752,127)</b>
		<b>TOTAL</b>	<b>\$514,371,375</b>	<b>\$514,742,663</b>	<b>\$478,628,093</b>	<b>\$465,151,454</b>
23A_JUDI		Existing Operating Budget as of 12/01/2017	\$151,530,944	\$151,530,944	\$151,530,944	\$151,530,944
23A_JUDI	STATEWIDE	Capitol Park Security	(\$142)	(\$146)	(\$149)	(\$152)
23A_JUDI	STATEWIDE	Legislative Auditor Fees	\$12,030	\$12,511	\$13,012	\$13,532
23A_JUDI	STATEWIDE	Risk Management	(\$55,260)	\$0	\$0	\$0
23A_JUDI	OTHDADJ	5% reduction of State General Fund for the Judicial Branch.	(\$7,576,547)	(\$7,576,547)	(\$7,576,547)	(\$7,576,547)
23A_JUDI	OTHDADJ	Legislative adjustments to the appropriation for the Louisiana Judiciary.	\$9,576,547	\$9,576,547	\$9,576,547	\$9,576,547
23A_JUDI	OTHDADJ	Restoring budget to base to account for statewide adjustments.	\$43,372	\$43,372	\$43,372	\$43,372
23A_JUDI		<b>Total Adjustments:</b>	<b>\$2,000,000</b>	<b>\$2,055,738</b>	<b>\$2,056,235</b>	<b>\$2,056,752</b>
		<b>TOTAL</b>	<b>\$153,530,944</b>	<b>\$153,586,682</b>	<b>\$153,587,179</b>	<b>\$153,587,696</b>
24A_LEGI		Existing Operating Budget as of 12/01/2017	\$62,472,956	\$62,472,956	\$62,472,956	\$62,472,956
24A_LEGI	STATEWIDE	Capitol Park Security	\$1,218	\$1,249	\$1,276	\$1,301
24A_LEGI	STATEWIDE	Rent in State-Owned Buildings	(\$3,931)	(\$4,032)	(\$4,120)	(\$4,197)
24A_LEGI	STATEWIDE	Risk Management	(\$77,839)	\$0	\$0	\$0
24A_LEGI	OTHDADJ	5% reduction of State General Fund for the Legislative Branch.	(\$3,123,648)	(\$3,123,648)	(\$3,123,648)	(\$3,123,648)
24A_LEGI	OTHDADJ	Legislative adjustments to the appropriation for the Legislative Branch.	\$3,123,648	\$3,123,648	\$3,123,648	\$3,123,648
24A_LEGI	OTHDADJ	Restoring budget to base to account for statewide adjustments.	\$80,552	\$80,552	\$80,552	\$80,552
24A_LEGI		<b>Total Adjustments:</b>	<b>\$0</b>	<b>\$77,769</b>	<b>\$77,709</b>	<b>\$77,655</b>
		<b>TOTAL</b>	<b>\$62,472,956</b>	<b>\$62,550,725</b>	<b>\$62,550,665</b>	<b>\$62,550,611</b>
25A_SPEC		Existing Operating Budget as of 12/01/2017	\$0	\$0	\$0	\$0

**STATE**  
**State of Louisiana**  
**Five Year Baseline Projection - Department**  
**Appropriated**

DEPT	ADJ TYPE	DESCRIPTION	Executive Legislative Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
25A_SPEC	OTHDADJ	Five year average of Road and Bridge Hazard claims.	\$0	\$10,569,776	\$10,569,776	\$10,569,776
25A_SPEC		<b>Total Adjustments:</b>	<b>\$0</b>	<b>\$10,569,776</b>	<b>\$10,569,776</b>	<b>\$10,569,776</b>
		<b>TOTAL</b>	<b>\$0</b>	<b>\$10,569,776</b>	<b>\$10,569,776</b>	<b>\$10,569,776</b>
26A_CAPI		<b>Existing Operating Budget as of 12/01/2017</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
26A_CAPI	OTHDADJ	Adjusting means of financing to the estimated available funding level for Capital Outlay projects for Fiscal Year 2018-2019.	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)
26A_CAPI	OTHDADJ	Legislative adjustments to the appropriation for Capital Outlay includes FY17-18 Surplus funding.	\$62,951,760	\$0	\$0	\$0
26A_CAPI		<b>Total Adjustments:</b>	<b>\$61,451,760</b>	<b>(\$1,500,000)</b>	<b>(\$1,500,000)</b>	<b>(\$1,500,000)</b>
		<b>TOTAL</b>	<b>\$62,951,760</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**  
**BA-7 AGENDA**  
**August 2018**

<b>A.</b>	<b>Fiscal Status Statement</b>		_____
<b>B.</b>	<b>5-Year Base Line Projection</b>		_____
<b>C.</b>	<b>Carryforward BA-7s</b>		
CF 1	EXEC	Executive Department (01-107) Division of Administration	_____
CF 2	EXEC	Executive Department (01-112) Department of Military Affairs	_____
CF 3	EXEC	Executive Department (01-116) Louisiana Public Defender Board	_____
CF 4	VETS	Department of Veterans Affairs (03-130) Department of Veterans Affairs	_____
CF 5	ELOF	Department of State (04-139) Secretary of State	_____
CF 6	ELOF	Department of Justice (04-141) Office of the Attorney General	_____
CF 7	ELOF	Department of Agriculture and Forestry (04-160) Agriculture and Forestry	_____
CF 8	ECON	Department of Economic Development (05-251) Office of the Secretary	_____
CF 9	ECON	Department of Economic Development (05-252) Office of Business Development	_____
CF 10	CRT	Department of Culture, Recreation and Tourism (06-261) Office of the Secretary	_____
CF 11	CRT	Department of Culture, Recreation and Tourism (06-265) Office of Cultural Development	_____
CF 12	CRT	Department of Culture, Recreation and Tourism (06-267) Office of Tourism	_____

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**  
**BA-7 AGENDA**  
**August 2018**

CF 13	DOTD	Department of Transportation & Development (07-276) Engineering and Operations	_____
CF 14	CORR	Department of Public Safety and Corrections (08A-400) Corrections Administration	_____
CF 15	CORR	Department of Public Safety and Corrections (08A-402) Louisiana State Penitentiary	_____
CF 16	CORR	Department of Public Safety and Corrections (08A-405) Raymond Laborde Correctional Center	_____
CF 17	CORR	Department of Public Safety and Corrections (08A-406) Louisiana Correctional Institute for Women	_____
CF 18	CORR	Department of Public Safety and Corrections (08A-408) Allen Correctional Center	_____
CF 19	CORR	Department of Public Safety and Corrections (08A-409) Dixon Correctional Institute	_____
CF 20	CORR	Department of Public Safety and Corrections (08A-413) Elayn Hunt Correctional Center	_____
CF 21	CORR	Department of Public Safety and Corrections (08A-415) Adult Probation and Parole	_____
CF 22	CORR	Department of Public Safety and Corrections (08A-416) B. B. "Sixty" Rayburn Correctional Center	_____
CF 23	PSAF	Department of Public Safety and Corrections (08B-418) Office of Management and Finance	_____
CF 24	PSAF	Department of Public Safety and Corrections (08B-419) Office of State Police	_____
CF 25	PSAF	Department of Public Safety and Corrections (08B-420) Office of Motor Vehicles	_____
CF 26	PSAF	Department of Public Safety and Corrections (08B-422) Office of State Fire Marshal	_____

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**  
**BA-7 AGENDA**  
**August 2018**

CF 27	PSAF	Department of Public Safety and Corrections (08B-424) Liquefied Petroleum Gas Commission	_____
CF 28	YSER	Youth Services (08C-403) Office of Juvenile Justice	_____
CF 29	LDH	Louisiana Department of Health (09-307) Office of the Secretary	_____
CF 30	LDH	Louisiana Department of Health (09-309) South Central LA Human Services Authority	_____
CF 31	LDH	Louisiana Department of Health (09-310) Northeast Delta Human Services Authority	_____
CF 32	LDH	Louisiana Department of Health (09-320) Office of Aging & Adult Services	_____
CF 33	LDH	Louisiana Department of Health (09-326) Office of Public Health	_____
CF 34	LDH	Louisiana Department of Health (09-330) Office of Behavioral Health	_____
CF 35	DNR	Department of Natural Resources (11-431) Office of the Secretary	_____
CF 36	LDR	Department of Revenue (12-440) Office of Revenue	_____
CF 37	DEQ	Department of Environmental Quality (13-856) Office of Environmental Quality	_____
CF 38	WFIS	Department of Wildlife and Fisheries (16-512) Office of the Secretary	_____
CF 39	HIED	Department of Higher Education (19A-671) Board of Regents	_____
CF 40	OTED	Special Schools and Commissions (19B-653) Louisiana School for the Deaf and Visually Impaired	_____

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**

**BA-7 AGENDA**

**August 2018**

CF 41	OTED	Special Schools and Commissions _____ (19B-657) Louisiana School for the Math, Science, and the Arts
CF 42	OTED	Special Schools and Commissions _____ (19B-662) Louisiana Educational Television Authority
CF 43	OTED	Special Schools and Commissions _____ (19B-673) New Orleans Center for Creative Arts
CF 44	LDOE	Department of Education _____ (19D-678) State Activities
CF 45	OREQ	Other Requirements _____ (20-451) Local Housing of State Adult Offenders
CF 46	OREQ	Other Requirements _____ (20-901) Sales Tax Dedications
CF 47	OREQ	Other Requirements _____ (20-931) LED Debt Service and State Commitments
CF 48	OREQ	Other Requirements _____ (20-945) State Aid to Local Government Entities
CF 49	OREQ	Other Requirements _____ (20-950) Judgments



**DIVISION OF ADMINISTRATION**  
**Facility Planning & Control**

**JOINT LEGISLATIVE COMMITTEE**  
**ON THE**  
**BUDGET**

**Briefing Book**

**FOR**

**August 2018**

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**August 2018**

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Proposed FEMA Improvement Project  
Delgado Community College, City Park Campus  
New Orleans, Louisiana  
Project No. 01-107-05B-13, Part IB; WBS F.01000511

**Supplemental Funds Request** **2**

Interagency Transfer  
Nunez Fine Arts Center  
Proposed FEMA Improved Project  
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Chalmette, Louisiana  
Project No. 01-107-05B-13, Part DV; WBS F.01000371

**Supplemental Funds Request** **3**

Fees & Self-Generated Revenues  
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Project No. 19-601-17-03; WBS F.19002122

**Supplemental Funds Request** **4**

Interagency Transfer  
Replace Cooling Towers  
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Project No. 01-107-06B-11; WBS F.01003742

- 1) Reconstruction of Building A & Permanent Repairs of the Breezeway  
Hurricane Katrina Repairs  
Building A (Kane Technology Center) & Breezeway  
Nunez Community College  
Chalmette, Louisiana  
Project Nos. 01-107-05B-13, Part 1A; WBS F.01001117  
01-107-05B-13, Part FA; WBS F.01000417
- 2) Permanent Repairs  
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Chalmette, Louisiana  
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- 4) Non-State Project  
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- 5) Non-State Project  
Town of St. Joseph  
Water System Improvements Phase I & II  
Tensas Parish, Louisiana  
Project No. 50-MQ4-13-01

Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

July 16, 2018

The Honorable Cameron Henry, Chairman  
Joint Legislative Committee on the Budget  
Post Office Box 44294, Capitol Station  
Baton Rouge, Louisiana 70804

**Re: Supplemental Funds Request  
Interagency Transfer  
Delgado Maintenance/Warehouse Facility  
Delgado Community College, City Park Campus  
New Orleans, Louisiana  
Project No.: 01-107-05B-13, Part IB; WBS F.01000511**

Dear Chairman Henry:

Facility Planning and Control is requesting approval to accept an additional \$200,000 of federal funds from the CDBG-Disaster Recovery Local Government Infrastructure Program (ILOC) to supplement existing CDBG funds to replace the maintenance building damaged during Hurricane Katrina. The supplemental funding is required to fully complete the design and construction of the new maintenance facility.

Facility Planning and Control requests approval to accept the Interagency Transfer of \$200,000.

Please place this item on the agenda for the next meeting of the committee.

Sincerely,

Mark A. Moses  
Director

Jay Dardenne  
Commissioner of Administration

MAM/kh

CC: Mr. Mark Moses, FPC  
Mr. Mark Gates, FPC  
Mr. Stephen Losavio, FPC  
Ms. Lisa Smeltzer, FPC  
Ms. Sue Wheeler, FPC  
Ms. Ternisa Hutchinson, OPB  
Mr. Barry Dusse, OPB  
Mr. Samuel Roubique, OPB  
Mr. Paul Fernandez, OPB  
Ms. Katie Andress, House Fiscal Division  
Ms. Ashley Albritton, House Fiscal Division  
Ms. Martha Hess, Senate Counsel  
Ms. Raynel Gascon, Senate Fiscal Division

Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

July 16, 2018

The Honorable Cameron Henry, Chairman  
Joint Legislative Committee on the Budget  
Post Office Box 44294, Capitol Station  
Baton Rouge, Louisiana 70804

**Re: Supplemental Funds Request  
Interagency Transfer  
Nunez Fine Arts Center  
Proposed FEMA Improved Project  
Nunez Community College  
Chalmette, Louisiana  
Project No.: 01-107-05B-13, Part DV; WBS F.01000371**

Dear Chairman Henry:

Facility Planning and Control is requesting approval to accept an additional \$20,000 of federal funds from the CDBG-Disaster Recovery Local Government Infrastructure Program (ILOC) to supplement existing FEMA funds available to build the 18,557 square foot consolidated building to replace three buildings that were significantly damaged during Hurricane Katrina. The supplemental funding is required to complete the design and construction of the new facility.

Facility Planning and Control requests approval to accept an Interagency Transfer of \$20,000.

Please place this item on the agenda for the next meeting of the committee.

Sincerely,

Mark A. Moses  
Director

Jay Dardenne  
Commissioner of Administration

MAM/kh

CC: Mr. Mark Moses, FPC  
Mr. Mark Gates, FPC  
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Office of the Commissioner  
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JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

July 16, 2018

The Honorable Cameron Henry, Chairman  
Joint Legislative Committee on the Budget  
Post Office Box 44294, Capitol Station  
Baton Rouge, Louisiana 70804

**Re: Supplemental Funds Request  
Fees & Self-Generated Revenues  
Stephenson Veterinary Hospital  
Baton Rouge, Louisiana  
Project No. 19-601-17-03; WBS F.19002122**

Dear Chairman Henry:

Act 4 of 2017 appropriated \$10,000,000 for the design and construction of a 27,000 square foot expansion of clinical and teaching functions at the Stephenson Veterinary Hospital on the Louisiana State University Baton Rouge campus.


The project is in the programming phase and the School of Veterinary Medicine has identified a need to increase the size of the clinic by 9,000 square feet for the development of a state-of-the-art community practice clinic. The LSU Board of Supervisors and the Board of Regents has approved the request to increase the size of the facility. LSU is requesting permission to supplement the project with additional funds in the amount of \$3,000,000 from Teaching Hospital self-generated revenues and veterinary student tuition revenue.

Facility Planning and Control requests authorization to receive \$3,000,000 from LSU as supplemental funds for the design and construction of the additional scope.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,

  
Mark A. Moses  
Director

  
Jay Dardenne  
Commissioner of Administration

MAM/kh



CC: Mr. Mark Moses, FPC  
Mr. Mark Gates, FPC  
Mr. Stephen Losavio, FPC  
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Ms. Raynel Gascon, Senate Fiscal Division

Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

July 16, 2018

The Honorable Cameron Henry, Chairman  
Joint Legislative Committee on the Budget  
Post Office Box 44294, Capitol Station  
Baton Rouge, Louisiana 70804

**Re: Supplemental Funds Request  
Interagency Transfer  
Replace Cooling Towers  
Southeast War Veterans Home  
Reserve, Louisiana  
Project No. 01-107-06B-11; WBS F.01003742**


Dear Chairman Henry:

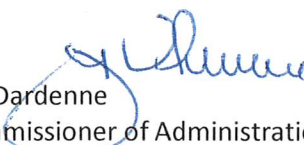
The HVAC system at the Southeast War Veterans Home in Reserve has experienced significant and multiple equipment failures including frequent interruption of heating and cooling services. JLCB approved transfer of \$400,000 in self-generated funds to Facility Planning and Control in April 2018. Bids have been received and an additional \$125,000 is required to complete the necessary replacement of the Cooling Tower project.

The Department of Veteran's Affairs has self-generated and federal funds that can be transferred to this project. Facility Planning and Control is requesting authorization to receive an interagency transfer in the amount of \$125,000 for the Department of Veteran's Affairs into the statewide major repairs appropriation to make the HVAC repairs.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,

  
Mark A. Moses  
Director

  
Jay Dardenne  
Commissioner of Administration

MAM/kh

CC: Mr. Mark Moses, FPC  
Mr. Mark Gates, FPC  
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Mr. Paul Fernandez, OPB  
Ms. Katie Andress, House Fiscal Division  
Ms. Ashley Albritton, House Fiscal Division  
Ms. Martha Hess, Senate Counsel  
Ms. Raynel Gascon, Senate Fiscal Division  
Mr. Homer Rodgers, Veterans Affairs  
Mr. Thomas Rish, FPC  
Mr. Alan Antoine, FPC

Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

July 16, 2018

The Honorable Cameron Henry, Chairman  
Joint Legislative Committee on the Budget  
Post Office Box 44294, Capitol Station  
Baton Rouge, Louisiana 70804

**RE: Reporting of Change Orders over \$50,000 and under \$100,000  
Facility Planning and Control**

Dear Chairman Henry:

In accordance with R.S. 39:126 any change order in excess of fifty thousand dollars but less than one hundred thousand dollars shall be submitted to the Joint Legislative Committee on the Budget for review but shall not require committee approval. Pursuant to this authority Facility Planning and Control has issued change orders that are itemized on the attached list.

Please place this item on the agenda of the next meeting of the Committee.

Sincerely,

Mark A. Moses  
Director

Jay Dardenne  
Commissioner of Administration

MAM/kh

CC: Mr. Mark Moses, FPC  
Mr. Mark Gates, FPC  
Mr. Stephen Losavio, FPC  
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Mr. Samuel Roubique, OPB  
Mr. Paul Fernandez, OPB  
Ms. Katie Andress, House Fiscal Division  
Ms. Ashley Albritton, House Fiscal Division  
Ms. Martha Hess, Senate Counsel  
Ms. Raynel Gascon, Senate Fiscal Division

1. Permanent Repairs & Reconstruction

Hurricane Katrina Repairs

Building A (Kane Technology Center) & the Breezeway

Nunez Community College

Chalmette, Louisiana

Project No. 01-107-05B-13, Part 1U; WBS F.01001117 & Part FA; WBS F.01000417

State ID Nos. S00707 & S00709

Site Code: 1-44-001

Date of Contract: December 1, 2016

Original Contract Amount: \$6,200,000.00

Changes by previous change orders: \$ 160,342.53

Change Order 1:	\$ 14,305.74	(06/19/17)
Change Order 2:	\$ 5,481.00	(08/25/17)
Change Order 3:	\$ 6,988.21	(08/31/17)
Change Order 4:	\$ 11,081.74	(09/05/17)
Change Order 5:	\$ 1,970.74	(09/17/17)
Change Order 6:	\$ 0.00	(09/19/17)
Change Order 7:	\$ 0.00	(01/09/18)
Change Order 8:	\$ 0.00	(01/10/18)
Change Order 9:	\$ 1,768.86	(01/11/18)
Change Order 10:	\$ 11,556.86	(01/29/18)
Change Order 11:	\$ 15,133.05	(01/31/18)
Change Order 12:	\$ 5,160.67	(02/09/18)
Change Order 13:	\$ 32,927.54	(02/19/18)
Change Order 14:	\$ 5,006.44	(02/27/18)
Change Order 15:	\$ 48,960.68	(03/26/18)

Contract amount increased by Change Order 16: \$ 91,062.48 (05/18/18)

New contract sum: \$6,451,404.01

Change Order 16 increases the project amount to address several electrical modifications for control of the energy management system and for installation of fiber optics to the building.

2. **Permanent Repairs**  
**Hurricane Katrina Repairs**  
**Building B (Shops Building)**  
**Nunez Community College**  
**Chalmette, Louisiana**  
**Project No. 01-107-05B-13, Part EX; WBS F.01000406**  
**State ID No. S00708**  
**Site Code: 1-44-001**

**Date of Contract: December 27, 2016**

**Original Contract Amount: \$4,198,000.00**

**Changes by previous change orders: \$ 330,604.34**

Change Order 1:	\$ 10,451.29	(07/27/17)
Change Order 2:	\$ 19,393.05	(08/18/17)
Change Order 3:	\$ 22,061.33	(08/22/17)
Change Order 4:	\$ 5,582.74	(08/31/17)
Change Order 5:	\$ 44,435.55	(12/06/17)
Change Order 6:	\$ 7,321.02	(12/14/17)
Change Order 7:	\$ 45,522.08	(12/20/17)
Change Order 8:	\$ 69,856.07	(01/30/18) (JLCB 04/18/18)
Change Order 9:	\$ 60,203.28	(02/28/18) (JLCB 05/16/18)
Change Order 10:	\$ 45,777.93	(03/28/18)

**Contract increased by Change Order 11: \$ 59,366.43 (04/09/18)**

**Contract increased by Change Order 12: \$ 85,513.79 (05/07/18)**

**Contract increased by Change Order 13: \$ 93,076.40 (06/04/18)**

**New contract sum: \$4,766,560.96**

Change Order 11 increased the project amount by \$59,366.43 to remove and replace the sewer main system under the Breezeway from Building B to the city sewer tap. Also included is new power to the mini-split AC systems. These items were damaged by the hurricane and are eligible for reimbursement by FEMA.

Change Order 12 increased the project amount by \$85,513.79 to install new sewer system in Building B to replace the existing system that was heavily damaged by Hurricane Katrina and was uncovered during construction. These items are eligible for reimbursement by FEMA.

Change Order 13 increased the project amount by \$93,076.40 to install new acid waste system, domestic water, and gas piping to replace existing that was heavily damaged by Hurricane Katrina and was uncovered during construction. These items are eligible for reimbursement by FEMA.



3. **Sewer System Renovation**  
**Bridge City Center for Youth**  
**Bridge City, Louisiana**  
**Project Nos. 08-403-11-01, Part 01; WBS F.08000091,**  
**01-107-06B-11, Part U7; WBS F.01001833 (Supplement)**  
**08-403-04B-01, Part 20; WBS F.01001833 (Supplement)**  
**Site Code: 1-26-004**

**Date of Contract: April 10, 2017**

**Original Contract Amount: \$315,900.00**

**Changes by previous change orders: \$ 40,126.00**

Change Order 1:	\$ 2,130.00	(05/30/17)
Change Order 2:	\$ 0.00	(08/10/17)
Change Order 3:	\$ 4,785.00	(09/20/17)
Change Order 4:	\$ 2,563.00	(09/20/17)
Change Order 5:	\$ 7,475.00	(09/20/17)
Change Order 6:	\$ 7,284.00	(10/23/17)
Change Order 7:	\$ 0.00	(11/29/17)
Change Order 8:	\$ 10,445.00	(12/06/17)
Change Order 9:	\$ 0.00	(01/10/18)
Change Order 10:	\$ 5,444.00	(02/21/18)

**Contract amount increased by Change Order 11: \$ 86,433.00 (04/10/18)**

**New contract sum: \$442,459.00**

Change Order 11 increases the project amount due to an unforeseen condition discovered during construction. During the installation of the new sewer lines, underground obstructions were encountered at various locations that prevented the new sewer lines from being installed as designed. The only viable alternative was to install new force mains consisting of two (2) new lift stations and grinder pumps. This change order is being covered by the project contingency.



**4. Non-State Project**  
**Town of St. Joseph**  
**Water System Improvements Phase I & II**  
**Tensas Parish, Louisiana**  
**Project No. 50-MQ4-13-01**

**Date of Contract: January 17, 2017**

**Original Contract Amount: \$3,399,510.00**

**Changes by previous change orders: \$ 239,721.57**

Change Order 1: \$ 96,965.08 (06/21/17) (JLCB 09/22/17)

Change Order 2: \$ 93,154.00 (07/13/17) (JLCB 09/22/17)

Change Order 3: \$ 49,602.49 (08/29/17)

**Contract increased by Change Order 4: \$ 88,892.62 (10/26/17)**

**New contract sum: \$3,728,124.19**

Change Order 4 increases the amount of the contract by \$88,892.62. The State is participating 100% of the cost, which represents a portion of the unobligated State funds. The work change consisted of two (2) items:

1. Make adjustments (reduce / add) per installed quantities of distribution system lines, borings, valves, fittings, etc.
2. Tie in distribution system to elevated storage tank. At the time of design, the existing tie in to the elevated storage tank was believed to be usable, however, during excavation it was determined that the existing tie in was inadequate and needed to be replaced.

**5. Non-State Project**  
**Town of St. Joseph**  
**Water System Improvements Phase I & II**  
**Tensas Parish, Louisiana**  
**Project No. 50-MQ4-13-01**

**Date of Contract: January 17, 2017**

**Original Contract Amount: \$3,399,510.00**

**Changes by previous change orders: \$ 239,721.57**

Change Order 1: \$ 96,965.08 (06/21/17) (JLCB 09/22/17)

Change Order 2: \$ 93,154.00 (07/13/17) (JLCB 09/22/17)

Change Order 3: \$ 49,602.49 (08/29/17)

Change Order 4: \$ 88,892.62 (10/26/17)

Change Order 5: \$ 0.00 (02/19/18)

**Contract increased by Change Order 6: \$ 99,816.85 (04/12/18)**

**New contract sum: \$3,827,941.04**

Change Order 6 increases the amount of the contract by \$99,816.85. The State is participating 100% of the cost, which represents a portion of the unobligated State funds. The work change consisted of one (1) item:

1. Make adjustments (reduce / add) per installed quantities of distribution system lines, borings, valves, fittings, etc.

The construction of this project was significantly impacted by the lack of as-builts drawings of the existing infrastructure (water, sewer, natural gas lines), which hindered the ability of the designers to foresee potential conflicts between existing utilities. This lack of information led to a significant amount of required field changes as unforeseen obstructions were encountered routinely.



# Louisiana State Police Retirement System

July 20, 2018

Joint Legislative Committee on the Budget  
c/o Rep. Cameron Henry, Chairman and  
Sen. Eric LaFleur, Vice-Chairman  
State of Louisiana

Dear Rep. Henry and Sen. LaFleur:

Please accept this letter as the request of the Louisiana State Police Retirement System to be placed on the agenda for the August meeting of the Joint Legislative Committee on the budget. We need to seek approval for an additional \$440,000.00 to pay our fourth quarter Investment manager fees. This budget adjustment is necessary because our investment performance has been greater than the amount that we budgeted.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script, reading "Irwin L. Felts, Jr.".

Irwin L. Felts, Jr.  
Executive Director

### Acquisitions & Major Repairs: LSPRS

\$	6,000	Various smaller office acquisitions
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\$	6,000	<b>Total Acquisitions and Major Repairs</b>
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### Investment Management Fees: LSPRS

<u>Original</u>	<u>Increase</u>	<u>Updated</u>	
\$ 505,000	\$ 98,319	\$ 603,319	Global Fixed Income Investment Advisors
\$ 375,000	\$ 75,478	\$ 450,478	Large Cap Value Equity Investment Advisors
\$ 315,000	\$ 63,080	\$ 378,080	Large Cap Growth Equity Investment Advisors
\$ 345,000	\$ 65,257	\$ 410,257	Small Cap Growth Equity Investment Advisors
\$ 300,000	\$ 53,947	\$ 353,947	Small Cap Value Equity Investment Advisors
\$ 335,000	\$ 67,213	\$ 402,213	Alternative Investments
\$ 90,000	-	\$ 90,000	Investment Custodial - Global
\$ 75,000	\$ 16,705	\$ 91,705	Equity Index Advisors
<b>\$ 2,340,000</b>	<b>\$ 440,000</b>	<b>\$ 2,780,000</b>	<b>Total Investment Management Fees</b>

**Department of Public Safety & Corrections**  
**State of Louisiana**

**JOHN BEL EDWARDS**  
Governor



**JAMES M. LE BLANC**  
Secretary

July 9, 2018

The Honorable Jay Dardenne, Commissioner  
Division of Administration  
Post Office Box 94095  
Baton Rouge, Louisiana 70804

The Honorable Cameron Henry, Chairman  
Joint Legislative Committee on the Budget  
Post Office Box 44294, Capitol Station  
Baton Rouge, Louisiana 70804

Dear Commissioner Dardenne and Chairman Henry:

In accordance with LRS 15:827.3(A), the attached report from the Department of Public Safety & Corrections—Corrections Services is being provided to you regarding the statement of calculated annual savings for Fiscal Year 2017 – 2018 realized as a result of reforms to the criminal justice system.

In the report you will find the methodology used to calculate the savings, the actual final calculated savings, and that part of the calculated savings that represents a bona fide obligation of the State to be used for reinvestment. In summary, the department has calculated a savings of \$12.203 million, of which 70%, or \$8.542 million, represents the bona fide obligation for reinvestment.

The continued support of the Division of Administration and the Legislature is greatly appreciated. Should you have any questions or need additional information, please contact Thomas Bickham, Undersecretary, at 225-342-6739.

Sincerely,

James M. LeBlanc, Secretary  
Department of Public Safety & Corrections

**Louisiana Department of Public Safety & Corrections –  
Corrections Services**



**Report to The Commissioner of Administration  
And The  
Joint Legislative Committee on the Budget  
Regarding  
Calculated Savings Realized from Criminal Justice Reform  
for Fiscal Year 2018**

**July 9, 2018**

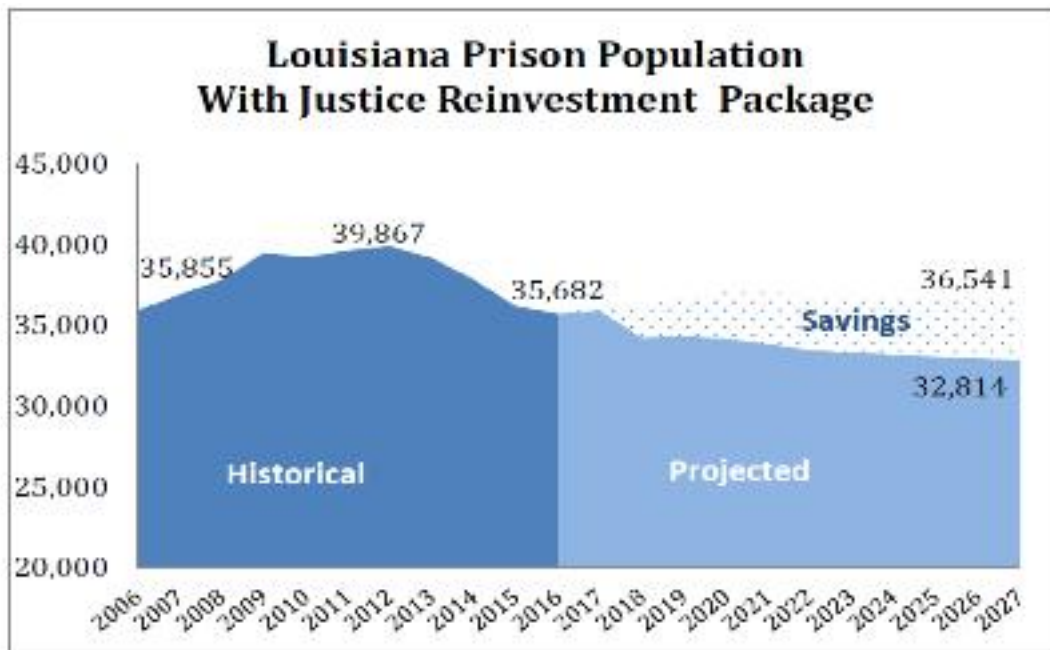
## **PURPOSE**

The submittal of this report by the Department of Public Safety & Correction—Corrections Services (DPS&C-CS) is in compliance with LRS 15:827.3(A), which states in part, “At the end of each fiscal year, the Department of Public Safety and Corrections shall provide to the commissioner of administration and to the Joint Legislative Committee on the Budget a statement of calculated annual savings realized as a result of reforms to the criminal justice system.”

## **METHODOLOGY FOR CALCULATING SAVINGS**

Pursuant to the work done by PEW in conjunction with the Louisiana Justice Reinvestment Task Force, the savings realized from criminal justice reforms are calculated as follows:

1. PEW predicted a monthly baseline population should the State continue as usual and not enact criminal justice reforms. The baseline population predicted by PEW was 35,919 at the end of October, 2017 and would gradually increase over the ensuing 116 months to 36,541 at the end of Fiscal Year 2027, resulting in an increase of 622 offenders.
2. Subsequent to the implementation of the criminal justice reforms, the DPS&C-CS would compile ACTUAL end-of-month population reports
3. At the end of each month, DPS&C-CS compares the predicted baseline population against the actual post-implementation population, with the difference between the two constituting a reduction in the population and the basis for the savings (graphically detailed below)



4. The actual monthly savings are then calculated by multiplying the difference between the baseline population and the actual population by the local level per diem of \$24.39 per offender per day and then multiplying by the number of days in the month. Calculations use the local level per diem as all population decreases were assumed to be at the local level. PEW's original predicted savings for Fiscal Year 2017-2018 based on the methodology above was:

MONTH	PROJECTED			
	PEW PROJECTED BASELINE POPULATION	PROJECTED POST-CJR POPULATION	DIFFERENCE	SAVINGS
October-17	35919	35919	0	\$0
November-17	36005	36004	1	\$749
December-17	36142	35878	264	\$204,191
January-18	36175	35505	670	\$518,212
February-18	36259	35272	987	\$689,518
March-18	36334	35071	1263	\$976,867
April-18	36271	34715	1556	\$1,164,666
May-18	36253	34590	1663	\$1,286,247
June-18	36236	34472	1764	\$1,320,354
<b>TOTAL</b>				<b>\$6,160,804</b>

5. The savings are then rolled up at the end of a fiscal year. Over the nine year and eight-month horizon analysis (reforms were implemented on November 1, 2017), PEW predicted annual savings as follows:

Date	Baseline Prison Population	Savings from baseline	Prison Population with JRTF	TOTAL
Jun-18	36,236	1764	34472	\$6,160,804
Jun-19	36,397	2304	34093	\$18,716,198
Jun-20	36,898	2676	34222	\$22,278,179
Jun-21	36,967	3065	33902	\$25,839,936
Jun-22	36,919	3333	33586	\$28,586,251
Jun-23	36,865	3498	33368	\$30,528,277
Jun-24	36,829	3611	33219	\$31,807,122
Jun-25	36,746	3663	33083	\$32,539,109
Jun-26	36,657	3703	32954	\$32,920,665
Jun-27	36,541	3727	32814	\$33,176,870
				\$262,553,411

### **CALCULATED SAVINGS FOR FISCAL YEAR 2017-2018**

The calculated savings based on the methodology above are:

MONTH	BASELINE POPULATION (a)	POST-CJR POPULATION	STATE INST (BACK OUT OF SAVINGS) (b)	TOTAL DIFFERENCE	DIFFERENCE LESS STATE	SAVINGS
October-17	35961	35961	0	0	0	\$0
November-17	36047	33968	-478	2079	1601	\$1,171,452
December-17	36184	33739	-564	2445	1881	\$1,422,205
January-18	36217	33487	-540	2730	2190	\$1,655,837
February-18	36301	33389	-307	2912	2605	\$1,779,007
March-18	36376	33269	-281	3107	2826	\$2,136,710
April-18	36313	33417	-368	2896	2528	\$1,849,738
May-18	36295	33425	-361	2870	2509	\$1,897,030
June-18	36278	33186	-353	3092	2739	\$2,004,126
<b>TOTAL</b>						<b>\$13,916,105</b>

(a) The baseline population was adjusted to reflect the actual population at the end of October, 2017

(b) Due to the number of releases in November, 2017, beds became vacant at the State level and are backed out of the savings calculation

### **CALCULATED SAVINGS FOR FISCAL YEAR 2017-2018 WITHOUT PEW PROJECTED GROWTH**

As noted above, PEW predicted an increase in the offender population had the State taken no action towards criminal justice reform. This projected increase in turn has a material effect on the calculated savings. However, applying a projected growth in the calculation essentially amounts to contingency budgeting/funding. Appropriately, the baseline population should be adjusted to the actual population on October 31, 2017, which was 35,961 offenders. The final calculated savings based on the methodology above and using the static population as the baseline are:

MONTH	BASELINE POPULATION	POST-CJR POPULATION	STATE INST (BACK OUT OF SAVINGS)	TOTAL DIFFERENCE	DIFFERENCE LESS STATE	SAVINGS
October-17	35961	35961	0	0	0	\$0
November-17	35961	33968	-478	1993	1515	\$1,108,526
December-17	35961	33739	-564	2222	1658	\$1,253,597
January-18	35961	33487	-540	2474	1934	\$1,462,278
February-18	35961	33389	-307	2572	2265	\$1,546,814
March-18	35961	33269	-281	2692	2411	\$1,822,933
April-18	35961	33417	-368	2544	2176	\$1,592,179
May-18	35961	33425	-361	2536	2175	\$1,644,496
June-18	35961	33186	-353	2775	2422	\$1,772,177
<b>TOTAL</b>						<b>\$12,203,000</b>



### **BONA FIDE OBLIGATION: 70% OF CALCULATED SAVINGS**

LRS 15:827.3(A) & (B) goes on to state:

“A. ... For Fiscal Year 2017-2018, seventy percent of the savings shall be deemed a bona fide obligation of the state and shall be allocated by the department according to Subsection B of this Section. For Fiscal Year 2018-2019 and each fiscal year thereafter, fifty percent of the annual savings shall be deemed a bona fide obligation of the state and shall be allocated by the department according to Subsection B of this Section and twenty percent of the annual savings shall be deemed a bona fide obligation of the state and shall be allocated by the department for juvenile justice initiatives and programs.

B. The amount deemed to be a bona fide obligation pursuant to the provisions of Subsection A of this Section, except for the portion required to be allocated by the department for juvenile justice initiatives and programs, shall be allocated as follows:

- (1) Thirty percent shall be allocated to the Department of Public Safety and Corrections to award incentive grants to parishes, judicial districts, and nonprofit community partner organizations to expand evidence-backed prison alternatives and reduce admissions to the state prison system.
- (2) Twenty percent shall be allocated to the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice to award competitive grants for victim services, including but not limited to victim safety assessments and safety planning, trauma-informed treatment and services for victims and survivors, shelters and transitional housing for domestic violence victims and their children, batterers' intervention programming, and victim-focused education and training for justice system professionals.
- (3) The remainder shall be allocated to the Department of Public Safety and Corrections for targeted investments in reentry services, community supervision, educational and vocational programming, transitional work programs, and contracts with parish jails and other local facilities that house state inmates to incentivize expansion of recidivism reduction programming and treatment services.”

Per LRS 15:827.3(A) & (B), 70% of the calculated savings of \$12.203 million for FY 2017-2018 to be deemed a bona fide obligation is \$8.542 million. This bona fide obligation is to be applied in Fiscal Year 2018-2019 and allocated based on the following table:

MONTH	TOTAL CALC. SAVINGS	70% BONA FIDE OBLIGATION FOR JUSTICE RE-INVESTMENT			
		TOTAL BONA FIDE OBLIG.	30% Grants	20% LCLE Victims Serv	50% DOC Inv
October-17	\$0	\$0	\$0	\$0	\$0
November-17	\$1,108,526	\$775,968	\$232,790	\$155,194	\$387,984
December-17	\$1,253,597	\$877,518	\$263,255	\$175,504	\$438,759
January-18	\$1,462,278	\$1,023,595	\$307,078	\$204,719	\$511,797
February-18	\$1,546,814	\$1,082,770	\$324,831	\$216,554	\$541,385
March-18	\$1,822,933	\$1,276,053	\$382,816	\$255,211	\$638,027
April-18	\$1,592,179	\$1,114,525	\$334,358	\$222,905	\$557,263
May-18	\$1,644,496	\$1,151,147	\$345,344	\$230,229	\$575,574
June-18	\$1,772,177	\$1,240,524	\$372,157	\$248,105	\$620,262
	\$12,203,000	\$8,542,100	\$2,562,630	\$1,708,420	\$4,271,050

### **BONA FIDE OBLIGATION AND THE BUDGET FOR LOCAL HOUSING OF STATE OFFENDERS (LHSAO)**

The calculated savings and subsequent bona fide obligation are based on the local level per diem paid to Sheriff's and operators for housing State offenders. The source of funding for these payments is Schedule 20-451 of the Appropriations Bill, Local Housing of State Adult Offenders (LHSAO). With the savings calculated based on the population decrease at the local level, the source of the cash surplus needed to satisfy the bona fide obligation portion of the calculated savings is the LHSAO program.

Historically the LHSAO budget is consistently under-appropriated at the beginning of the fiscal year and depends upon a supplemental budget appropriation at the end of the fiscal year in order to satisfy all commitments. Fiscal Year 2017-2018 was no different. Through a combination of "rolling over" the previous fiscal year debt and the placement of additional offenders at the local level due to the conversion of the Allen Correctional Center, the program was initially placed in a deficit position. And although additional appropriations were added via a Mid-Year BA7 and the Supplemental Bill, Act 59 of the 2018 Regular Session, the program was still not adequately funded to offset the rollover and additional offenders.

As of the June 15, 2018, letter to the Joint Legislative Committee on the Budget, The FY 2017-2018 projected expenditures for the Local Housing of State Adult Offenders are approximately \$181.8 million based on an appropriation of \$189.7 million, or a projected surplus of \$7.95 million. As of the submittal of this report and based on the current cash surplus, approximately \$7.95 million will be carried forward to be used for the bona fide obligation for reinvestment. The projected surplus is still subject to change. The cash surplus will be finalized prior to the August, 2018, meeting of the Joint Legislative Committee on the Budget after the final FY 2017-2018 invoices have been processed.

Should there not be an adequate final cash balance at the end of Fiscal Year 2017-2018, **the remaining balance of approximately \$592,000 is still a bon fide obligation of the State** and should be funded through future appropriations, potentially via the supplemental budget act of the 2019 Regular Legislative Session.



July 6, 2018

Joint Legislative Committee on the Budget  
P.O. Box 44097  
Baton Rouge, LA 70804-4097

McNeese State University requests approval to enter into a five year contract with I-Design, an online program development service provider, for the creation of an RN to BSN online nursing program. McNeese is in need of this online program to address a regional need for registered nurses with a Bachelor of Science degree in Nursing. This online program would address this need at a very reasonable cost to students. The online program would also provide additional self-generated revenue opportunities to McNeese, not only from nursing students in southwest Louisiana, but also from students outside of the region and the State of Louisiana where this need also exists.

Services provide by I-Design would include program planning services, instructional design and development services, continuous improvement services, marketing services, and enrollment services. The contract would also include student success coaches to assist McNeese in its efforts to minimize student attrition. Additional details of these services may be found in the enclosed contract.

The financial structure of the contract would be a combination of fee for service and revenue share. After an initial McNeese payment of \$350,000 to I-Design in the first half of FYE 2019, a 60/40 revenue share (60% to I-Design and 40% to McNeese) would start in the second half of FYE 2019 and continue fully in years 2020, 2021, and 2022. In the fifth and final year of the contract, FYE 2023, McNeese would receive all of the on-line program generated revenue, estimated to be \$3,308,800, and McNeese would pay I-Design \$1,129,000 in fees for services. The initial payment and payments in 2023 would come from University self-generated revenues. This fee structure would allow McNeese to initiate the program with a modest initial investment of university resources, share in revenue growth as the program matures, and then once the online program has fully developed and is generating a sufficient revenue stream, then pay a larger amount to I-Design for continuation of their services. After the fifth year, McNeese would have the option to operate the program all on its own.

Once the RN to BSN online program is up and running, we feel this model could also be used for other curriculums where online programming is needed.

McNeese has contacted several other online service providers but could not attract interest in this type of service without a much larger upfront investment of university resources. McNeese has therefore requested State Purchasing for a sole source designation. Before State Purchasing considers this service to be a sole source, it must first have JLCB approval for a five year contract.

Letter to Joint Legislative Committee on Budget

Date July 6, 2018

-2-

To allow the program to be successful, a five year contract is needed. Three years would not allow enough time to allow the program to mature at a reasonable pace using this fee structure. As required by Revised Statute 39:1615 J, McNeese respectfully requests it be allowed to pursue a five year contract.

Sincerely,



Dr. Daryl V. Burckel  
President

CC: Dr. C. Mitchell Adrian  
Provost and Vice President of Academic Affairs & Enrollment Management

Mr. Eddie P. Meche, CPA  
Vice President of Business Affairs & University Services

Dr. Peggy Wolfe  
Dean of College of Nursing and Health Professions

# CONTRACT BETWEEN STATE OF LOUISIANA

**NAME OF DEPARTMENT/AGENCY**

McNeese State University

AND

**CONTRACTOR NAME**

iDesign

**CONTRACT NUMBER (ISIS/LAGOV)****TYPE OF SERVICES TO BE PROVIDED**

PROFESSIONAL  
SERVICES ☐

CONSULTING  
SERVICES ☒

SOCIAL  
SERVICES ☐

PERSONAL  
SERVICES ☐

**CONTRACTOR (Legal Name if Corporation)**

iDesign EDU LLC

**FEDERAL EMPLOYER TAX  
ID NUMBER**

46-2579765

**STATE LDR ACCOUNT #****STREET ADDRESS**

800 Jackson St., Suite 384

**TELEPHONE NUMBER**

903-571-1953

CITY Dallas

STATE TX

ZIP CODE 75202

**BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED**

Provide services to develop and offer online RN-BSN courses.  
Please see Attachment A, Scope of Work

**BEGIN DATE**

July 1, 2018

**END DATE**

June 30, 2023

**MAXIMUM CONTRACT AMOUNT**

\$1,479,000 (but is Revenue Generating)

**MULTI-YEAR CONTRACT BREAKDOWN**

See Attachment D, Pro-Forma Projections, Total Cost Line

**TERMS OF PAYMENT-** If progress and/or completion of services are provided to the satisfaction of the initiating Office/Facility, payments are to be made as follows:

See Pricing and Payment Terms on Attachment B

**PAYMENT WILL BE MADE ONLY UPON APPROVAL OF: (Type Title of Personnel only)**

Dean of College of Nursing



**Taxes**

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract and/or legislative appropriation shall be contractor's obligation and identified under Federal tax identification number.

In accordance with R.S. 39:1624(A)(10), the Louisiana Department of Revenue must determine that the prospective contractor is current in the filing of all applicable tax returns and reports and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the Department of Revenue prior to the approval of this contract by the Office of State Procurement. The prospective contractor hereby attests to its current and/or prospective compliance, and agrees to provide its seven-digit LDR Account Number to the contracting agency so that the prospective contractor's tax payment compliance status may be verified. The prospective contractor further acknowledges understanding that issuance of a tax clearance certificate by the Louisiana Department of Revenue is a necessary precondition to the approval and effectiveness of this contract by the Office of State Procurement. The contracting agency reserves the right to withdraw its consent to this contract without penalty and proceed with alternate arrangements should the vendor fail to resolve any identified apparent outstanding tax compliance discrepancies with the Louisiana Department of Revenue within seven (7) days of such notification.

**Termination for Cause**

The State may terminate this Contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract; provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the state to cure the defect.

**Termination for Convenience**

The State may terminate the Contract at any time by giving thirty (30) days written notice to the Contractor. The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

**Remedies for Default**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA - R.S. 39:1672.2 - 1672.4.

**Governing Law**

This Contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana, including but not limited to La. R.S. 39:1551-1736; rules and regulations; executive orders; standard terms and conditions, special terms and conditions, and specifications listed in the RFP(if applicable); and this Contract. Venue of any action brought, after exhaustion of administrative remedies, with regard to this Contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

**E-Verify**

Contractor acknowledges and agrees to comply with the provisions of La. R.S. 38:2212.10 and federal law pertaining to E-Verify in the performance of services under this Contract.

**Record Ownership**

All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

**Commissioner's Statements**

Statements, acts and omissions made by or on behalf of the Commissioner of Administration regarding the RFP or RFP process, this Contract, any Contractor and/or any subcontractor of the Contractor shall not be deemed a conflict of interest when the Commissioner is discharging her duties and responsibilities under law, including, but not limited, to the Commissioner of Administration's authority in procurement matters.

**Contractor's Cooperation**

The Contractor has the duty to fully cooperate with the State and provide any and all requested information, documentation, etc. to the state when requested. This applies even if this Contract is terminated and/or a lawsuit is filed. Specifically, the Contractor shall not limit or impede the State's right to audit or shall not withhold State owned documents.

**Nonassignability**

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

**Auditors**

The State Legislative Auditor, internal auditors of the Division of Administration, agency auditors, and if applicable, federal auditors shall be entitled to audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract to the extent that such books and records relate to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor for a period of five (5) years from the date of final payment under the prime contract and by the subcontractor for a period of five (5) years from the date of final payment under the subcontract.

**Fiscal Funding**

The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

**Discrimination Clause**

The contractor agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, disability, or age in any matter relating to employment. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

**Continuing Obligation**

Contractor has a continuing obligation to disclose any suspensions or debarment by any government entity, including but not limited to General Services Administration (GSA). Failure to disclose may constitute grounds for suspension and/or termination of the Contract and debarment from future Contracts.

**Eligibility Status**

Contractor, and each tier of Subcontractors, shall certify that it is not on the List of Parties Excluded from Federal Procurement or Nonprocurement Programs promulgated in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24.

THUS DONE AND SIGNED AT Baton Rouge, Louisiana on the day, month and year first written above. IN WITNESS WHEREOF, the parties have executed this Agreement.

WITNESSES SIGNATURES:

STATE AGENCY SIGNATURE:

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

WITNESSES SIGNATURES:

CONTRACTOR SIGNATURE:

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

## **ATTACHMENT A SCOPE OF WORK**

**Program:** RN-BSN program, pre-requisite courses, and general education courses

**Courses:** 20 courses including courses standard to the RN-BSN Program, prerequisite courses, and general education courses

**This agreement has a Pre-Launch, a revenue generating term, and a Fee-for-Service term (see Attachment D, Pro-Forma Projections).**

**Protection of Student Information:** Certain student-specific information may be protected from disclosure pursuant to the provisions of the Family Educational Rights and Privacy Act (FERPA). iDesign shall not disclose any such information to any third parties and take such measures as are reasonable and prudent to protect such information from inadvertent disclosure.

**Marketing Deliverables:** McNeese will provide the branding and style guidelines and any existing distribution lists or marketing materials for each Program and/or associated colleges and departments.

iDesign may use McNeese's Learning Management System (LMS) to create course template prototypes, assist faculty with curriculum development, create course content, develop courses, inform enrollment and retention outreach, and perform quality assurance reviews.

**Tuition and Fees Consultation:** McNeese shall notify iDesign of any adjustments to tuition or fees for any associated course or program as it may impact course and program marketability, enrollment, and revenue.

### **General Description of Services:**

#### **1. Program Planning Services.** iDesign shall:

- a. provide an integration lead to collaborate with McNeese State University administrators and Program leadership;
- b. provide initial market research to identify Program parameters that are likely to be competitive in the marketplace;
- c. facilitate Program planning sessions to finalize Program parameters (e.g., curriculum, academic calendar, course delivery schedule, admissions criteria, degree pricing, etc.); and
- d. facilitate operational planning sessions with key McNeese administrative units to review existing processes and recommend efficiencies.

#### **2. Instructional Design and Development Services.**

- a. iDesign shall provide a team of instructional designers to partner with McNeese Faculty for course development. iDesign shall retain the right, at its sole



discretion, to schedule, assign, or replace any instructional designer with another instructional designer of equal ability.

- b. iDesign shall develop all Program Courses. For each Course developed, Course Development Services provided include:
  - i. guiding Faculty through the full course development process;
  - ii. collaborating with Faculty to develop and refine learning objectives, design aligned assessments and conceive aligned activities and content;
  - iii. building all Courses in the McNeese LMS;
  - iv. a thorough post-development quality review of each Course; and
  - v. project management, including a highly-structured project process and a detailed course development timeline.

### **3. Continuous Improvement Services**

- a. iDesign shall provide a team of instructional designers to partner with McNeese Faculty for continuous improvement and course update services. iDesign shall retain the right, at its sole discretion, to schedule, assign, or replace any instructional designer with another instructional designer of equal ability
- b. For each Course update, the iDesign Learning Architect and QA Leader will discuss with the instructor overall impressions and experiences of the Course when it was taught; review Course data and student input; and design the action plan for Course update.
- c. iDesign Learning Architect and Instructional Technologist address all action items.
- d. iDesign QR leader performs an updated review.
- e. Provide any additional Continuous Improvement Services agreed to in writing by the Parties.

### **4. Marketing Services.**

- a. Exclusive marketing: iDesign shall be the exclusive marketer of the Programs.
- b. Program website and landing page(s): iDesign shall design, build, and host one or more website(s) and landing page(s) for each Program.
- c. Digital marketing: iDesign shall develop and implement a Program-specific digital marketing strategy targeting student enrollment. Digital marketing strategy and tactics will vary by Program and based on market conditions. Digital marketing tactics employed may include but are not limited to search engine

optimization ("SEO"), original content development, paid search, pay-per-click ("PPC") advertising, and display retargeting.

- d. Employer partnership executives: iDesign will market the program directly to employers and other organizations using employer partnership executives.

**5. Enrollment Services.** iDesign shall support the conversion of marketing leads to applications, admitted students, and ultimately, to enrollments, including by:

- a. providing a team of enrollment services representatives, who serve as the primary point of contact for prospective students;
- b. thoroughly reviewing of Program enrollment lifecycle with key McNeese administrative units;
- c. developing detailed communication plans and triggers covering the entire enrollment life-cycle;
- d. providing systems to enable efficient execution of communication plans and ongoing process improvement;
- e. executing the communication plan, beginning with prompt outreach to each prospect upon inquiry; and
- f. informing prospective students of Course and Program parameters and referring potential students to an McNeese contact, as applicable (e.g., financial aid questions).

**6. Student Success Coaches.** iDesign will provide retention services to minimize Program attrition. Services provided include:

- a. providing a team of student success coaches who provide outreach to students at risk of attrition;
- b. providing systems to enable efficient execution of communication plans and ongoing process improvement; and
- c. executing the communication plan.

## **ATTACHMENT B**

### **Pricing and Payment Terms**

Should McNeese exercise the termination clause for convenience during the revenue share agreement term, McNeese agrees to reimburse at a prorated amount the up-front monies \$641,875 for the launch of this program (shown as Attachment C) to iDesign, provided that iDesign provides an itemized statement for work, and pay the 60% revenue share for the lifetime of any such student sourced to McNeese prior to the termination.

1. **Instructional Design and Development Services:** \$350,000  
Payment of \$175,000 due after the on-site partnership launch meeting and \$175,000 is due upon program launch, the official go-to market strategy is live and running.
2. **Revenue Percentage:** 60% of Revenue for Qualifying Students during the Revenue Period. The **Revenue Period** is a 42-month period, beginning on the program launch date (when the program is live and running).
3. **Remainder of Term:** Following the expiration of the Revenue Period, for the remainder of the Term, the pricing and payment terms will revert to a fee-for-service basis on the following schedule:
  - a. Program Planning Services: \$0
    - i. No charge assuming McNeese commits to comprehensive services.
  - b. Instructional Design and Development Services: \$25,000 per course
    - i. This fee only pertains to courses developed above and beyond the 20 RN-BSN Program courses, pre-requisite courses and general education courses. Payment schedule would be 50% due after the Faculty launch meeting and 50% once course is live and running.
  - c. Continuous Improvement Services: \$7,000 per course per 12-month fee period
    - i. Payment is due after Continuous Improvement launch meeting each Fee Period.
    - ii. Provide one Course update each Fee Period for every Course developed using iDesign Instructional Design and Development Services.
  - d. Marketing Services
    - i. Digital Marketing Services
      1. Quarterly Payments (January, April, and October) are due for each 12-month Fee Period. The schedule reflects minimum Annual amounts with the option for McNeese to elect to increase the amount.
        - a. Fee Period 1: \$325,000

- ii. Employer Partnership Executives: \$250,000 per Employer Partnership Executive per 12-month fee period.
  - 1. A minimum of 1 Employer Partnership Executive is required. Additional Employer Partnership Executives may be added upon mutual agreement by the parties.
- e. Enrollment Services: \$72,000 per Enrollment Service Representative per 12-month fee period. A minimum of 2 Enrollment Service Representatives are required.
  - 1. Quarterly (January, April, and October) payments are to be made.
  - 2. Additional Enrollment Service Representatives will be required for any additional enrollments in excess of 300 new enrollments per Fee Period. One Enrollment Service Representative can service up to 150 new enrollments per Fee Period.
- f. Academic (Student Success) Coaches: \$90,000 per Student Success Coach per 12-month fee period. A minimum of 2 Student Success coaches are required.
  - 1. Quarterly (January, April, and October) payments are to be made. Additional Student Success Coaches will be required for additional enrolled students in excess of 350 total enrolled students per Fee Period. One Student Success Coach can service up to 175 total enrolled students per Fee Period.

**ATTACHMENT C**  
**UP-FRONT MONIES BY iDESIGN**

Services	iDesign Costs prior to first cohort payment
Course Development	\$196,875
Continuous Improvement	\$0
Website Development	\$60,000
Digital Marketing	\$125,000
Employer Partnership Executives	\$150,000
Enrollment Services	\$50,000
Success Coaches	\$60,000
Total Costs	\$641,875

# ATTACHMENT D

## McNeese State RN to BSN Pro-Forma Projections

	Revenue Share					Fee-For-Service
	Pre-Launch	Launch	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	
	Fiscal Year 2019					Fiscal Year 2023
	(Jul-Dec 2018)	(Jan - Jun 2019)	(July 1, 2019 - June 30, 2020)	(July 1, 2020 - June 30, 2021)	(July 1, 2021 - June 30, 2022)	(July 1, 2022 - June 30, 2023)
Revenue						
New Enrollments	0	75	190	225	250	280
Total Enrollments	0	75	265	350	400	445
Total Revenue	\$0	\$185,600	\$1,433,600	\$2,534,400	\$2,950,400	\$3,308,800
Revenue Share %	60%					
iDesign Revenue	\$0	\$111,360	\$860,160	\$1,520,640	\$1,770,240	
McNeese Revenue	\$0	\$74,420	\$573,440	\$1,013,760	\$1,180,160	\$3,308,800
McNeese Costs						
Course Development	\$350,000	\$0	\$0	\$0	\$0	\$0
Continuous Improvement	\$0	\$0	\$0	\$0	\$0	\$140,000
Website Development	\$0	\$0	\$0	\$0	\$0	\$0
Digital Marketing	\$0	\$0	\$0	\$0	\$0	\$325,000
Employer Partnership Executives	\$0	\$0	\$0	\$0	\$0	\$250,000
Enrollment Services	\$0	\$0	\$0	\$0	\$0	\$144,000
Academic Coaches	\$0	\$0	\$0	\$0	\$0	\$270,000
Total Costs (iDesign FFS Payment	\$350,000	\$0	\$0	\$0	\$0	\$1,129,000
McNeese Net Earnings	(\$350,000)	\$74,420	\$573,440	\$1,013,760	\$1,180,160	\$2,179,800



**State of Louisiana**  
Louisiana Department of Health  
Office of Management and Finance

May 31, 2018

The Honorable Cameron Henry  
Louisiana State Representative  
Chair, Joint Legislative Committee on the Budget  
P.O. Box 44294  
Baton Rouge, LA 70804

Re: LDH Request for June JLCB Agenda Item Pursuant to R.S.39:1615(J)

Dear Representative Henry:

Pursuant to R.S.39:1615(J), the Louisiana Department of Health (LDH) requests that the following contract extensions be placed on the June meeting agenda for consideration by the Joint Legislative Committee on the Budget (JLCB). LDH has five (5) current contracts previously awarded through the RFP process and wish to extend these contracts, but believe that R.S.39:1615(J) requires the approval of your committee before proceeding. The contracts are as follows:

<u>LaGov Number</u>	<u>Contractor</u>	<u>LDH Region(s)</u>
2000153419	Crescent Care	1
2000153430	Florida Parishes Human Services District	9
2000153431	Start Corporation	1, 2, 3
2000153432	Volunteers of America, Greater Baton Rouge	4, 5
2000153434	Volunteers of America, Greater New Orleans	1, 9

**Permanent Supportive Housing (PSH) service contracts**


The contracts listed above for your review and consideration, are regionally based with the Office of Aging and Adult Services. Contractors provide support services to persons with disabilities who are housed under Louisiana's Permanent Supportive Housing (PSH) program. Services are paid for under federal Community Development Block Grant dollars.

Additionally, since LDH is satisfied with the performance of all five contractors and to avoid a potential disruption of services to the households of disabled Louisiana citizens, LDH is requesting approval of the JLCB to extend the contracts for a term that would conclude on June 30, 2020.

Representative Cameron Henry  
May 31, 2018  
Page 2

Thank you for considering our request to have these contract extensions included on the June JLCB agenda. I am enclosing a copy of the contracts for your convenience. If you have any questions or need any additional information, please feel free to contact Tonya Joiner at (225) 342-5274 or [Tonya.Joiner@la.gov](mailto:Tonya.Joiner@la.gov).

Sincerely,



W. Jeff Reynolds  
Undersecretary

Enclosures



## Permanent Supportive Housing (PSH) Service Provider Contract Extension Request

### Overview

- The Louisiana Department of Health (LDH) Office of Aging and Adult Services (OAAS) is requesting to extend five (5) Permanent Supportive Housing (PSH) service provider contracts by 19 months, which is five months less than the full 5 years allowed in the contract with JLBC approval. The current 3-year term of the contracts ends on November 30, 2018, and the original contract amounts are listed below. If the extensions are approved, we would use existing CDBG dollars to cover the additional 19 months.

Contractor	Amount (CDBG \$)
Crescent Care/NO Aids Task Force	\$ 1,804,859.00
Florida Parishes Human Services District	\$ 533,088.00
Start Corporation	\$ 2,802,482.00
Volunteers of America, Greater Baton Rouge	\$ 708,236.00
Volunteers of America, Greater New Orleans	\$ 982,392.00
<b>TOTAL</b>	<b>\$ 6,831,057.00</b>

- Contracts are funded with 100% federal Community Development Block Grant (CDBG) dollars from the federal department of Housing and Urban Development (HUD).** LDH receives the funds through Interagency Agreement with the Louisiana Office of Community Development.
- Contractors provide support and case-management to vulnerable persons/households housed through Louisiana's PSH program. Supports are designed to help persons with disabilities, many of them homeless, attain and maintain tenancy in community-integrated, affordable housing.
- LDH is satisfied with the performance of these contractors and would like to exercise the extension option in the contracts. If the committee does not approve the extension, LDH will issue a Request for Proposal (RFP) for these services, for a new three-year term. **Based on past experience, it is anticipated that these same vendors will be awarded contracts at a higher negotiated rate.**

### Contractor Expertise, Performance, and Outcomes

- Current providers are performing well. **Louisiana's program has a 94% housing retention rate as well as a 24% reduction in ER and inpatient hospital utilization.**
- Louisiana's Permanent Supportive Housing program is nationally lauded for reducing homelessness and unnecessary institutionalization of persons with disabilities and for reducing inpatient hospitalization, emergency room utilization, and institutional costs for persons housed and supported in the program.
- There is a high level of program investment in the current group of providers. In addition to being Medicaid enrolled and qualified to serve multiple, cross-disability populations; providers go through extensive initial and ongoing training by LDH and partners and are certified to provide this evidence-based intervention to a cross disability population.
- All of the contractors have demonstrated a long-term commitment to the PSH program. Two of the five contractors have served the program since 2008, two since 2009, and one since 2012.
- All contractors pass the fiscal and service monitoring required by HUD for agencies receiving Community Development Block Grant contracts.
- Current payment rate is competitive. **The hourly rate for services under these contracts is lower than comparable service under Medicaid.**

## **Justification for Amendment No. 1**

### **Health Tech Solutions LLC Contract 2000156857**

#### **1.0 PURPOSE OF AMENDMENT**

The purpose of this contract amendment is to extend the duration of the contract between the State of Louisiana, Division of Administration, Office of Technology Services, and Health Tech Solutions LLC, by exercising the option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term, with Contractor's concurrence, approval of the Joint Legislative Budget Committee (JLBC), and approval of the State Chief Procurement Officer.

#### **2.0 JUSTIFICATION**

The contract began December 1, 2015 and will end on November 30, 2018. OTS is requesting approval for a twenty-four month continuation of the existing contract. This extension will provide for the continued administration of the state level repository (SLR), LaConnect. The SLR is a web-based portal that allows Medicaid providers to log in, enter data, and complete attestations of meaningful use of electronic health records. The SLR serves as a mechanism to collect, store and report data to the State Medicaid agency. Maintenance of the system requires ongoing hosting support, personnel resources, and valued added services of project management technical assistance.

The means of finance include a 90% Federal finance participation rate and 10% State general fund. The current contract total is \$2,274,836.00. This Amendment will be an increase of \$1,041,068.00 which results in a new maximum fee of \$3,315,904.00.

Failure to maintain the functionality of LaConnect will result in eligible Medicaid providers missing out on an estimated \$29,133,046.00 in direct payments for Federal fiscal year 19. All direct payments are financed at 100% Federal finance participation rate. Failure to maintain the archival history of the provider attestation information used to qualify for the payment will result in the LA Department of Health being out of compliance on program administration with the Centers for Medicaid and Medicare, risk losing the ability to provide the subsidy in future years, and subjects the State to financial liability.

The estimated requirements covering the period of the contract are reasonably firm and continuing this contract will serve the best interest of the State.

**Amendment to Agreement between State of Louisiana  
Office of Technology Services  
AND  
Health Tech Solutions LLC  
2030 Hoover Blvd., Frankfort, KY 40601  
Vendor Number: 310061705**

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**Amendment Provisions**

**2.1 TERM OF CONTRACT**

**Change Agreement From:**

This contract shall begin on December 1, 2015 and shall end on November 30, 2018. With all proper approvals and concurrence with the successful contractor, State may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term. Subsequent to the extension of the contract beyond the initial 36 month term, prior approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained.

Such written evidence of JLCB approval shall be submitted, along with this contract amendment to the Office of State Procurement to extend contract terms beyond the initial 3 year term.

**Change Agreement To:**

This contract shall begin on December 1, 2015 and shall end on November 30, 2020.

**3.8 STATE STANDARDS AND GUIDELINES**

**Change Agreement From:**

Contractor shall comply with State standards and guidelines related to systems development, installation, software distribution, security, networking, and usage of State resources described in Attachment II.

**Change Agreement To:**

Contractor shall comply with State standards and guidelines related to systems development, installation, software distribution, security, networking, and usage of State resources described in Attachment II.

Contractor shall comply with all applicable requirements of state or federal laws or regulations relating to the receipt of state or federal funds under this contract. This specifically includes all requirements related to 42 CFR 495.

**5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

**Change Agreement From:**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$2,274,836. The maximum fee is allocated according to the table below and further defined by sections 5.1, 5.2, 5.3 and 5.4 below:

<b>Service</b>	<b>Allocation</b>
One Time Charges	\$933,100
Value Added Services	\$206,460
Hosting (3 years)	\$515,276
CMS-Required Modifications	\$620,000
<b>TOTAL</b>	<b>\$2,274,836</b>

Contractor will comply with the Division of Administration State General Travel Regulations, as set forth in Division of Administration Policy and Procedure Memorandum No. 49. Payment will be made only on approval of the statewide Chief Information Officer or his designee.

**Change Agreement To:**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$3,315,904. The maximum fee is allocated according to the table below and further defined by sections 5.1, 5.2, 5.3 and 5.4 below:

<b>Service</b>	<b>Allocation</b>
One Time Charges	\$933,100
Value Added Services	\$475,695
Hosting (5 years)	\$858,844
CMS-Required Modifications	\$1,048,265
<b>TOTAL</b>	<b>\$3,315,904</b>

Contractor will comply with the Division of Administration State General Travel Regulations, as set forth in Division of Administration Policy and Procedure Memorandum No. 49. Payment will be made only on approval of the statewide Chief Information Officer or his designee.

**5.2 VALUE ADDED SERVICES**

**Change Agreement From:**

A Value Added Services Pool is established in the amount of \$206,460 to address issues other states have encountered with the systems to be transferred. Contractor may submit invoices, not more frequently than monthly for the actual amount of hours worked to correct said issues at an hourly rate of \$155.00/hour.

The Value Added Services Pool will remain in effect until the Value Added Services Pool is exhausted. All work related to the Value Added Services Pool must be approved by both parties and prioritized by State.

**Change Agreement To:**

A Value Added Services Pool is established in the amount of \$475,695 to address issues other states have encountered with the systems to be transferred. Contractor may submit invoices, not more frequently than monthly for the actual amount of hours worked to correct said issues at an hourly rate of \$155.00/hour.

The Value Added Services Pool will remain in effect until the Value Added Services Pool is exhausted. All work related to the Value Added Services Pool must be approved by both parties and prioritized by State.

### 5.3 HOSTING

#### Change Agreement From:

The hosting services required by this Contract shall be compensated on a firm fixed price basis according to the table below:

Contract Year	Annual Fee	Quarterly Invoice Amount
Hosting – Year 1	\$171,708	\$42,927
Hosting – Year 2	\$171,784	\$42,946
Hosting – Year 3	\$171,784	\$42,946

Hosting tasks include:

1. Initial coordination and setup of Managed File Transfer (MFT) jobs between CMS and LA with MOVEit DMZ and MOVEit Central.
2. Monitoring and corrective actions with CMS and LA MFT transmissions.
3. Initial installation and configuration of popHealth and SLR servers for all three environments (Dev, Test, and Prod).
4. Continued maintenance and required upgrades to popHealth Application and Database codebases and servers in all environments.
5. Continued maintenance and updates to SLR Application and Database servers in all environments.
6. Manage and maintain secure redundant backups.
7. All Firewall configurations and security monitoring to include IPS, DLP, Anti-Virus, and DCS.
8. Security and device log aggregation with device uptime monitoring/resolutions per SLA's.
9. All required Server, Database, Development, Reporting, and Application needed software licenses.
10. Server, Storage, and Networking components.

Contractor may invoice the state, in advance, on a quarterly basis for the hosting services. The invoice amount shall not exceed the Quarterly Invoice Amount provided in the table above. The State will make every reasonable effort to make payments within 25 work days of the receipt of invoice.

#### Change Agreement To:

The hosting services required by this Contract shall be compensated on a firm fixed price basis according to the table below:

Contract Year	Annual Fee	Quarterly Invoice Amount
Hosting – Year 1	\$171,708	\$42,927
Hosting – Year 2	\$171,784	\$42,946

Hosting – Year 3	\$171,784	\$42,946
Hosting – Year 4	\$171,784	\$42,946
Hosting – Year 5	\$171,784	\$42,946

Hosting tasks include:

1. Initial coordination and setup of Managed File Transfer (MFT) jobs between CMS and LA with MOVEit DMZ and MOVEit Central.
2. Monitoring and corrective actions with CMS and LA MFT transmissions.
3. Initial installation and configuration of popHealth and SLR servers for all three environments (Dev, Test, and Prod).
4. Continued maintenance and required upgrades to popHealth Application and Database codebases and servers in all environments.
5. Continued maintenance and updates to SLR Application and Database servers in all environments.
6. Manage and maintain secure redundant backups.
7. All Firewall configurations and security monitoring to include IPS, DLP, Anti-Virus, and DCS.
8. Security and device log aggregation with device uptime monitoring/resolutions per SLA's.
9. All required Server, Database, Development, Reporting, and Application needed software licenses.
10. Server, Storage, and Networking components.

Contractor may invoice the state, in advance, on a quarterly basis for the hosting services. The invoice amount shall not exceed the Quarterly Invoice Amount provided in the table above. The State will make every reasonable effort to make payments within 25 work days of the receipt of invoice.

#### **5.4 CMS-REQUIRED MODIFICATIONS**

##### **Change Agreement From:**

A CMS-Required Modifications Pool is hereby established in the amount of \$620,000 to perform the services necessary to implement CMS-required modifications defined in Attachment I - Statement of Work. Contractor may submit invoices, not more frequently than monthly for the actual amount of hours worked to correct said issues at an hourly rate of \$155.00/hour.

The CMS-Required Modifications Pool will remain in effect until the earlier of (a) the end of the contract, or (b) when the CMS-Required Modifications Pool is exhausted. All work related to the CMS-Required Modifications must be approved by both parties and prioritized by State.

##### **Change Agreement To:**

A CMS-Required Modifications Pool is hereby established in the amount of \$1,048,265 to perform the services necessary to implement CMS-required modifications defined in Attachment I - Statement of Work. Contractor may submit invoices, not more frequently than monthly for the actual amount of hours worked to correct said issues at an hourly rate of \$155.00/hour.

The CMS-Required Modifications Pool will remain in effect until the earlier of (a) the end of the contract, or (b) when the CMS-Required Modifications Pool is exhausted. All work related to the CMS-Required Modifications must be approved by both parties and prioritized by State.

No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of State Procurement, Division of Administration.

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties. IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below:

**CONTRACTOR'S NAME:** Health Tech Solutions LLC

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Contractor's Title:** \_\_\_\_\_

**AGENCY'S NAME:** LA Department of Health

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Agency's Title:** \_\_\_\_\_

**AGENCY'S NAME:** Division of Administration  
Office of Technology Services

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Agency's Title:** \_\_\_\_\_

# **STATE OF LOUISIANA**

## **CONTRACT**

On this 1st day of December , 2015, the Division of Administration, Office of Technology Services, hereinafter sometimes referred to as the "State", and HealthTech Solutions, LLC, 2030 Hoover Blvd., Frankfort, KY 40601, hereinafter sometimes referred to as the "Contractor", do hereby enter into a contract under the following terms and conditions.

### **1.0 SCOPE OF SERVICES**

Contractor hereby agrees to furnish services to State as specified in Section 3.0.

#### **1.1 CONCISE DESCRIPTION OF SERVICES**

The Louisiana Department of Health and Hospitals (DHH) requires a State Level Registry (SLR) to administer the Electronic Health Record (EHR) Incentive Program effectively. The SLR is a web-based portal that allows providers to log in, enter data, and complete attestations of meaningful use of electronic health records. The SLR serves as a mechanism to collect, store, and report data to the state Medicaid agency. The types of data include attestation, payment, and meaningful use. The State has made arrangements to procure the SLR currently in use in South Carolina, which can be obtained at no charge. Contractor will modify the SLR received from South Carolina to meet DHH needs and implement the modified SLR in conjunction with popHealth.

#### **1.2 COMPLETE DESCRIPTION OF SERVICES**

A full description of the scope of services is contained in the following Attachments which are made a part of this contract:

Attachment I - Statement of Work

Attachment II - Hardware/Software Environment

Attachment III - Contractor Personnel and Other Resources

Attachment IV - State Furnished Resources

Attachment V – Insurance Requirements for Contractors

Attachment VI – HIPAA Business Associate Addendum

### **2.0 ADMINISTRATIVE REQUIREMENTS**

#### **2.1 TERM OF CONTRACT**

This contract shall begin on December 1, 2015 and shall end on November 30, 2018. With all proper approvals and concurrence with the successful contractor, State may also exercise an option to extend for up to twenty-four (24) additional months at the same rates, terms and conditions of the initial contract term. Subsequent to the extension of the contract beyond the initial 36 month term, prior approval by the Joint Legislative Committee on the Budget (JLCB) or other approval authorized by law shall be obtained.



Such written evidence of JLCB approval shall be submitted, along with the contract amendment to the Office of State Procurement to extend contract terms beyond the initial 3 year term.

## **2.2 WARRANTIES**

Contractor shall indemnify State against any loss or expense arising out of any breach of any specified Warranty.

**A. Period of Coverage.** The Warranty period for software and system components modified under this Contract will begin on the date of acceptance or date of first productive use, whichever occurs later, and will terminate three (3) months thereafter.

**B. Free from Defects.** Contractor warrants that the system modification hereunder shall be free from defect in design and implementation and will continue to meet the specifications agreed to during system design and Contractor will, without additional charge to the State, correct any such defect and make such additions, modifications, or adjustments to the system modifications as may be necessary to operate as specified in the Technical Deliverables accepted by the State.

**C. Software Standards Compliance.** Contractor warrants that all software and other products developed or modified hereunder will comply with State standards and/or guidelines for resource names, programming languages, and documentation as referenced in Attachment II.

**D. Software Performance.** Specific operating performance characteristics of the software modified and/or installed hereunder are warranted by the Contractor as stated in Attachment I.

**E. Original Development.** Contractor warrants that all materials produced hereunder will be of original development by Contractor, and will be specifically developed for the fulfillment of this contract. In the event the Contractor elects to use or incorporate in the materials to be produced any components of a system already existing, Contractor shall first notify the State, which after whatever investigation the State may elect to make, may direct the Contractor not to use or incorporate any such components. If the State does not object, Contractor may use or incorporate such components at Contractor's expense and shall furnish written consent of the party owning the same to the State in all events. Such components shall be warranted as set forth herein (except for originality) by the Contractor and the Contractor will arrange to transfer title or the perpetual license for the use of such components to the State for purposes of the contract.

**F. No Surreptitious Code Warranty.** Contractor warrants that software modifications provided hereunder will be free from any "Self-Help Code". "Self-Help Code" means any back door, time bomb, or drop dead device or other routine designed to disable a computer program with the passage of time or under the positive control of a person or party other than the State. Excluded from this prohibition are identified and State-authorized features designed for purposes of maintenance or technical support. "Unauthorized Code" means any virus, Trojan horse, worm or other software routine or component designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data, or to perform any other such actions. "Unauthorized Code" does not include "Self-Help Code".

## **2.3 INDEMNIFICATION AND LIMITATION OF LIABILITY**

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or

damage arising hereunder due to the negligent act or failure to act of the State. If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## **2.4 STAFF INSURANCE**

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the total contract amount included in Section 5.0. For insurance requirements, refer to Attachment V.

## **2.5 LICENSES AND PERMITS**

Contractor shall secure and maintain all licenses and permits, and pay inspection fees required to do the work required to complete this contract.

## **2.6 SECURITY**

Contractor's personnel will always comply with all security regulations in effect at the State's premises, and externally for materials belonging to the State or to the project. Contractor is responsible for reporting any breach of security to the State promptly.

## **2.7 TAXES**

Contractor is responsible for payment of all applicable taxes from the funds to be received under this contract. Contractor's federal tax identification number is 45-2938486.

## **2.8 CONFIDENTIALITY**

All financial, statistical, personal, technical and other data and information relating to the State's operations which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which becomes available to the Contractor in carrying out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. Contractor shall not be required to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of this Contract, or is rightfully obtained from third parties.

Furthermore, Contractor agrees to the HIPAA confidentiality requirements as stated in Attachment VI of this Contract.

## **3.0 TECHNICAL REQUIREMENTS**

### **3.1 STATEMENT OF WORK**

Contractor will perform services according to the terms of this Contract and according to the Statement of Work (SOW) in Attachment I.

### **3.2 CONFIGURATION REQUIREMENTS**

The software system being installed shall be designed and configured by the Contractor to operate within the Contractor's hosted environments as specified in Attachment II. Contractor will support three environments for the system: Production, Development, and a Testing Environment.

### **3.3 PROJECT MANAGEMENT**

Contractor shall provide, at a minimum, the following project management functions:

*A. Provide Project Management* - Contractor will provide day-to-day project management using best management practices for all tasks and activities necessary to complete the Statement of Work. Contractor shall develop a comprehensive project management plan based on the Project Management Body of Knowledge (PMBOK) standard. The project plan will address establishing governance; identifying stakeholders in the development of a Communications Plan; the development of a Project Charter, and project plan detailing the timeline for delivery of all the deliverables. Additionally, Contractor shall develop a Risk Management Plan and a Quality Management Plan. The entire project plan, including the Communication, Risk Management, and Quality Management Plans, will be submitted to the State for review and approval within 30 days of the signing of the contract.

*B Provide Project Work Plan* - Contractor shall develop and maintain a Project Work Plan which breaks down the work to be performed into manageable phases, activities and tasks as appropriate. The work plan will identify: activities/tasks to be performed, project personnel requirements (both State and Contractor), estimated workdays/personnel hours to complete, expected start and completion dates. Scheduled completion dates for each deliverable shall specifically be included. Written concurrence of both parties will be required to amend the Work Plan. The Project Work Plan shall be approved by the

State before project payments are made. The project work plan shall be used for progress tracking through weekly status meetings. All schedule updates shall be done at a minimum on a weekly basis and any deviation in schedule will be reported in project status meetings.

**C. Change Management** – Contractor will work with the State to assure that the scope is well defined per the contract documents and conduct an exhaustive review for any out of scope work. Any deviation in scope proposed shall follow established procedures for Change Management.

**D. Communication Management** – Contractor will develop a Communications Plan to establish an overall framework for assessing the communication needs for the project. Contractor will identify the stakeholders who require information, appropriate methods for relaying information, and designated groups responsible for ensuring the smooth and effective communication of project related information.

**E. Provide Issue and Risk Management.** Contractor will develop and implement with State approval, processes that will lessen the time it takes to detect, resolve, and mitigate issues and risks. The processes to identify and assess risks are: risk planning, risk identification, risk analysis, risk response, and risk monitoring and control.

**F. Provide Project Progress Reports** - Contractor shall submit monthly progress reports signed by the Contractor's Project Manager to the State, no later than 10 days after the close of each calendar month. Each progress report shall describe the status of the Contractor's performance since the preceding report, including the products delivered, descriptions of problems encountered with a plan for resolving them, the work to be accomplished in the coming reporting period, and identifying issues requiring management attention, particularly those which may affect the scope of services, the project budget, or the deliverables to be provided by the Contractor. Each report shall identify activities by reference to the Project Work plan.

**G. Provide Time Sheets** - Accompanying each Progress Report, the Contractor shall submit time sheets to the State Project Director indicating effort expended and work performed by each member of its, or its subcontractors' staff, participating in Value Added Services and CMS Required Modifications pools defined in this contract. Time sheets shall, at a minimum, identify the name of the individual performing the work and the number of hours worked during the period by Work Plan task.

### **3.4 QUALITY ASSURANCE REVIEWS**

State reserves the right to conduct Quality Assurance Reviews at appropriate checkpoints throughout the project. Contractor will facilitate the review process by making staff and information available as requested by the reviewers at no additional cost to the State.

Contractor shall perform peer reviews of all deliverables before they are turned in to the State. The peer reviews shall be performed by the team members and the Contractor's Project Manager.

### **3.5 CONTRACTOR RESOURCES**

Contractor agrees to provide the following Contract related resources:

**A. Project Manager.** Contractor shall provide a project manager to provide day-to-day management of project tasks and activities, coordination of Contractor support and administrative activities, and for supervision of Contractor employees. The project manager shall possess the technical and functional skills and knowledge to direct all aspects of the project.

**B. Key Personnel.** Contractor shall assign staff who possess the knowledge, skills, and abilities to successfully perform assigned tasks. Individuals to be assigned by the Contractor are listed in Attachment III.

**C. Personnel Changes.** Contractor's Project Manager and other key personnel assigned to this Contract shall not be replaced without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any State or Contractor personnel become unavailable due to resignation, illness or other factors, excluding assignment to project outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, as the case may be, shall be responsible for providing an equally qualified replacement in time to avoid delays to the work plan.

**D. Other Resources.** Contractor will provide other resources as specified in Attachment III.

### **3.6 STATE PROJECT DIRECTOR**

State shall appoint a Project Director for this Contract who will provide oversight of the activities conducted hereunder. The Project Director is identified in Attachment IV. Notwithstanding the Contractor's responsibility for total management during the performance of this Contract, the assigned State Project Director shall be the principal point of contact on behalf of the State and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract.

### **3.7 STATE FURNISHED RESOURCES**

State will make available to the Contractor for use in fulfillment of this contract those resources described in Attachment IV.

### **3.8 STATE STANDARDS AND GUIDELINES**

Contractor shall comply with State standards and guidelines related to systems development, installation, software distribution, security, networking, and usage of State resources described in Attachment II.

### **3.9 ELECTRONICALLY FORMATTED INFORMATION**

Where applicable, State shall be provided all documents in electronic format, as well as hard-copy. Electronic media prepared by the Contractor for use by the State will be compatible with the State's comparable desktop application (e.g., spreadsheets, word processing documents). Conversion of files, if necessary, will be Contractor's responsibility. Conversely, as required, Contractor must accept and be able to process electronic documents and files created by the State's current desktop applications as described in Attachment II.

### **4.0 ACCEPTANCE OF DELIVERABLES**

Contract deliverables will be submitted, reviewed, and accepted according to the following procedure:

**A. General.** Except where this Contract provides different criteria, work will be accepted if it has been performed in accordance with the applicable specifications for Contractor's work in the Statement of Work, the Request for Proposals, the Contractor's Proposal, and/or as subsequently modified in State-approved design documents developed within this Project, and in the accepted final documentation.

**B. Submittal and Initial Review.** Upon written notification by Contractor that a Deliverable is completed and available for review and acceptance, the State Project Director will use best efforts to review the Deliverable within five (5) business days after the Deliverable is presented to the State Project Director, but in no event later than ten (10) business days after the Deliverable is presented to the State Project Director. Within the applicable period, the State Project Director will direct the appropriate review process, coordinate any review outside the Project team, and present results to any user committees and/or Steering Committee for approval, as needed. The initial review process will be comprehensive with a view toward identifying all items which must be modified or added to enable a Deliverable to be approved. A failure to deliver all or any essential part of a Deliverable shall be cause for non-acceptance.

**C. Notification of Acceptance or Rejection.** If no notification is delivered to Contractor within the applicable period, the Deliverable will be considered approved. If State disapproves a Deliverable, State will notify Contractor in writing of such disapproval, and will specify those items which, if modified or added, will cause the Deliverable to be approved.

**D. Resubmitting Corrected Deliverables.** With respect to such Deliverables, Contractor will resubmit the Deliverable with requested modifications and the State Project Director will review such modifications within five (5) business days. If no notification is delivered to Contractor within those five (5) business days, the Deliverable is considered approved. If the State disapproves that Deliverable, the State will notify Contractor in writing of any additional deficiencies which result from such modifications and Contractor will resubmit the Deliverable with the requested modifications. The parties agree to repeat this process as required until all such identified deficiencies are corrected or a determination of breach or default is made. The payment by the State for each activity is contingent upon correction of all such deficiencies and acceptance by the State.

**E. Payment of Retainage Based on Acceptance.** Final payment of any retainage will be contingent on completion and acceptance of all contract deliverables.

## **5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$2,274,836. The maximum fee is allocated according to the table below and further defined by sections 5.1, 5.2, 5.3 and 5.4 below:

<b>Service</b>	<b>Allocation</b>
One Time Charges	\$933,100
Value Added Services	\$206,460
Hosting (3 years)	\$515,276
CMS-Required Modifications	\$620,000
<b>TOTAL</b>	<b>\$2,274,836</b>

Contractor will comply with the Division of Administration State General Travel Regulations, as set forth in Division of Administration Policy and Procedure Memorandum No. 49. Payment will be made only on approval of the statewide Chief Information Officer or his designee.

### **5.1 ONE TIME CHARGES**

The development, training and implementation services required by this Contract shall be compensated on a firm fixed price basis with progress payments made upon completion of all deliverables within a phase.

Payments, less retainage, will be made upon successful completion and after review and written approval by the State of the tasks and deliverables. All completed work and deliverables shall be in conformity with the Request for Proposal specifications and commonly accepted industry standards.

#### **Payment Schedule**

<b>Phase</b>	<b>Payment</b>
Project Plan Development	\$24,800
Configuration	\$291,400
Conversion	\$399,900
System testing	\$111,600
Training and Documentation	\$55,800
User Acceptance Testing	\$37,200
Implementation	\$12,400

Payments are predicated upon successful completion and written approval by the State of the described tasks and deliverables as provided in the Acceptance of Deliverables Section 4.0. Payments will be made to the Contractor after written acceptance by the State and receipt of an invoice. State will make every reasonable effort to make payments within 25 work days of the receipt of invoice.

State shall secure a retainage of ten percent (10%) from all billings for One Time Charges under the contract as surety for performance. On successful completion of the Implementation Phase, the retainage amount may be released. Within ninety (90) days of the termination of the contract, if the contractor has performed the contract services to the satisfaction of State and all invoices appear to be correct, State shall release all retained amounts to the Contractor.

**Prohibition Against Advance Payments.** No compensation or payment of any nature will be made in advance of services actually performed and/or supplies furnished.

## **5.2 VALUE ADDED SERVICES**

A Value Added Services Pool is established in the amount of \$206,460 to address issues other states have encountered with the systems to be transferred. Contractor may submit invoices, not more frequently than monthly for the actual amount of hours worked to correct said issues at an hourly rate of \$155.00/hour.

The Value Added Services Pool will remain in effect until the Value Added Services Pool is exhausted. All work related to the Value Added Services Pool must be approved by both parties and prioritized by State.

## **5.3 HOSTING**

The hosting services required by this Contract shall be compensated on a firm fixed price basis according to the table below:

Contract Year	Annual Fee	Quarterly Invoice Amount
Hosting – Year 1	\$171,708	\$42,927
Hosting – Year 2	\$171,784	\$42,946
Hosting – Year 3	\$171,784	\$42,946

Hosting tasks include:

1. Initial coordination and setup of Managed File Transfer (MFT) jobs between CMS and LA with MOVEit DMZ and MOVEit Central.
2. Monitoring and corrective actions with CMS and LA MFT transmissions.
3. Initial installation and configuration of popHealth and SLR servers for all three environments (Dev, Test, and Prod).
4. Continued maintenance and required upgrades to popHealth Application and Database codebases and servers in all environments.
5. Continued maintenance and updates to SLR Application and Database servers in all environments.
6. Manage and maintain secure redundant backups.
7. All Firewall configurations and security monitoring to include IPS, DLP, Anti-Virus, and DCS.
8. Security and device log aggregation with device uptime monitoring/resolutions per SLA's.
9. All required Server, Database, Development, Reporting, and Application needed software licenses.
10. Server, Storage, and Networking components.

Contractor may invoice the state, in advance, on a quarterly basis for the hosting services. The invoice amount shall not exceed the Quarterly Invoice Amount provided in the table above. The State will make every reasonable effort to make payments within 25 work days of the receipt of invoice.

#### **5.4 CMS-REQUIRED MODIFICATIONS**

A CMS-Required Modifications Pool is hereby established in the amount of \$620,000 to perform the services necessary to implement CMS-required modifications defined in Attachment I - Statement of Work. Contractor may submit invoices, not more frequently than monthly for the actual amount of hours worked to correct said issues at an hourly rate of \$155.00/hour.

The CMS-Required Modifications Pool will remain in effect until the earlier of (a) the end of the contract, or (b) when the CMS-Required Modifications Pool is exhausted. All work related to the CMS-Required Modifications must be approved by both parties and prioritized by State.

#### **6.0 TERMINATION**

##### **6.1 TERMINATION FOR CAUSE**

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract; provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the state to cure the defect.

##### **6.2 TERMINATION FOR CONVENIENCE**

State may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date thereof. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

#### **7.0 REMEDIES FOR DEFAULT**

Any claim or controversy arising out of the contract shall be resolved by the provisions of LSA - R.S. 39:1672.2-1672.4.

#### **8.0 AVAILABILITY OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated. Such termination shall be without penalty or expense to the State except for payments which have been earned prior to the termination.

#### **9.0 OWNERSHIP OF PRODUCT**

Upon completion of this contract, or if terminated earlier, all software, data files, documentation, records, worksheets, or any other materials related to this contract shall become the property of State. All such



software, records, worksheets, or materials shall be delivered to the State within thirty days of the completion or termination of this contract.

#### **10.0 NONASSIGNABILITY**

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

#### **11.0 RIGHT TO AUDIT**

Contractor grants to the Office of the Legislative Auditor, Inspector General's Office, the Federal Government, and any other duly authorized agencies of the State where appropriate the right to inspect and review all books and records pertaining to services rendered under this contract. Contractor shall comply with federal and/or state laws authorizing an audit of Contractor's operation as a whole, or of specific program activities.

#### **12.0 RECORD RETENTION**

Contractor agrees to retain all books, records, and other documents relevant to this contract and the funds expended hereunder for at least three years after final payment, or as required by applicable Federal law, if Federal funds are used to fund this contract.

#### **13.0 AMENDMENTS IN WRITING**

Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when they have been reduced to writing, duly signed. No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of State Procurement, Division of Administration or his designee.

#### **14.0 FUND USE**

Contractor agrees not to use funds received for services rendered under this Contract to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

#### **15.0 NON-DISCRIMINATION**

Contractor agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these obligations when applicable shall be grounds for termination of this contract.

#### 16.0 ANTI-KICKBACK CLAUSE

Contractor agrees to adhere to the mandate dictated by the Copeland "Anti-Kickback" Act which provides that each Contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the completion of work, to give up any part of the compensation to which he is otherwise entitled.

#### 17.0 CLEAN AIR ACT

Contractor agrees to adhere to the provisions which require compliance with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act which prohibits the use under nonexempt Federal contracts, grants or loans of facilities included on the EPA list of Violating Facilities.

#### 18.0 ENERGY POLICY AND CONSERVATION ACT

Contractor recognizes the mandatory standards and policies relating to energy efficiency with are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

#### 19.0 CLEAN WATER ACT

Contractor agrees to adhere to all applicable standards, orders, or requirements issued under Section 508 of the Clean Water Act which prohibits the use under nonexempt Federal contracts, grants, or loans of facilities included on the EPA List of Violating Facilities.

#### 20.0 HEADINGS

Descriptive headings in this contract are for convenience only and shall not affect the construction or meaning of contractual language.

#### 21.0 ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

This contract, (together with the Request for Proposals and addenda issued thereto by the State, the proposal and any clarifications submitted by the Contractor in response to the State's Request for Proposals, and any exhibits specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.

This contract shall, to the extent possible, be construed to give effect to all provisions contained therein; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals and the Proposal; second priority shall be given to the provisions of the Request for Proposals and amendments thereto; and third priority shall be given to the provisions of the Proposal.

THUS DONE AND SIGNED on the date(s) noted below

Samuel T. Ph..., COO HEATHTech Solutions  
CONTRACTOR'S SIGNATURE

12/7/2015  
DATE

Richard H...  
STATE'S SIGNATURE

12/15/15  
DATE

## **ATTACHMENT I STATEMENT OF WORK**

### **1.0 INTRODUCTION**

The EHR Incentive Program is a product of the American Recovery and Reinvestment Act of 2009 (ARRA) and specifically, the HITECH Act, which President Barack Obama signed into law on February 17, 2009. Although ARRA's primary intent was to stimulate the economy, it included provisions to establish the EHR Incentive Program for Medicaid and Medicare. The Medicaid Electronic Health Record (EHR) Incentive Program encourages adoption and meaningful use of certified EHR technology by offering financial incentives to Eligible Professionals and Eligible Hospitals.

The Medicare Incentive Program is administered by the Centers for Medicare and Medicaid Services (CMS) while the Medicaid Incentive Program is administered by states, which have the option of participating and choosing when to launch their program. Louisiana was one of the nation's trailblazers, launching its incentive program, LAConnect, in January 2011. CMS oversees the State's operation of the Medicaid EHR Incentive Program and provides 90% federal funding for administrative costs and 100% federal funding for incentive payments.

This contract is for the purpose of having a Contractor modify, install, and implement a state level registry (SLR) for administration of the Medicaid Electronic Health Records (EHR) Incentive Program. Through CMS, this program provides incentive payments to eligible professionals, eligible hospitals, and critical access hospitals as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology. The State has made arrangements to procure the SLR currently in use in the state of South Carolina and Contractor shall implement it in conjunction with PopHealth. All data contained within the application shall remain the property of the OTS and shall not be used for any purpose beyond the scope of the application without the expressed written consent of OTS.

### **2.0 DESCRIPTION OF SERVICES/TASKS**

The Contractor shall be responsible for acquiring on behalf of the State the current version of the SLR source code from South Carolina along with the source code for popHealth that is being transferred to the State. The SLR must accept and process Adopt/Implement/Upgrade (AIU), Stage 1, Stage 2, and Stage 3 Meaningful Use (MU) attestations as well as Clinical Quality Measures (CQMS) for Eligible Professionals and Eligible Hospitals. The popHealth module must provide for the acceptance of Clinical Quality Measures and some state-specific quality measures using QRDA I and QRDA III formats and allow for analytical and reporting capabilities. The Contractor shall install the popHealth module and the SLR as one integrated application.

The Contractor will be responsible for providing the following deliverables to implement a State-Level Registry in Louisiana which utilizes the popHealth module to collect clinical quality measures.

#### **Phase I: Project Plan Development**

The Contractor shall develop a project plan which shall include: establishing the governance of the project; identifying the stakeholders; developing a Project Charter and timeline; identifying the deliverables; developing a Risk Management plan; and developing a Quality Management plan.

The project plan shall list all the tasks, duration, start and end dates, predecessors, resources assigned, and the milestones. The project plan shall be maintained throughout the project and progress will be referenced in regular status reports.

Contractor shall provide status reports on the project that includes, but is not limited to, overall project health, percent complete expected, percent complete actual, number of days behind or ahead of schedule, number of blocking issues, and the number of normal issues. Reports shall also contain summary level information about completed activities/milestones/delivery dates, accomplishments, planned activities, project issues and decisions, risk status, action items, and schedule variance.

**Technical modifications:**

Technical modifications to the SLR and popHealth module will be required in order for them to meet the functional requirements below. The Contractor shall determine and implement these modifications with approval from the State. Once all modifications are determined and approved, the Contractor shall finalize an updated State Medicaid HIT Plan (SMHP) for the State to submit to CMS for approval.

**Functional modifications:**

CMS allows states flexibility in some areas of program operations. Because the SLR will be received from South Carolina, modifications will be required to convert some functions to meet Louisiana's policies.

Areas where some state-specific modifications will be needed include:

**Modifications to SLR:**

1. Processing of B6/B7 File transmissions from NLR
2. Program Year start and end dates
3. Use of CHIP encounters to determine eligibility
4. Operational Definition of 90-day Eligibility Period
5. Payout methodology for hospital incentive payment (50% in Year 1; 30% in Year 2; 10% in Year 3; 10% in Year 4)
6. Any other modifications needed to allow for complete functionality in accordance with Louisiana Medicaid policies and processes

**Modifications to popHealth**

- Ability to accept state-specific quality measures from MCOs in QRDA format
- Ability to accept eQMs in QRDA format from MCOs, LaHIE, and providers
- Incorporation of any CMS-imposed changes/additions to CQMs after receipt of popHealth code

In addition to Louisiana-specific modifications, other states using the SLR have encountered issues with the system. Contractor shall provide modifications (hereinafter referred to as Value Added Services) to these known issues to the State of Louisiana.

**Phase II: Configuration**

The Contractor shall implement the modifications defined and approved during project plan development. At a minimum, interfaces with LAMMIS, National Level Repository (NLR), and Certified Health IT Product List (CHPL) shall be required. Contractor shall work closely with the State to discuss and define requirements, determine the specific changes necessary, and develop a solution that meets those requirements.

LAMMIS, is Louisiana's Medicaid Management Information System and repository for claims data and provider information. The replacement SLR must interface with LAMMIS' provider enrollment application to confirm an attesting provider's Medicaid enrollment status, provider type, specialty code, demographics, disbarment status, and other information.

The replacement SLR must also interface with the NLR. Interface with the NLR is required for two-way file transmission between the SLR and NLR via SSH. File transmissions include but are not limited to B6, B7, D16, D18, and C5. These file transmissions are necessary to confirm an attesting provider's NPI and other identifying information with CMS against the provider's information in the state's LAMMIS. The NLR file transmissions are also necessary for the state to obtain CMS approval to pay and for the state to notify CMS that a provider has been paid.

Interface with the Certified Health IT Product List (CHPL) is also required. Interface with CHPL is required to verify the CMS certification number for an attesting provider's EHR product. The CHPL interface is a WSDL real-time web service. When a provider attests, product information provided must be routed to CHPL to confirm that the product is certified.

**Phase III: Conversion**

The Contractor shall identify existing provider data in the current SLR and elsewhere and map it to the new SLR. Once mapping is defined, the Contractor must work with the current contractor to develop files from the current SLR as input to the conversion process into the new SLR. All data contained in the

current SLR, in operation since 2011, shall be converted to the new SLR and retained according to federal data retention requirements mandated by the Centers for Medicare and Medical Services (CMS).

The Contractor shall perform a full conversion into the test SLR and popHealth module allowing The State to verify the converted data loaded into the new system.

#### **Phase IV: System Testing**

The Contractor shall use subject matter experts to conduct thorough system testing, including regression testing of pre-existing functionality, of the implemented configuration changes prior to user acceptance testing. The objective of the system testing is to verify the system meets the specified business and functional requirements, as well as verifying the application architecture. Functional testing at the system level shall be performed to verify the interoperability of interfaces (data and control elements) with the external components along with end-to-end business workflows. Non-functionality testing shall be conducted and shall include testing such as usability, reliability, and efficiency.

The Contractor shall develop a System Test Plan, which include comprehensive test scripts with desired testing outcomes, the determination of test data, and test schedules; and the criteria to determine when the system test has been successfully completed. Testing will encompass the provider interfaces as well as the internal processing, including CMS interfaces. Test scripts will be developed by defining the business scenario types (typical operations to be performed by the system) Test cases and scripts will be identified and developed based on the scenarios and requirements.

The system testing will take place in the testing environment. Contractor shall conduct unit testing of the individual changed modules and then conduct integration testing prior to the system test. The Louisiana configured version of the system will be made available for system testing. The test scripts will be executed until predetermined outcomes are met.

#### **Phase V: Training and Documentation.**

Contractor shall develop a training plan that will cover the system's functionalities. Contractor will conduct training sessions with state personnel detailing the internal processes and screens as well as the provider's perspective. The training will be conducted prior to UAT so the state staff will be able to successfully conduct UAT.

The Contractor shall develop User and Provider manuals for the SLR and the popHealth module and submit to the State for review and approval. The use of the User Manual will be part of the UAT; changes to the manual may be made as a result of the UAT experience.

#### **Phase VI: User Acceptance Testing (UAT)**

The Contractor shall provide the most updated release of the new SLR prior to the start of the UAT. The Contractor must conduct walkthroughs of the SLR and popHealth module as well as the test scenarios for the State. The Contractor shall develop test cases for approval by the State. The Contractor shall provide full support of the State as it conducts user acceptance testing. State staff shall log the test cases executed and the results. The results will be reviewed and if functional remediation is necessary, Contractor shall make the code changes and reload for re-testing.

#### **Phase VII: Implementation**

Contractor shall work with the State to develop a detailed Implementation Plan and shall work with the current contractor, providers, and other entities to identify all the tasks, issues, risks, and constraints. Contractor shall work with the stakeholders to ensure a well-planned transition, including conversion, connectivity testing, and sign-off of deliverables.

Implementation of the new SLR and popHealth module into production shall not occur until after the State has approved the conversion process and the results of the User Acceptance Testing.

Contractor personnel, in conjunction with State systems support personnel, will implement the new system into production and load the converted data into production.

The contractor shall work with the State to conduct testing of the production system prior to opening the system to providers for attestation.

## **Phase VIII: Hosting**

Contractor shall host the system in a secure, scalable and responsive infrastructure. System users shall utilize standard Internet browsers to access an endpoint portal for both the State Level Registry and the eCQM repository.

The contractor shall support three environments for the SLR/popHealth system: Production, Development, and Testing.

## **Phase IX: CMS-Required Implementation**

The contractor shall conduct CMS-required modifications, including creation of quarterly and annual reports as required by CMS; trouble-shooting related to file transmissions to the National Level Repository; modifications to code in response to CMS rule changes and need for system enhancement.

## **3.0 TECHNICAL REQUIREMENTS**

1. The Contractor shall transmit all non-proprietary data which is relevant for analytical purposes to the state on a regular schedule in XML format. Final determination of relevant data shall be made by the State based on collaboration between both parties. The schedule for transmission of the data shall be established by State and dependent on the needs of the State related to the data being transmitted. XML files for this purpose shall be transmitted via SFTP to the State. Any other data or method of transmission used for this purpose must be approved via written agreement by both parties.

2. The contractor is responsible for integration with future state-wide enterprise components as they are established, specifically making use of an enterprise service bus for managing touch points with other systems, integration with a master data management solution and flexibility to utilize a single identity and access management solution.

3. The contractor is responsible for procuring and maintaining hardware and software resources which are sufficient to successfully perform the hosting of the solution.

4. The contractor shall adhere to state and federal regulations and guidelines as well as industry standards and best practices for systems or functions required to support the solution. Business rules shall be developed via strict change management processes to allow for consistent quality control within each evolution of the System Development Life Cycle.

5. The contractor is responsible for all expenses required for connections to the National Level Repository. Such expenses are inclusive of hardware, software, network infrastructure and any licensing costs. Professionals and Hospitals attesting within NLR shall incur no additional connectivity expenses for utilization of the systems. State users shall utilize secured web applications via their normal internet browsers and will sustain no additional expenses.

6. Any confidential information must be encrypted to FIPS 140-2 standards when at rest or in transit.

7. Contractor owned resources must be compliant with industry standard physical and procedural safeguards (NIST SP 800-114, NIST SP 800-66, NIST 800-53A, ISO 17788, etc.) for confidential information (HITECH, HIPAA part 164)

8. Any contractor use of flash drives or external hard drives for storage of state data must first receive written approval from the State and upon such approval shall adhere to FIPS 140-2 hardware level encryption standards.

9. All systems must be compatible with all major web browser software including, but not limited to Internet Explorer, Safari, Google Chrome, and Mozilla Firefox.

**10. All contractor-utilized computers and devices must:**

- Be protected by industry standard virus protection software which is automatically updated on a regular schedule.
- Have installed all security patches which are relevant to the applicable operating system and any other system software.
- Have encryption protection enabled at the Operating System level.

#### **4.0 SCHEDULE REQUIREMENTS**

The entire project plan, including the Communication, Risk Management, and Quality Management Plans, will be submitted to the State for review and approval within 30 days of the signing of the contract.

#### **5.0 PERFORMANCE MEASURES AND MONITORING PLAN**

The performance of the contract will be measured by the State Project Director, authorized on behalf of the State, to evaluate the Contractor's performance against the criteria in the Statement of Work.

Contractor will document and deliver to the State Project Director, or designee, the results and approval by DHH personnel of each completed deliverable. The State will measure the performance by the quality of the completed deliverable.

Contractor will provide weekly status reports to the State. These Reports shall include:

- Work accomplished for each work period
- Production goals for the next reporting period
- Any product or documentation that is delivered
- Meetings held, planned, or requested, including the minutes thereof
- Current status of risks, issues or problems that are encountered, need to be addressed or resolved
- Summary of approved project changes
- Other relevant information which must be reviewed and discussed

Contractor will provide a monthly report listing all tasks performed and deliverable completion status for the preceding month.

Contractor will provide quarterly reports summarizing activities completed, deliverables provided, progress made towards goals and assigned tasks, problems encountered, lessons learned and future activities to be conducted.

#### **6.0 DELIVERABLES**

Contractor agrees to provide the following deliverables within the time frames specified in the approved Project Plan:

Phase	Deliverable	Description
Project Plan Development	Project Plan Baseline and Monthly Project Plan	<p>Contractor will provide a Project Plan Baseline documented in an industry-accepted tool such as MS Project.</p> <p>This initial, baseline work plan will identify deliverables, tasks, subtasks, duration, start and end dates, and milestones required to complete the scope of work defined for the project and keep the project on track. The project plan baseline is the fixed work plan that will be used for tracking progress of the project and contract performance.</p>

Project Plan Development	<b>Project Management Plan:</b> - Quality Assurance/Quality Management Plan - Project Communication Plan - Risk Management Plan	<p>The Contractor will develop a comprehensive master project management plan to include the Work Breakdown Structure, Risk Management Plan, Communication Management Plan, Quality Assurance/Quality Monitoring Plan, deliverable approval process, milestones, and other project management tasks.</p> <p>The Project Management Plan may be broken into separate files, but should be considered components of the Project Management Plan. The sub-plans will include:</p> <p><b>Quality Assurance/Quality Management Plan –</b> Contractor will develop a plan that describes quality assurance activities and tasks to be performed and processes and procedures for conducting quality assurance activities.</p> <p><b>Project Communication Plan:</b> Contractor will develop a plan describing the Contractor's approach to managing communications internally with their own organization and with the State and externally with stakeholders. The plan should include identification of planned communication tools, formats, frequency, etc.</p> <p><b>Risk Management Plan –</b> Contractor will develop a plan describing how the Contractor will manage risks including identification, escalation, tracking, and resolution. The plan will include discussion/description of the tool(s) that will be used to support management of risks.</p>
Project Plan Development	<b>Functional Systems Requirements</b>	Contractor will perform necessary information gathering and analysis tasks and develop a Functional Systems Requirements report that incorporates the functional and technical requirements of the State according to the Statement of Work. An outline specifying the nature of the content, format, and level of detail for this document will be developed/finalized by the Contractor and approved by the State Project Director.
Project Plan Development	<b>Technical Design Report</b>	Contractor will perform necessary technical design tasks and develop a Technical Design Report that satisfies the provisions of the Statement of Work, the Configuration Requirements, and the Functional Systems Requirements. An outline specifying the nature of the content, format, and level of detail for this report will be developed/finalized by the Contractor and approved by the State Project Director.
Configuration	<b>Programming/Custom Modifications</b>	Contractor will perform programming/coding tasks necessary to produce the software and interfaces specified in the functional requirements and technical design reports. Tasks performed may include use of scripts, macros, or procedural or command languages which may be required by the development tools being used. Software and interfaces shall be installed in the test environment.
Conversion	<b>Data Conversion Plan</b>	Contractor will provide a Data Conversion Plan that describes the Contractor's comprehensive approach to



		<p>meeting the detailed conversion requirements outlined in the RFP including State participation in conversion activities, a test plan that provides sample use cases and test data, post-migration cleanup, and contingency procedure.</p> <p>The plan will also include, but not be limited to, the description of software tools to be used, resources and assumptions, testing approach, and progress tracking and reporting approach.</p> <p>Contractor Responsibilities:</p> <ul style="list-style-type: none"> <li>• Understand the data in the legacy system</li> <li>• Create the plan and the strategy for data conversion</li> <li>• Drive data mapping sessions and understand the conversion of data</li> <li>• Create Data mapping for each program</li> <li>• Define the automated process for conversion of data that is present as per the agreed upon format</li> <li>• Define manual conversion for data that fails the rules set for automated conversion</li> </ul>
Conversion	Data Conversion Test Results	The Contractor will perform a full data conversion into the SLR and popHealth modules in the test environment. The Contractor will provide documentation of the test results that demonstrate a comparison that transferred data were migrated successfully.
System Testing	System Test Plan	The Contractor will develop a System Test Plan, which includes comprehensive test scripts with desired testing outcomes, the determination of test data, and test schedules; and the criteria to determine when the system test has been successfully completed.
System Testing	System Test Results	The Contractor will perform unit testing of individual system modules and then conduct integration testing prior to system testing. The Contractor will perform system testing which will encompass the provider interfaces as well as the internal processing, including CMS interfaces. Test scripts will be executed until predetermined outcomes are met. The Contractor will provide documentation of the test results that demonstrate the system has been successfully tested.
Training and Documentation	Training Plan	The Contractor will provide a plan describing the Contractor's approach to training State staff on the system's functionalities. The plan will include the training methodology; course information with expected topics, timeframes, target audience, method of delivery, and evaluation method; and training course synopsis providing sample content. The goals of training are to make sure that State staff are self-sufficient and can manage and operate the new system.
Training and Documentation	User and Provider Manuals	The Contractor will develop User and Provider manuals for the SLR and popHealth modules detailing the internal processes and screens. The User manual shall be utilized during UAT.
Training and Documentation	Conduct Training Sessions	The Contractor will conduct training sessions with state personnel on the use and operation of the system.
User Acceptance Testing	UAT Test Scripts/Test Support	The Contractor will develop a comprehensive set of test scripts specifically designed for UAT and the LA SLR

		state personnel. The Contractor will conduct walkthroughs of the SLR and popHealth modules as well as the test scenarios for the State. The Contractor shall provide full support of the State as it conducts user acceptance testing. Contractor shall assist in reviewing test results and if functional remediation is necessary, make the required code changes and re-load the software for re-testing.
Implementation	Implementation Plan	Contractor will develop a strategy that describes the mutually agreed to approach to rollout of the solution, proposed implementation schedule, issue tracking process, communication and help desk procedures, Contractor and State roles and responsibilities, and approach to operational readiness walkthrough including the operational readiness criteria. At a minimum, the following will be included in the Implementation Plan: <ul style="list-style-type: none"> <li>• Project guidelines</li> <li>• Execution Approach</li> <li>• Implementation roadmap</li> </ul>
Implementation	Software Installation	Contractor will perform software installation tasks as applicable; such as: database setup, file sizing, software retrofitting, installation of software releases, application table setup, operation setup, file migrations, installation test, system integration, integration test, and performance tuning. Contractor will work with State personnel to conduct testing of the production system prior to opening the system to Providers for attestation.
Implementation	Final Implementation Report	At the conclusion of the implementation, the extent and manner to which the project objectives have been met, as well as follow-on recommendations, will be described in a final report. As scheduled in the Work Plan, an outline of this report will be developed by the Contractor and approved by the State Project Director.
Hosting	System Hosting	Contractor shall host the system in a secure, scalable and responsive infrastructure. Contractor shall support three environments: Production, Testing, and Development.
CMS-Required Implementation	CMS-Required Modifications	Contractor shall provide CMS-required modifications, including creation of quarterly and annual reports as required by CMS; trouble shooting problems with file transmissions to the National Level Repository; modifications to code in response to CMS rule changes; and state needs for system enhancements.

## 7.0 SERVICE LEVEL AGREEMENTS

### 7.1 Availability

#### *Three Main Types of Availability*

##### **Mission Critical Services**

Vital services that must be available 24/7/365 with 99.99% uptime with no more than four (4) hours per month of scheduled downtime.

**Essential Services**

Important services that must be available 24/7/365 with 98% uptime with no more than eight (8) hours per month of scheduled downtime.

**Standard Services**

Everyday business services that must be available Monday --- Friday from 8:00am --- 5:00pm Central Time with 95% uptime with all scheduled maintenance after normal operating hours.

***Hours of Operation***

The services being offered in this agreement shall be available <24/7/365 – Normal Business hours defined as M-F 8:00 am to 5:00 pm Central Time>.

***Average Uptime***

The services being offered in this agreement shall be available <95 – 99.99%> of the time per day of operation exclusive of planned maintenance downtimes. Any daily percentage lower shall constitute a violation.

***Planned Maintenance***

Planned maintenance downtimes shall be communicated to the State a minimum of seven (7) business days prior to the planned downtime. Downtime maintenance windows shall not exceed eight (8) hours per month or after normal operating hours.

***Response Time***

All online transactions will average five (5) seconds or less response time. Missing the metric for online transactions measured over any business week will constitute a violation.

***Service Incidents***

All service interruptions shall constitute a violation for every 1-4 hours of service interruption.

***Violations***

Every violation shall incur a monetary penalty of one day's service credit. One day's service credit is defined as the Contractor's annual hosting fee divided by 365.

**7.2 Security*****Authentication***

Contractor must use at least one of the following methods of authentication for access to services:

- Passwords according to OIT Standard 1-01
- Biometrics according to OIT Standard 1-03
- Security Tokens according to OIT Standard 1-05
- Public Key Infrastructure (PKI) according to OIT Standard 1-07

***Encryption*****Database Encryption (if necessary)**

All data stored in relational databases or other electronic format on vendor hardware shall be encrypted with a minimum 128 bit encryption key.

**Data in Transit Encryption**

All data being transferred electronically, including but not limited to email, web browser and FTP, shall be encrypted using a minimum 128 bit encryption key.

#### **Data Breach**

In the event of a security breach, Contractor agrees to notify the State immediately and assume responsibility for informing all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the State against any claims, damages, or other harm related to such event.

### **7.3 Data Center Specifications**

Minimum Tier 1 datacenter as defined by the Telecommunications Industry Association's TIA-942 standard for datacenters.

### **7.4 Backup/Disaster Recovery**

Routine database backups (minimum daily) of all state services shall be, at a minimum, stored off-site at a completely separate secure physical location.

A disaster recovery plan shall be supplied to the State, to include but not limited to all information regarding contingencies and recovery protocols relating to loss of data or data center due to power or connectivity outage, natural disaster, terrorist threat or attack, act of God, war, criminal enterprise, any state of war that may exist, and other exigent situation.

## **8.0 LIQUIDATED DAMAGES**

In the event the Contractor fails to meet the performance standards specified within the contract, the liquidated damages defined below may be assessed. If assessed, the liquidated damages will be used to reduce the State's payments to the Contractor or if the liquidated damages exceed amounts due from the State, the Contractor will be required to make cash payments for the amount in excess. The State may also delay the assessment of liquidated damages if it is in the best interest of the State to do so. The State may give notice to the Contractor of a failure to meet performance standards but delay the assessment of liquidated damages in order to give the Contractor an opportunity to remedy the deficiency; if the Contractor subsequently fails to remedy the deficiency to the satisfaction of the State, the state may reassert the assessment of liquidated damages, even following contract termination.

- a. Late completion of any phase or deliverable, per the timeline submitted to the State in the approved work plan or any adjusted timeline as agreed to by the State - \$100 per day.
- b. Late submission of invoices beginning 10 business days after the stated due date - \$50 per working day per invoice.

The decision to impose liquidated damages may include consideration of some or all of the following factors:

- a. The duration of the violation;
- b. Whether the violation (or one that is substantially similar) has previously occurred;
- c. The Contractor's history of compliance;
- d. The severity of the violation and whether it imposes an immediate threat to the health or safety of the consumers;
- e. The "good faith" exercised by the Contractor in attempting to stay in compliance.

## **ATTACHMENT II HARDWARE/SOFTWARE ENVIRONMENT**

### **1.0 HOSTING SERVICES**

Contractor shall provide a secure, highly scalable, and responsive infrastructure designed within the Infrastructure as a Service (IaaS) cloud offering from Amazon. Hosting services will be placed into a dedicated Virtual Private Cloud (VPC) within Amazon Web Services (AWS).

Louisiana application users will utilize their Internet browser to access a Secure Socket Layer (SSL)-encrypted endpoint portal for both the State Level Registry and the eCQM repository. The web browser is the only technical requirement required for Louisiana access. Role based controls are in place to allow segregation of duties and nonrepudiation, enabling accountability, integrity of data, and adherence to least privilege best practices.

Contractor shall utilize modern software and systems development techniques which ensure the widest range of compatibility for end users of each application. The systems shall run on Apache Web Server as well as Microsoft Internet Information Server. Each of these server technologies allow for all modern Internet browsers to access the respective sites securely. Internet browsers shall include Internet Explorer, Safari, Chrome, and Firefox.

**ATTACHMENT III  
CONTRACTOR PERSONNEL AND OTHER RESOURCES**

**1.0 CONTRACTOR PERSONNEL**

The following individuals are assigned to the project, on a full time basis (unless otherwise indicated), and in the capacities set forth below:

<b>Name</b>	<b>Role</b>	<b>Responsibility</b>	<b>Expected Duration</b>
Sandeep Kapoor	Executive Advisor	Contractual Support to Project Director; Attend Executive Steering Committee meetings; Provide guidance to the project team; Provide insights to Policies and procedures along with industry trends	5%
Bob Nowell	Project Director	Overall responsibility for project objectives; Point of Contact for LA Project Manager; Manage day-to-day project related tasks; Coordinate contractor support and administrative activities; Supervision of contractor employees; Assist in communications, conducting meetings, follow-ups with minutes	75% during initial implementation; as needed during modification
Tia Tinney	Project Manager	Manage day-to-day project management related tasks; Develop Project Management plans, Project schedule; Prepare monthly status reports; Manage risks and issues and escalate as necessary	100% during initial implementation; as needed during modification
Amy Osborne	Delivery Business Analyst	Develop specifications from LA & CMS requirements; Develop configuration specifications, conversion specifications; Manage configuration, testing, and implementation; Manage subsequent modification development and implementation	75% during initial implementation; as needed during ongoing maintenance and modification
Larkyn Wood	Testing Business Analyst	Develop test cases; conduct system testing; Support UAT; Conduct conversion testing; Conduct testing of modifications	75% during initial implementation; as needed during maintenance and modification
Aparna Kumar	Application Developer	Modify the application as defined in specifications; Conduct program testing; Assist with conversion	75% during initial implementation; as needed during

			maintenance and modification
Jake Steier	Technical Consultant	Develop implementation platform and technical architecture; Implement the technical solution; Monitor and support ongoing operations	75% during initial implementation; as needed during maintenance and modification
Kim Davis-Allen	Training Consultant	Develop training for LA EHR support staff; Conduct training for LA EHR support staff; Develop training materials and system documentation	75% during initial implementation; as needed during maintenance and modification

## 2.0 PC WORKSTATIONS

Contractor will provide its own workstations, any workstation resident software and maintenance thereof.

## 3.0 NETWORK CONNECTIVITY

Any Contractor-provided workstations or devices to be connected to the State's network, must comply with State network and security standards. Contractor must provide the hardware components, operating system, and software licenses necessary to function as part of the State network. All hardware and software must be reviewed before it is used on the Local Area Network, and may be made operable on the Local Area Network with written approval of the State.

## **ATTACHMENT IV STATE FURNISHED RESOURCES**

Any resources of the State furnished to the Contractor shall be used only for the performance of this Contract. State will make available to the Contractor, for Contractor's use in fulfillment of this contract, resources as described below:

### **1.0 PROJECT DIRECTOR**

The Project Director appointed by the State as described in Section 3.6 is Rosalyn Christopher who is the principal point of contact for this contract on behalf of the State.

### **2.0 TECHNICAL STAFF**

State will provide access to technical employees. The level of effort required and time frames will be documented in a memorandum based upon the work plan and will be coordinated through the State Project Director and DHH.

### **3.0 FUNCTIONAL STAFF**

State will provide access to functional employees. The level of effort required and time frames will be documented in a memorandum based upon the work plan and will be coordinated through the State Project Director and DHH.

### **4.0 OFFICE FACILITIES**

State will provide reasonable and normal office space, clerical support, local telephone service, and limited usage of copiers.



## Attachment V

### INSURANCE REQUIREMENTS FOR CONTRACTORS

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

#### A. MINIMUM SCOPE AND LIMITS OF INSURANCE

##### 1. Workers Compensation

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the State of the Contractor's headquarters. Employers Liability is included with a minimum limit of \$500,000 per accident/per disease/per employee. If work is to be performed over water and involves maritime exposure, applicable LHWCA, Jones Act, or other maritime law coverage shall be included and the Employers Liability limit increased to a minimum of \$1,000,000. A.M. Best's insurance company rating requirement may be waived for workers compensation coverage only.

##### 2. Commercial General Liability

Commercial General Liability insurance, including Personal and Advertising Injury Liability, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.

##### 3. Automobile Liability

Automobile Liability Insurance shall have a minimum combined single limit per occurrence of \$1,000,000. ISO form number CA 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

#### B. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and accepted by the Agency. The Contractor shall be responsible for all deductibles and self-insured retentions.

#### C. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

##### 1. General Liability and Automobile Liability Coverages

- a. The Agency, its officers, agents, employees and volunteers shall be named as an additional insured as regards negligence by the Contractor. ISO Form CG 20 10 (current form approved for use in Louisiana), or equivalent, is to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to the Agency.
- b. The Contractor's insurance shall be primary as respects the Agency, its officers, agents, employees and volunteers. Any insurance or self-insurance maintained by the Agency shall be excess and non-contributory of the Contractor's insurance.
- c. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the policy limits.

##### 2. Workers Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

### 3. All Coverages

- a. Coverage shall not be canceled, suspended, or voided by either party (the Contractor or the insurer) or reduced in coverage or in limits except after 30 days written notice has been given to the Agency. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy.
- b. Neither the acceptance of the completed work nor the payment thereof shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.
- c. The insurance companies issuing the policies shall have no recourse against the Agency for payment of premiums or for assessments under any form of the policies.
- d. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its officers, agents, employees and volunteers.

### D. ACCEPTABILITY OF INSURERS

All required insurance shall be provided by a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located. Insurance shall be placed with insurers with a A.M. Best's rating of A:VI or higher. This rating requirement may be waived for workers compensation coverage only.

If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance as required in the contract.

### E. VERIFICATION OF COVERAGE

Contractor shall furnish the Agency with Certificates of insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by the Agency before work commences and upon any contract renewal thereafter.

In addition to the Certificates, Contractor shall submit the declarations page and the cancellation provision endorsement for each insurance policy. The Agency reserves the right to request complete certified copies of all required insurance policies at any time.

Upon failure of the Contractor to furnish, deliver and maintain such insurance as above provided, this contract, at the election of the Agency, may be suspended, discontinued or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

### F. SUBCONTRACTORS

Contractor shall include all subcontractors as insureds under its policies OR shall be responsible for verifying and maintaining the Certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The Agency reserves the right to request copies of subcontractor's Certificates at any time.

### G. WORKERS COMPENSATION INDEMNITY

In the event Contractor is not required to provide or elects not to provide workers compensation coverage, the parties hereby agree that Contractor, its owners, agents and employees will have no cause of action against, and will not assert a claim against, the State of Louisiana, its departments, agencies, agents and employees as an employer, whether pursuant to the Louisiana Workers Compensation Act or otherwise, under any circumstance. The parties also hereby agree that the State of Louisiana, its departments, agencies, agents and employees shall in no circumstance be, or

considered as, the employer or statutory employer of Contractor, its owners, agents and employees. The parties further agree that Contractor is a wholly independent contractor and is exclusively responsible for its employees, owners, and agents. Contractor hereby agrees to protect, defend, indemnify and hold the State of Louisiana, its departments, agencies, agents and employees harmless from any such assertion or claim that may arise from the performance of this contract.

#### **H. INDEMNIFICATION/HOLD HARMLESS AGREEMENT**

Contractor agrees to protect, defend, indemnify, save, and hold harmless, the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur, or in any way grow out of, any act or omission of Contractor, its agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by Contractor as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its officers, agents, servants, employees and volunteers.

Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes.

This HIPAA Business Associate Addendum is hereby made a part of this contract in its entirety as Attachment VI to the contract.

1. The Louisiana Department of Health and Hospitals ("DHH") is a Covered Entity, as that term is defined herein, because it functions as a health plan and as a health care provider that transmits health information in electronic form.
2. Contractor is a Business Associate of DHH, as that term is defined herein, because Contractor either: (a) creates, receives, maintains, or transmits PHI for or on behalf of DHH; or (b) provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services for DHH involving the disclosure of PHI.
3. **Definitions:** As used in this addendum –
  - A. The term "HIPAA Rules" refers to the federal regulations known as the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules, found at 45 C.F.R. Parts 160 and 164, which were originally promulgated by the U. S. Department of Health and Human Services (DHHS) pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996 and were subsequently amended pursuant to the Health Information Technology for Economic and Clinical Health ("HITECH") Act of the American Recovery and Reinvestment Act of 2009.
  - B. The terms "Business Associate", "Covered Entity", "disclosure", "electronic protected health information" ("electronic PHI"), "health care provider", "health information", "health plan", "protected health information" ("PHI"), "subcontractor", and "use" have the same meaning as set forth in 45 C.F.R. § 160.103.
  - C. The term "security incident" has the same meaning as set forth in 45 C.F.R. § 164.304.
  - D. The terms "breach" and "unsecured protected health information" ("unsecured PHI") have the same meaning as set forth in 45 C.F.R. § 164.402.
4. Contractor and its agents, employees and subcontractors shall comply with all applicable requirements of the HIPAA Rules and shall maintain the confidentiality of all PHI obtained by them pursuant to this contract and addendum as required by the HIPAA Rules and by this contract and addendum.
5. Contractor shall use or disclose PHI solely: (a) for meeting its obligations under the contract; or (b) as required by law, rule or regulation (including the HIPAA Rules) or as otherwise required or permitted by this contract and addendum.
6. Contractor shall implement and utilize all appropriate safeguards to prevent any use or disclosure of PHI not required or permitted by this contract and addendum, including administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of DHH.
7. In accordance with 45 C.F.R. § 164.502(e)(1)(ii) and (if applicable) § 164.308(b)(2), contractor shall ensure that any agents, employees, subcontractors or others that create, receive, maintain, or transmit PHI on behalf of contractor agree to the same restrictions, conditions and requirements that apply to contractor with respect to such information, and it shall ensure that they implement reasonable and appropriate safeguards to protect such information. Contractor shall take all reasonable steps to ensure that its agents', employees' or subcontractors' actions or omissions do not cause contractor to violate this contract and addendum.
8. Contractor shall, within three (3) days of becoming aware of any use or disclosure of PHI, other than as permitted by this contract and addendum, report such disclosure in writing to the person(s) named in section 14 (Terms of Payment), page 1 of the CF-1. Disclosures which must be reported by contractor include, but are not limited to, any security incident, any breach of unsecured PHI, and any "breach of the security system" as defined in the Louisiana Database Security Breach Notification Law, La.R.S. 51:3071 *et seq.* At the option of DHH, any harm or damage resulting from any use or disclosure which violates this contract and addendum shall be mitigated, to the extent practicable, either: (a) by contractor at its own expense; or (b) by DHH, in which case contractor shall reimburse DHH for all expenses that DHH is required to incur in undertaking such mitigation activities.

9. To the extent that contractor is to carry out one or more of DHH's obligations under 45 C.F.R. Part 164, Subpart E, contractor shall comply with the requirements of Subpart E that apply to DHH in the performance of such obligation(s).
10. Contractor shall make available such information in its possession which is required for DHH to provide an accounting of disclosures in accordance with 45 CFR § 164.528. In the event that a request for accounting is made directly to contractor, contractor shall forward such request to DHH within two (2) days of such receipt. Contractor shall implement an appropriate record keeping process to enable it to comply with the requirements of this provision. Contractor shall maintain data on all disclosures of PHI for which accounting is required by 45 CFR § 164.528 for at least six (6) years after the date of the last such disclosure.
11. Contractor shall make PHI available to DHH upon request in accordance with 45 CFR § 164.524.
12. Contractor shall make PHI available to DHH upon request for amendment and shall incorporate any amendments to PHI in accordance with 45 CFR § 164.526.
13. Contractor shall make its internal practices, books, and records relating to the use and disclosure of PHI received from or created or received by contractor on behalf of DHH available to the Secretary of the U. S. DHHS for purposes of determining DHH's compliance with the HIPAA Rules.
14. Contractor shall indemnify and hold DHH harmless from and against any and all liabilities, claims for damages, costs, expenses and attorneys' fees resulting from any violation of this addendum by contractor or by its agents, employees or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the contract.
15. The parties agree that the legal relationship between DHH and contractor is strictly an independent contractor relationship. Nothing in this contract and addendum shall be deemed to create a joint venture, agency, partnership, or employer-employee relationship between DHH and contractor.
16. Notwithstanding any other provision of the contract, DHH shall have the right to terminate the contract immediately if DHH determines that contractor has violated any provision of the HIPAA Rules or any material term of this addendum.
17. At the termination of the contract, or upon request of DHH, whichever occurs first, contractor shall return or destroy (at the option of DHH) all PHI received or created by contractor that contractor still maintains in any form and retain no copies of such information; or if such return or destruction is not feasible, contractor shall extend the confidentiality protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible.





# Group Benefits Update

Joint Legislative Committee on the Budget  
August 10, 2018





# Discussion Agenda

- I. 2019 Premium Rate Proposal
- II. Long Range Projections
- III. Status Report on Cost Savings Initiatives
  - a. Controlling Specialty Drug Spend Under the Medical Plan
  - b. Pharmaceutical Market Check Initiative
  - c. New Formulary for EGWP Participants
  - d. Prescription Drug Supplemental Savings Program
  - e. Spousal Surcharge
  - f. Capitated Primary Care Network Proposal
- IV. Life Insurance RFP
- V. Fully Insured “Louisiana HMO” Award Recommendation
- VI. Recommendation for Extension of Blue Cross Blue Shield of Louisiana TPA Contract for One Year
- VII. Status of Medicare Advantage RFP
- VIII. Retiree 100 Premium Adjustment Recommendation





# 2019 Premium Rate Recommendation







# 2019 Actuary Premium Rate Recommendation

A composite increase of 5.4% is recommended for 2019\*. That increase equates to about \$72 million dollars.

The need for the increase is based on the following assumptions:

Annual Trends for 2019:

Medical	6%
Prescription Drugs	10%
OGB Expenses	3%

Claims Base Period: Claims incurred December 1, 2016 through November 30, 2017, paid through December 31, 2017, with an estimate of unpaid claims as of December 31, 2017.

BCBS of LA Administrative Fees:	2018 fees will hold for 2019
MedImpact Administrative Fees:	Fees from contract for 2019

*\*Funding for the recommended 5.4% increase will not be available in 2019.*

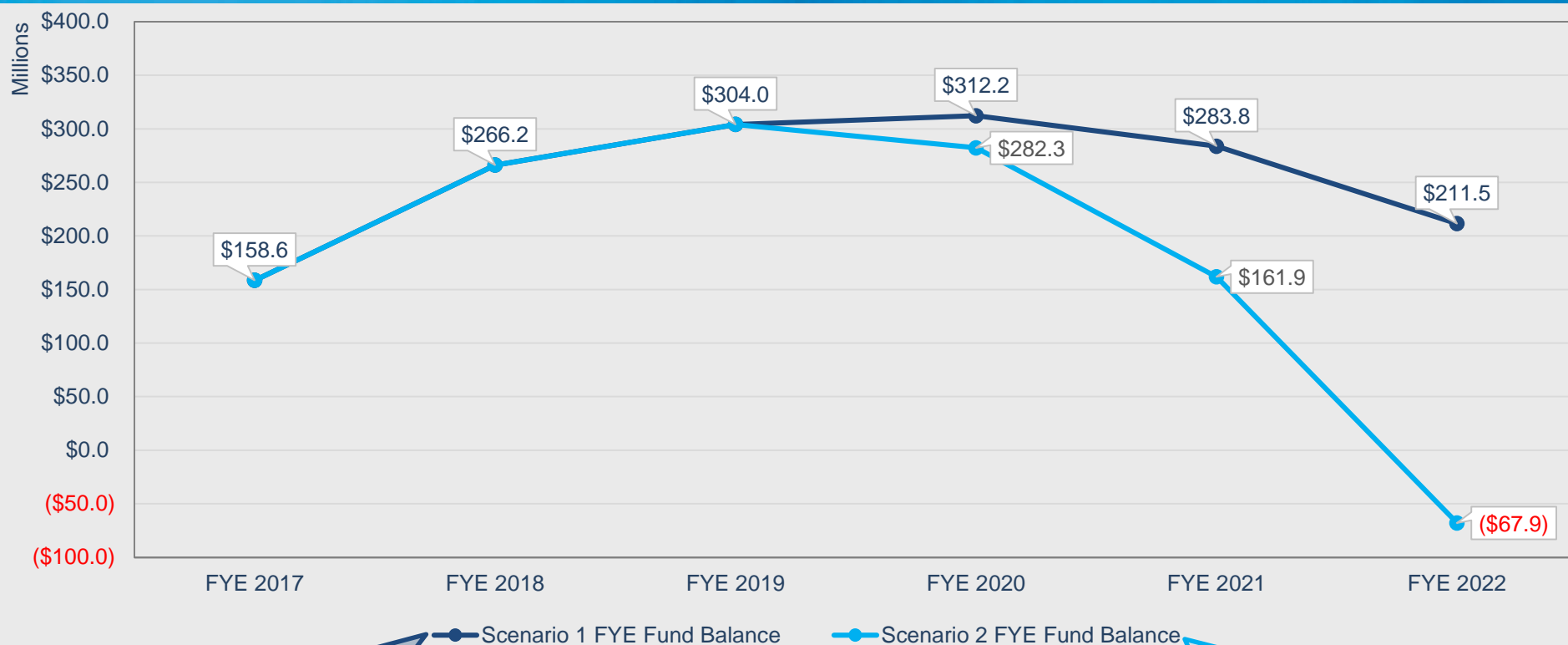


# Fund Balance Projections





# 5-Year Financial Projections



Includes:

- CY19 Cost Savings Initiatives
- **4.5%** Premium Rate Increases in CY20, CY21, and CY22

Includes:

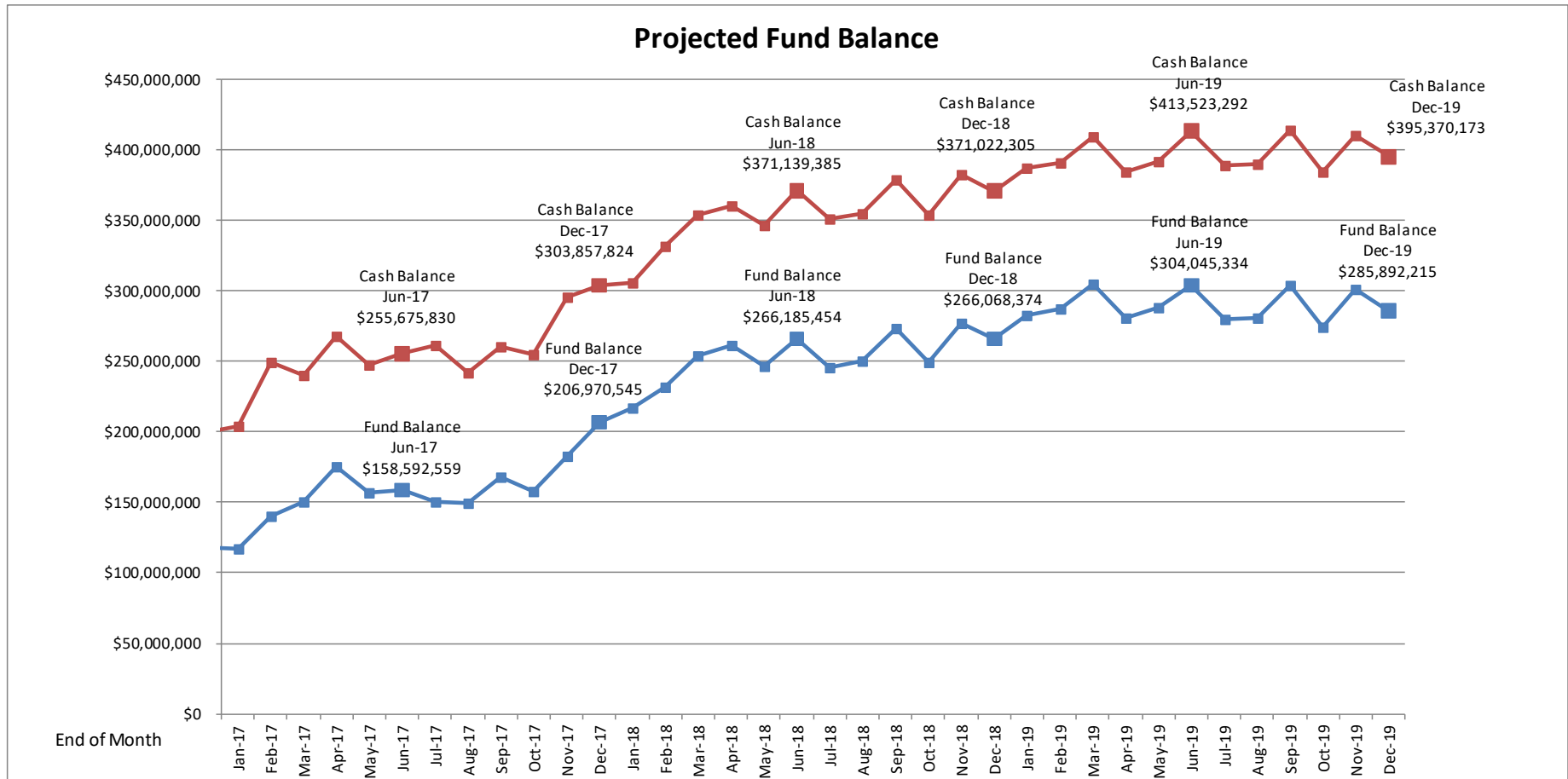
- CY19 Cost Savings Initiatives
- **No** Premium Rate Increases in CY20, CY21, and CY22

Fund balance projections for FYE 2018 through FYE 2022 provided by Conduent HR Services July 10, 2018 and are based on OGB FY18 accrual financial reporting data through May 31, 2018.



# Office of Group Benefits

## Fund Balance



	June 30, 2017 (Actual)	December 31, 2017 (Actual)	June 30, 2018 (Projected)	December 31, 2018 (Projected)	June 30, 2019 (Projected)	December 31, 2019 (Projected)
Assets/Cash	\$255,675,830	\$303,857,824	\$371,139,385	\$371,022,305	\$413,523,292	\$395,370,173
Fund Balance/Net Position	\$158,592,559	\$206,970,545	\$266,185,454	\$266,068,374	\$304,045,334	\$285,892,215



# Status Report on Cost Savings Initiatives





# Alternative Cost Savings Initiatives

- Controlling Specialty Drug Spend Under the Medical Plan
- Pharmaceutical Market Check Initiative
- Implementation of a new formulary for Medicare eligible retirees
- Prescription Drug Supplemental Savings Program
- Implementation of Additional Spousal Surcharge
- Capitated Primary Care Network





# Controlling Specialty Drug Spend

- Historically, OGB (and other benefit plans) spend an increasing amount each year on specialty drugs.
  - We are able to track the cost of specialty drugs dispensed through the pharmaceutical program.
  - The identification process is very detailed.
- Most of the specialty drugs paid for by OGB are administered by medical professionals under the medical plan.
  - It is very difficult to track these drugs because they are identified by only a very broad code.
  - There can be significant differences in the cost of the same drug depending upon the manner in which it is obtained and the site at which it is infused.
- Conduent and MedImpact have access to a new computer program which will be able to identify the drugs being administered to our members under the medical plan and the site at which the drug is infused.
  - Once we identify the members and the medications they are obtaining under the medical plan, OGB can then take steps to insure that the medications are being obtained and administered in the most cost effective manner.
- This program will involve having our medical TPA, BCBS of Louisiana, develop some new prior authorization programs to administer this program.
- It is estimated that this program will save OGB a minimum of \$600,000 to a high estimate of \$2,400,000, with a midpoint being \$1,200,000 per year.



# Pharmaceutical Market Check Initiative

- The RFP for a Pharmaceutical Benefit Manager allows OGB to conduct a Market Check each year.
- MedImpact has agreed to provide the data for Conduent to conduct this check for 2017.
- OGB's data will be benchmarked against similar size plans to determine if the PBM's pricing continues to be marketplace competitive.
  - A report will be produced and if it shows results greater than 1% relative to the current pricing, a request will be sent to MedImpact to prospectively improve pricing.
- It is anticipated that this market check will result in an additional savings of a low estimate of \$9,600,00 to a high estimate of \$24,000,000, with the midpoint being \$16,200,000.





# New Medicare Formulary

- OGB provides prescription coverage for Medicare eligible retirees under an Employer Group Waiver Plan (EGWP) agreement with CMS.
  - Through this agreement, OGB receives significant subsidies from Medicare.
- On 1/1/2017, active employees covered by OGB were switched to a more restrictive formulary.
  - In most cases, members are not denied medically necessary medicine, but were incentivized to utilize another brand of the same medication or a generic equivalent.
  - The transition to this new formulary went very smoothly.
- When the active population moved to this new formulary in 2017, the EGWP group remained on a less restrictive formulary.
  - Effective 1/1/2019, OGB is proposing to move this EGWP group to the same formulary that is in place for the active population.
  - The benefits would be uniform between the active and EGWP group.
- It is anticipated that this formulary change will save from a low estimate of \$9,200,000 to a high estimate of \$13,200,000, with the midpoint being \$11,200,000.



# Prescription Drug Supplemental Savings Program

- The Office of State Purchasing (OSP) is reviewing an RFP to select a vendor to administer a prescription drug supplemental savings program. Once the RFP is approved it will be posted.
- OGB will provide the successful vendor with a file showing the prescription drug usage by our members.
  - Using proprietary algorithms, vendors are able to identify members who are using high cost medications with lower cost alternatives.
  - The vendor then communicates with the prescribing physician and member to attempt to move the patient to a more cost effective medication.
- The savings of this program are unknown at this time.



# Additional Spouse Surcharge

- In 2017, OGB gave notice of the implementation of a spousal surcharge of \$50 per month applicable to all covered spouses who had access to their own employer-sponsored coverage but declined such coverage in favor of being covered by OGB.
- The savings from this measure ranges from a low estimate of \$2,200,000 to a high of \$4,900,000, with the midpoint being \$3,500,000.
- There are currently 23,010 OGB members covering spouses on their plan who will have to complete an attestation form during the annual enrollment period.



# Capitated Primary Care Network

## Concept

- It is proposed that OGB issue an RFP for the implementation of a capitated primary care network throughout Louisiana.
- OGB would pay this vendor a per-employee per-month (PEPM) payment.
  - In return for this capitated payment, the vendor would provide all primary care services for our member and their family.
  - No claims would be filed with BCBS and the member would owe no copayments or deductibles.
  - This network would be available to all OGB members in all of our self-funded plans **except** the Pelican HSA775 plan.
  - It would be completely voluntary.
  - The member could utilize the capitated primary care network for service (free of charge) or could continue to use their selected primary care provider on a fee-for-service basis.
- OGB's specifications would not require an appointment, though one could be made.
  - Members would have to be seen within a very short period of time.
  - The member would be seen by a doctor, a Licensed Nurse Practitioner or a Physician's Assistant.



# Capitated Primary Care Network

## Services

- This prepaid primary care would basically include any service which could be performed within the clinic, including but not limited to:
  - Routine physicals
  - Basic lab work
  - Basic x-rays
  - Vaccinations and shots
  - Screening panels
  - Treatment of acute or episodic minor conditions
  - Specialty referrals



# Capitated Primary Care Network

## Savings

- Savings would result from the fact that OGB, through BCBS, would not be paying for these primary care services on a fee-for-service basis.
  - OGB would be prepaying for this care.
  - OGB would insist on a guaranteed ROI and savings would be calculated and verified by monthly reporting.
- It is anticipated that the first year savings may be in the range of a low \$12,600,000 to a high estimate of \$27,700,000, with the midpoint being \$16,200,000.



# Alternative Cost Savings Initiatives

2019 Potential Cost Savings Initiatives			
Initiative	Estimated Cost Savings (in millions)		
	<i>Low</i>	<i>Midpoint</i>	<i>High</i>
Capitated Primary Care Option	\$12.6	\$16.2	\$27.7
Pharmacy Market Check	\$9.6	\$16.2	\$24.0
New Formulary for EGWP	\$9.2	\$11.2	\$13.2
Additional Spousal Premium	\$2.2	\$3.5	\$4.4
Controlling Specialty Drug Spend	\$0.6	\$1.2	\$2.4
Prescription Drug Supplemental Savings Program	Unknown	Unknown	Unknown
Total Estimated Cost Savings:	\$34.2	\$48.1	\$72.7
Resulting FYE19 Fund Balance:	\$258.3	\$304.0	\$349.9
*Resulting FYE20 Fund Balance:	\$143.4	\$282.3	\$418.7

\*FYE20 Fund Balance projections do not include premium rate adjustments.





# Contract Recommendations







# Life Insurance RFP

- RFP posted on 5/16/2018
- Proposals were due by 6/26/2018
- 5 proposals were received, 1 disqualification
- Contract award TBD



# Fully Insured “Louisiana HMO”

- RFP posted on 5/30/2018
- Proposals were due by 6/6/2018
- 1 proposal was received
- Contract awarded to Vantage Health Plan



# BCBS One Year Extension

- Extend contract for 12 additional months at the same rates, terms and conditions of initial contract term.
- Effective April 1, 2018, BCBSLA will provide a Community Care Nurse in lieu of the Bienville Building on-site nurse. The Community Care Nurse will work collaboratively with high-risk Baton Rouge area OGB Plan Participants and their primary care providers to achieve better health care outcomes for the Plan Participants and potentially lower costs for OGB. The substitution of the Community Care Nurse for one on-site nurse is at no charge to OGB.





# RFP Status





# Medicare Advantage RFP

- RFP for Medicare Advantage Plans was issued on 6/26/2018
- Written inquiries were due by 4:00 PM on 7/12/2018
- Proposals are due by 4:00 PM on 8/1/2018
  - A protest was filed by a potential vendor and the proposal date was pushed back to 8/6/18.
  - Due to LaGov system maintenance, bid opening has been pushed back to 8/15/2018
- Award date TBD



# Medicare Broker RFP

- RFP for Medicare Broker was issued on 7/6/2018
- Written inquiries were due by 4:00 PM on 7/13/2018
- Proposals are due by 4:00 PM on 8/7/2018 (due to LaGov system maintenance, bid openings were delayed to 8/9/18)
- Award date TBD





# Retiree 100 Premium Adjustment





# Retiree 100 Premium Adjustment

- Premium rate will increase from \$39 per person, per month to \$81.00 per person, per month effective 1/1/2019.
- This benefit only applies to Medicare eligible members who are enrolled in the Magnolia Open Access plan.





# Medicare Part D Plan Changes





# Medicare Part D Plan Changes

Aug/Sept  
2018

- OGB Sends preview letter to EGWP retirees

November  
2018

- Welcome kits and ID cards mailed
- Formulary changes letters mailed to members

January 2018

- Plan changes take effect

10/2 to 11/7: OGB annual enrollment meetings

Oct

Nov

Dec

Jan

10/1 to 11/15: OGB annual enrollment period

October 2018

- MedImpact sends termination/enrollment letters to EGWP retirees
- Pre-enrollment Kits mailed to members

December  
2018

- Welcome Kits and New ID cards arrive in members' mailboxes

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**

STATE CAPITOL  
P.O. BOX 44294, CAPITOL STATION  
BATON ROUGE, LOUISIANA 70804

**MEMORANDUM**

To: Representative Cameron Henry, Chairman  
Senator Eric, LaFleur, Vice Chairman  
Members of the Joint Legislative Committee on the Budget (JLCB)

From: John D. Carpenter, Legislative Fiscal Office  
Patrick Goldsmith, House Fiscal Division  
Sherry Phillips-Hymel, Senate Fiscal Services

Date: August 10, 2018

Subject: Review and Approval of Evidence-Based Budgeting Guidelines

The Louisiana Legislature passed Act 387 during the 2017 Regular Session establishing a pilot evidence-based budget process for adult mental health programs administered by the Louisiana Department of Health (LDH).

Act 387 states that legislative staff, and other agency staff as necessary, shall develop guidelines to establish the pilot evidence-based budget proposal process for adult mental health programs administered by the Louisiana Department of Health. **Act 387 also requires the guidelines to be submitted to the Joint Legislative Committee on the Budget for review and approval before the pilot can begin.** The guidelines should outline the process for conducting the pilot and the staffing resources necessary to implement the pilot.

Legislative staff from the House, Senate, and Legislative Fiscal office worked in consultation with LDH staff and Pew-MacArthur Results First Initiative staff to develop the guidelines. The Results First Initiative is a project of The Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation that works with states to implement an innovative evidence-based policymaking approach that helps them invest in policies and programs that are shown to work.

Based on numerous meetings over the past year the working group prepared the attached guidelines to spell out the preliminary steps for creating and implementing a pilot evidence-based budget process. If approved by JLCB, LDH will use the guidelines to proceed with completion of the pilot program.

# EVIDENCE-BASED BUDGETING GUIDELINES

## Overview

The Louisiana Legislature passed Act 387 during the 2017 Regular Session establishing a pilot evidence-based budget process for adult mental health programs administered by the Louisiana Department of Health (LDH). Act 387 defines “Evidence-based Program” as a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population. The attached guidelines outline the process for conducting the pilot and the staffing resources necessary to implement the pilot. The guidelines must be approved by the Joint Legislative Committee on the Budget (JLCB) before the pilot can begin.

If approved by JLCB, Legislative staff will work with Pew and LDH staff to implement the pilot. The staff will begin by setting a meeting schedule with agency staff to monitor agency progress on implementing the guidelines.

The guidelines are comprised of six steps:

1. Develop an inventory of funded services and programs.
2. Categorize services and programs by the level of evidence as to their effectiveness, based on nationally recognized standards.
3. Identify a specific population and service or set of services within the inventory to one program/service for which the department already has outcome data for the pilot.
4. Identify the potential return on investment of the program(s) and/or service(s) in the pilot program.
5. Present information gathered in the pilot to JLCB.
6. Determine staffing costs needed to implement a pilot program for an evidence-based budgeting process for adult mental health services.

## Guidelines

**1. Develop an inventory of funded programs.** Step one is to conduct an agency-wide compilation of all state and Medicaid funded services and treatments currently available to adults with mental illness. Act 387 defines “Program Inventory” as a complete list of all proposed agency programs and activities that meet any definition set out in this Section. This will be an index of potential programs to review.

- Identify all currently funded adult mental health programs.
- Gather descriptive program data.

***LDH has completed the inventory of current mental health programs that provide services and treatments to adults with mental illness (see Attachment A).***

**2. Categorize programs by their evidence of effectiveness.** Step two requires agencies to categorize the programs they operate according to the rigor of their evidence of effectiveness. Again, Act 387 defined an



“evidence-based program” as “a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population.”<sup>1</sup> Categorizing the programs will include the following steps:

- Define evidence-based, research-based, promising practices, and no evidence of effectiveness by identifying relevant factors leading the positive outcomes in adult mental health programs.
- Categorize all agency programs as one of the following: (1) evidence-based, (2) research-based, (3) promising practices, and (4) other programs and activities with no evidence of effectiveness.<sup>2</sup>
- Staff may consult the Washington State Institute for Public Policy’s Washington Evidence-Based Practice Institute, the Results First Clearinghouse Database<sup>3</sup>, or any other comparable catalogue of evidence-based programs.

***LDH has nearly completed this process in the development of the inventory of programs. The Pew staff would like to work with the department in the final categorizing of the programs.***

**3. Identify the population and service array for the pilot.** Step three requires agency staff, in consultation with volunteer third party consultants, to identify a target population and service array for the purpose of implementing the pilot.

- a. Identify the targeted population and service array for the adult mental health pilot by narrowing the scope to one program/service for which the department already has outcome data.
- b. Determine annual estimated budgets for the service included in the pilot and means of finance.
- c. Gather and populate the model with Louisiana-specific information gathered from the department and national sources.
- d. Discuss other national data sources used in the model regarding health care costs, prevalence and the labor market.

**4. In consultation with LDH staff, the Pew-MacArthur Results First Initiative staff shall develop a methodology for conducting a return on investment analysis for the program in the pilot program.** Step four requires agency staff to calculate the dollar value of the outcomes that the selected program achieves and weigh them against the costs. This will require the following steps:

- Results First Initiative staff shall develop a methodology for calculating a return on investment analysis in consultation with LDH staff

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<sup>1</sup> R.S. 39:2(13.1)

<sup>2</sup> R.S. 39:2(40.1) defines a “research-based program” as a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices; R.S. 39:2(37.3) defines “promising practices” as a practice that presents, based upon preliminary information, potential for becoming a research-based or evidence-based program or practice.

<sup>3</sup> The Results First Clearinghouse Database is an online resource that brings together information on 2,867 programs from nine national clearinghouses that conduct systematic research reviews to evaluate effectiveness. <http://www.pewtrusts.org/en/research-and-analysis/data-visualizations/2015/results-first-clearinghouse-database>

- Return on investment shall include definitions of costs and other inputs, as well as benefits of programmatic outcomes and outputs.
- Conduct the Cost Benefit Analyses
- Compare with Results First Clearinghouse Database in order to assess Louisiana's outcomes in comparison to those nationally recognized practices.

**5. Submit information to the Joint Legislative Committee on the Budget on the pilot program.** Step five requires agency staff to submit the program inventory/categorizations and report the results on the effectiveness and the return on investment studies on the program/service considered in the pilot program.

## **6. Determination of Staffing and Required Expenditures for the Pilot Program**

At present, a definitive cost determination is indeterminable and dependent upon the size and scope of the Results First initiative pilot as determined by the Joint Legislative Committee on the Budget. However, some assumptions regarding cost can be made utilizing information gathered when creating the guidelines for the pilot program.

Overall costs of the pilot program are dependent upon its scope, the capacity of the staff to undertake the pilot, and the scale of services within adult mental health rehabilitation. The chosen scope of the program will ultimately drive potential overall costs regarding staff training, staff augmentation, and/or additional contracts with third-party consultants. To the extent that the pilot program consists of the entirety of adult mental health rehabilitation, significant training for existing staff at LDH may be required, as well additional contracts for outside consultants. The need for both is dependent upon the sections of this document that are part of the pilot, as well as the scale of adult mental health rehabilitation programs being examined in the pilot.

LDH staff have completed Sections 1 and 2 of this document (Inventory of Funded Programs, Categorization of Effectiveness), although the provided inventory and categorization have not been verified by a third-party. To the extent third-party verification of Sections 1 and 2 is required, a contract with an outside consultant may be required. Section 3 can likely be completed at a nominal cost that may be absorbed utilizing existing resources, as it is primarily conducted within LDH with volunteer outside consultants assumed to be staff from Pew. To the extent Sections 1-3 of this document (Inventory of Funded Programs, Categorization of Effectiveness, Identify Population and Service Array for the Pilot) entail the entire scope of the pilot program, LDH staff have already conducted a majority of this work utilizing existing personnel and resources, and would work with Pew staff to complete the categorization of existing programs. The most significant cost potential associated with Sections 1-3 is third-party verification of the inventory and categorization provided by LDH to the extent it is required.

Section 4 of the guidelines presents the most significant cost potential for the pilot program to the extent it is included as a component. Requirements of Section 4 relating to the definition of costs and benefits of programmatic outcomes, completion of the cost benefit analyses, and a comparison with the Results First Clearinghouse Database to assess Louisiana outcomes relative to nationally-recognized practices will present new costs. LDH personnel may be able to complete these tasks for the pilot program, however they may require staff augmentation and will require outside training to do so as they lack the necessary expertise to undertake Section 4. In lieu of training existing personnel, LDH may contract with a third-party entity with the expertise to conduct the cost benefit analysis.

Total costs of potential training or contracts associated with Section 4 are ultimately indeterminable and dependent upon which of these options are exercised. Assuming Pew will provide the necessary assistance in conducting the pilot program, costs associated with Section 4 may be eliminated or significantly reduced. In addition, to the extent the pilot program contemplates a cost/benefit methodology that does not strictly adhere to the Result First model, it may reduce the potential need for additional resources cited above.

To the extent the evidence-based process is scaled up to a larger scale (program-wide, agency-wide, department-wide, etc.), the cost factors identified in the previous paragraphs (staff augmentation, training, potential contracts) will require significant additional resources to implement the program on a larger scale. Additionally, potential savings from the evidence-based process are currently indeterminable and dependent upon findings of the evidence-based process in Louisiana.

The Legislative Fiscal Office has also conducted a survey of four states (Connecticut, Minnesota, Mississippi, and Oregon) that have implemented the Results First initiative. In order to provide further context of the complexities of making a precise determination of potential costs, the attached matrix details the scope of their programs, inventories, ability to produce a cost-benefit analysis, application, required resources, and issues with implementation in those states.



**Louisiana Adult Mental Health Rehabilitation Inventory**  
This inventory presents information about rehabilitation services and treatments available to adults with mental illness. The level of evidence demonstrates the extent to which rigorous research has been completed. The Washington Institute of Public Policy (WSIPP) or the National Registry of Evidence-Based Programs or Practices (NREPP) are the two sources identified in reference to evidence supporting the listed service or treatment.

Mental Health Program	Description							
Adult Mental Health Rehabilitation Services	The Medicaid program provides coverage under the Medicaid State Plan for mental health rehabilitation services rendered to adults with behavioral health disorders. The mental health services rendered to adults shall be necessary to reduce the disability resulting from mental illness and to restore the individual to their best possible functioning level in the community.							
Adult Mental Health Program	Service/Practice	Description	Frequency of service	Impact on outcomes	Source of evidence	Additional resources	MOF	Other Comments
Adult Mental Health Rehabilitation Services	Community Psychiatric Support and Treatment	A comprehensive service which focuses on reducing the disability resulting from mental illness, restoring functional skills of daily living, building natural supports and solution-oriented interventions intended to achieve identified goals or objectives as set forth in the individualized treatment plan. CPST is a face-to-face intervention; however, it may include family or other collaterals. Most contacts occur in community locations where the person lives, works, attends school, and/or socializes.	Generally 2-3 visits per week	Category of services	There is general research and evidence to support psychiatric rehabilitation efficacy, but some of the specific evidence based CPST services that are available in Louisiana are broken out below.		Medicaid Covered Service	
Adult Mental Health Rehabilitation Services	CPST/Assertive Community Treatment (ACT)	An evidence-based, multi-disciplinary service model which is available to recipients at all times. The frequency and intensity of supports are tailored to meet the recipients needs. Services include: case management, support and skills training (self-care, financial management, use of transportation, etc.), illness education and medication management, psycho-education to family members, and housing assistance.	Dependent on need, multiple sessions per week	Proven effective	<a href="#">NREPP - ACT</a>	<a href="http://www.lamedicaid.com/provwabi/Providermanuals/manuals/BHS/BHS.pdf">http://www.lamedicaid.com/provwabi/Providermanuals/manuals/BHS/BHS.pdf</a>	Medicaid Covered Service; All SGF for the uninsured	
Adult Mental Health Rehabilitation Services	CPST/Forensic Assertive Community Treatment (FACT)	A specialized ACT Team that services individuals transitioning and re-entering the community from correctional facilities. Services include: coordination with supervision officers, case management, support and skills training (self-care, financial management, use of transportation, etc.), illness education and medication management, family psychoeducation and housing assistance.	Dependent on need, multiple sessions per week	Promising	<a href="#">WSIPP - FACT</a>		Majority SGF	
Adult Mental Health Rehabilitation Services	Psychosocial Rehabilitation (PSR)	The intent of PSR is to restore the fullest possible integration of the individual as an active and productive member of his or her family, community and/or culture with the least amount of ongoing professional intervention. PSR is a face-to-face intervention with the individual present. Services may be provided individually or in a group setting. Most contacts occur in community locations where the person lives, works, attends school and/or socializes. Psychosocial Rehabilitation provided as part of a comprehensive specialized psychiatric program available to all Medicaid eligible adults with significant functional impairments resulting from an identified mental health disorder diagnosis. The medical necessity for these rehabilitative services must be determined by and services recommended by a licensed mental health professional (LMHP) or physician, or under the direction of a licensed practitioner, to promote the maximum reduction of symptoms and restoration to his/her best age-appropriate functional level.	Generally 2-3 visits per week	Category of services	There is general research and evidence to support psychiatric rehabilitation efficacy, but PSR provision for adults must also be based on one of three curriculum options for adults - Boston Psychiatric Rehabilitation Model; Clubhouse Model or Social Skills Training Model		Medicaid Covered Service; All SGF for the uninsured	
Adult Mental Health Rehabilitation Services	CPST or PSR/Permanent Supportive Housing	Long-term housing supports with community outreach and transportation assistance, education, skills development, crisis assistance, resource development and coordination, case management, and medical and psychiatric coordination. Behavioral Health components of this EBP are provided through CPST and PSR.	Housing is continuous. Services are dependent on need, but often weekly	Proven effective	<a href="#">WSIPP - Supported Housing for Chronically Homeless Adults</a>		The CPST and PSR components are Medicaid Covered Services	Louisiana's system is the nation's first large scale PSH initiative using integrated, scattered-site housing linked with evidenced-based mobile community supports for a cross-disability population. Program uses a housing first model.
Adult Mental Health Rehabilitation Services	Crisis Intervention/Crisis Response services	Services that are provided to a person who is experiencing a psychiatric crisis, designed to interrupt and/or ameliorate a crisis experience including a preliminary assessment, immediate crisis resolution and de-escalation, and referral and linkage to appropriate community services to avoid more restrictive levels of treatment. The goal of crisis intervention is symptom reduction, stabilization, and restoration to a previous level of functioning. All activities must occur within the context of a potential or actual psychiatric crisis. Crisis Intervention is a face-to-face intervention and can occur in a variety of locations where the person lives, works, attends school, and/or socializes.	Dependent on need	Category of services	There is general research and evidence to support the efficacy of crisis services, but some of the specific evidence based crisis services available in Louisiana are broken out below.		Medicaid Covered Service; LGEs also fund crisis continuum services through SGF and Grant resources	

Impact on Outcomes - Definitions	
Proven effective	A proven effective service or practice offers a high level of research on effectiveness, determined through multiple qualifying evaluations outside of Minnesota or one or more qualifying local evaluation. Qualifying evaluations use rigorously implemented experimental or quasi-experimental designs.
Promising	A promising service or practice has some research demonstrating effectiveness, such as a single qualifying evaluation that is not contradicted by other such studies, but does not meet the full criteria for the proven effective designation. Qualifying evaluations use rigorously implemented experimental or quasi-experimental designs.
Theory-based	A theory-based service or practice has no research on effectiveness or less rigorous research designs that do not meet the above standards. These services and practices typically have a well-constructed logic model or theory of change. This ranking is neutral. Services may move up to promising or proven effective after research reveals their impact on outcomes.
No effect	A service or practice with no effects has no impact on the desired outcome. It does not include the service's potential effect on other outcomes. Qualifying evaluations use rigorously implemented experimental or quasi-experimental designs.
Category of services	These are broad categories of services that can include a number of different provider types and service models, with additional variations based on what a client may receive, dependent on need. As services can vary from client to client, we cannot assess their effectiveness overall.