



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

STATE CAPITOL  
P.O. BOX 44294, CAPITOL STATION  
BATON ROUGE, LOUISIANA 70804  
(225) 342-2062

Senator Glen Womack  
Chairman

Representative Jack McFarland  
Vice Chairman

### **NOTICE OF MEETING**

Thursday

February 8, 2024

1:00 P.M.

House Committee Room 5

### **A G E N D A**

#### **CALL TO ORDER**

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

#### **III. BUSINESS**

1. Presentation of the Governor's Executive Budget for Fiscal Year 2024-2025 in accordance with the provisions of R.S. 39:37(A)
2. Presentation of the calculation for the expenditure limit for Fiscal Year 2024-2025 in accordance with the provisions of R.S. 39:33.1(A)

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

#### **V. ADJOURNMENT**

Persons who do not feel comfortable giving testimony in person may submit a prepared statement in accordance with Senate Rule 13.79, in lieu of appearing before the committee. Statements may be emailed to [gasconr@legis.la.gov](mailto:gasconr@legis.la.gov) and must be received by the committee secretary at least four hours prior to the meeting to be included in the record for this committee meeting.

Audio/visual presentations, such as PowerPoint, must be received by the committee secretary at [gasconr@legis.la.gov](mailto:gasconr@legis.la.gov) at least twenty-four hours PRIOR to the scheduled start of the committee meeting for review and prior approval. Thumb drives will NOT be accepted.

Persons desiring to participate in the meeting should utilize appropriate protective health measures and observe the recommended and appropriate social distancing.

THIS NOTICE CONTAINS A TENTATIVE AGENDA AND MAY BE REVISED PRIOR TO THE MEETING. REVISED NOTICES CAN BE CHECKED ON THE LEGISLATIVE WEBSITE, (<https://legis.la.gov>), THE WALL OUTSIDE THE COMMITTEE ROOM IN WHICH THE MEETING IS TO BE HELD, AND THE BULLETIN BOARDS OUTSIDE THE HOUSE AND SENATE CHAMBERS (MEMORIAL HALLS), BY CALLING THE PULS LINE 342-2456, AND AT THE BILL ROOM IN THE BASEMENT NEXT TO COMMITTEE ROOM A.

Glen Womack, Chairman



# GOVERNOR JEFF LANDRY

## **EXECUTIVE BUDGET**

FISCAL YEAR 2024-2025

JOINT LEGISLATIVE COMMITTEE ON  
THE BUDGET

FEBRUARY 8, 2024



# START OF A NEW TERM

## Short Timeline to Create a Budget

- January 8, 2024 – Start of New Term
- January 9, 2024 – Budget Meetings with New Secretaries
- January 15, 2024 – First Special Session
- February 8, 2024 – Present Governor Landry's Executive Budget
- February 19, 2024 – Potential Second Special Session

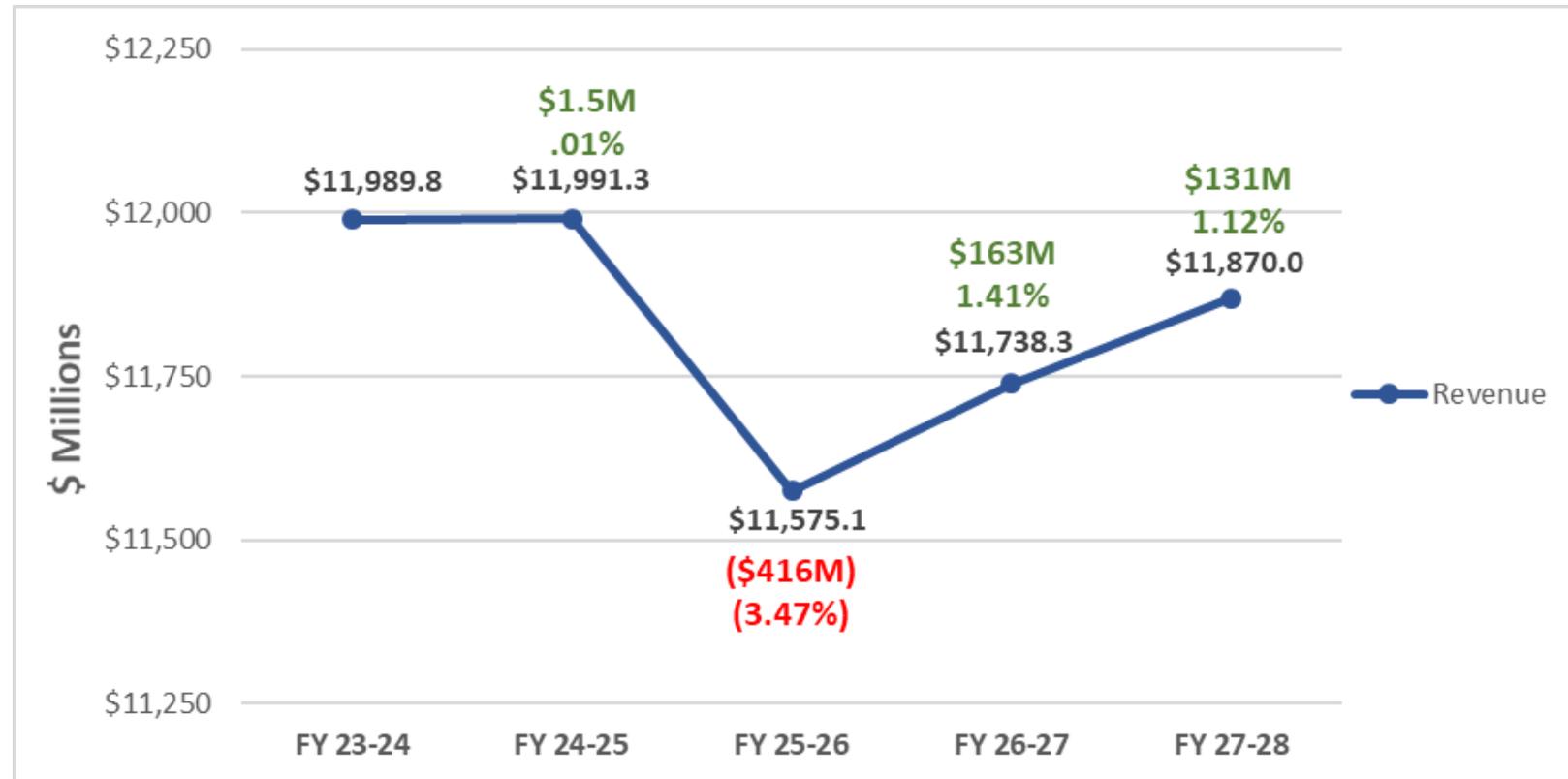
# Preparing for the Future



# REVENUE ESTIMATES

## REC Forecast

- FY24 to FY25 is flat
- FY25 to FY26 has significant decrease
- FY27 and FY26 increases but not back to FY25 level



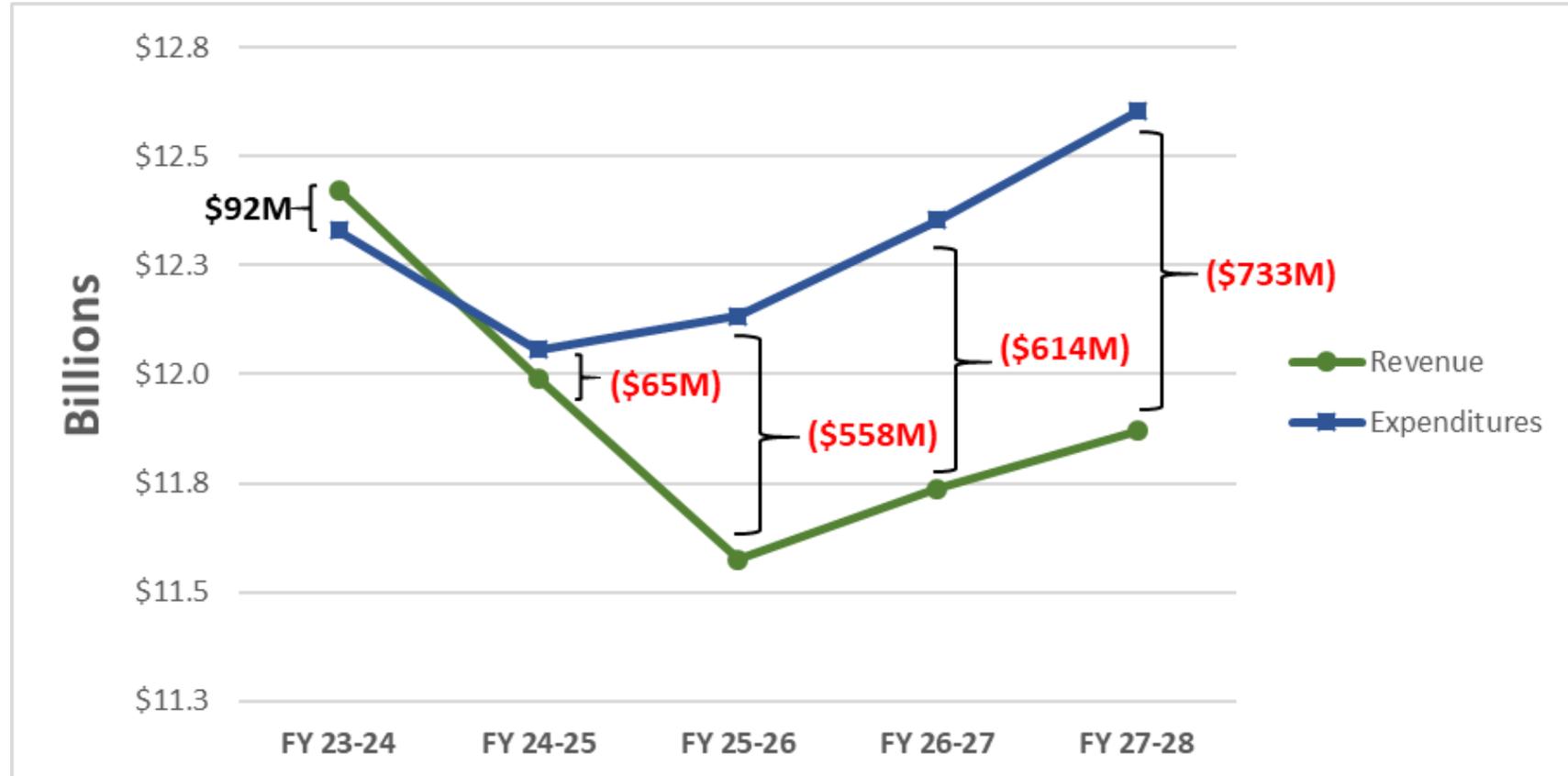
Source: Revenue Estimating Conference Official Forecast Adopted 12/14/23



# REVENUE AND EXPENDITURES

## Fiscal Year 2025-26

- 5 Year Fiscal Forecast shows potential **(\$558M)** shortfall
- (3.47%) Drop in Revenue
- 0.65% Increase in Expenditures



Source: Five Year Base Line Projection presented to JLCB on 1/17/24



# YEAR OF TRANSITION

**From now until departments submit their budget requests on November 1, 2024 for FY26 we are asking they review:**

- Areas for reductions to be annualized in future fiscal years
- Contracts
- Staffing levels and funded vacancies
- Planned acquisitions for cost-effective alternatives
- Non-mandatory programs
- Areas of potential duplication within department and across departments
- Other discretionary State General Fund expenditures
- Efficiencies in service delivery

# Fiscal Year 2024-2025 Executive Budget



# PREPARING EXECUTIVE BUDGET

## **Began budget preparation with FY26 potential shortfall as major driver of policy and decisions**

- Removed one time items from current year in attempt to get back to baseline funding
- Held all requests for increases
- Made decisions on increase based on statutory requirements and needs
- Attempted to fund non-recurring expenses when possible
- Empowered new cabinet members to begin looking for efficiencies in preparation for potential shortfall next year



# CHANGE FROM FY24

## Without IAT and With Carry Forwards

Means of Finance (MOF)	FY 23-24 Existing Operating Budget As of 12/1/23	FY 24-25 Executive Budget	Over/(Under) EOB	
State General Fund	\$12,221,503,626	\$11,991,300,000	(\$230,203,626)	(1.88%)
Fees/Self Generated	\$3,831,625,369	\$3,707,689,605	(\$123,935,764)	(3.23%)
Statutory Dedications	\$6,968,323,235	\$6,475,931,271	(\$492,391,964)	(7.07%)
Federal Funds	\$24,476,935,636	\$22,036,250,912	(\$2,440,684,724)	(9.97%)
<b>Total</b>	<b>\$47,498,387,866</b>	<b>\$44,211,171,788</b>	<b>(\$3,287,216,078)</b>	<b>(6.92%)</b>



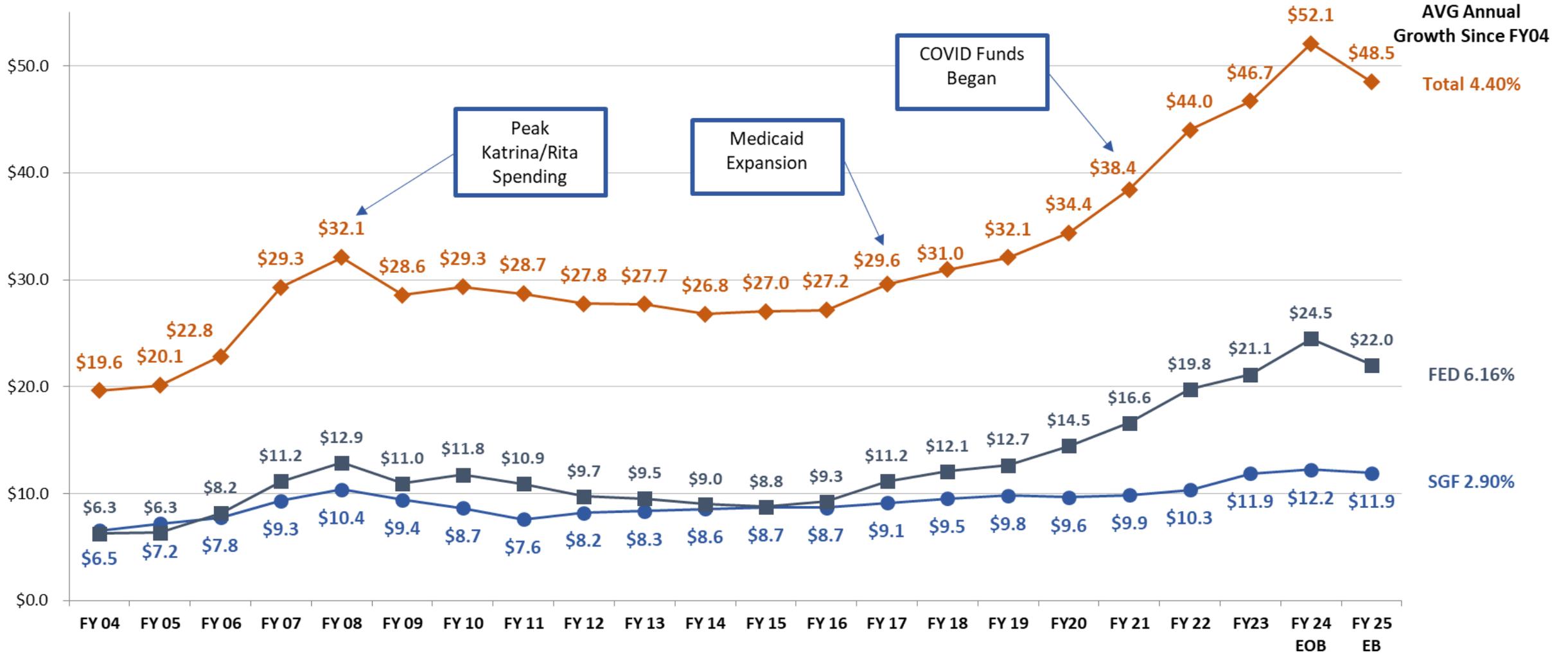
# CHANGE FROM FY24

## Without IAT and **Without** Carry Forwards

Means of Finance (MOF)	FY 23-24 Existing Operating Budget As of 12/1/23	FY 24-25 Executive Budget	Over/(Under) EOB	
State General Fund	\$11,789,335,439	\$11,991,300,000	\$201,964,561	1.71%
Fees/Self Generated	\$3,766,967,085	\$3,707,689,605	(\$59,277,480)	(1.57%)
Statutory Dedications	\$6,886,675,576	\$6,475,931,271	(\$410,744,305)	(5.96%)
Federal Funds	\$24,176,950,191	\$22,036,250,912	(\$2,140,699,279)	(8.85%)
<b>Total</b>	<b>\$46,619,928,291</b>	<b>\$44,211,171,788</b>	<b>(\$2,408,756,503)</b>	<b>(5.17%)</b>

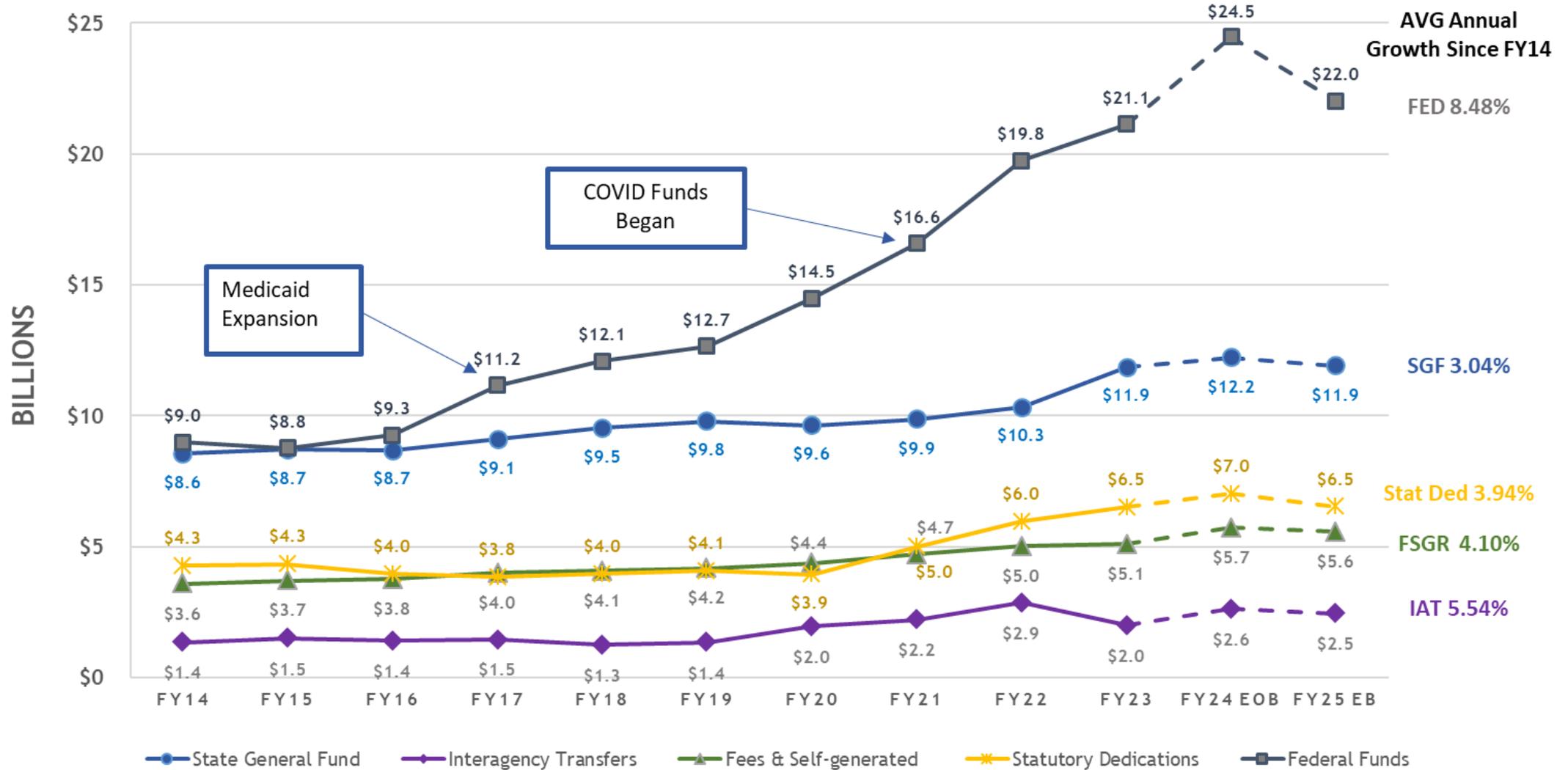


# HISTORICAL SPENDING



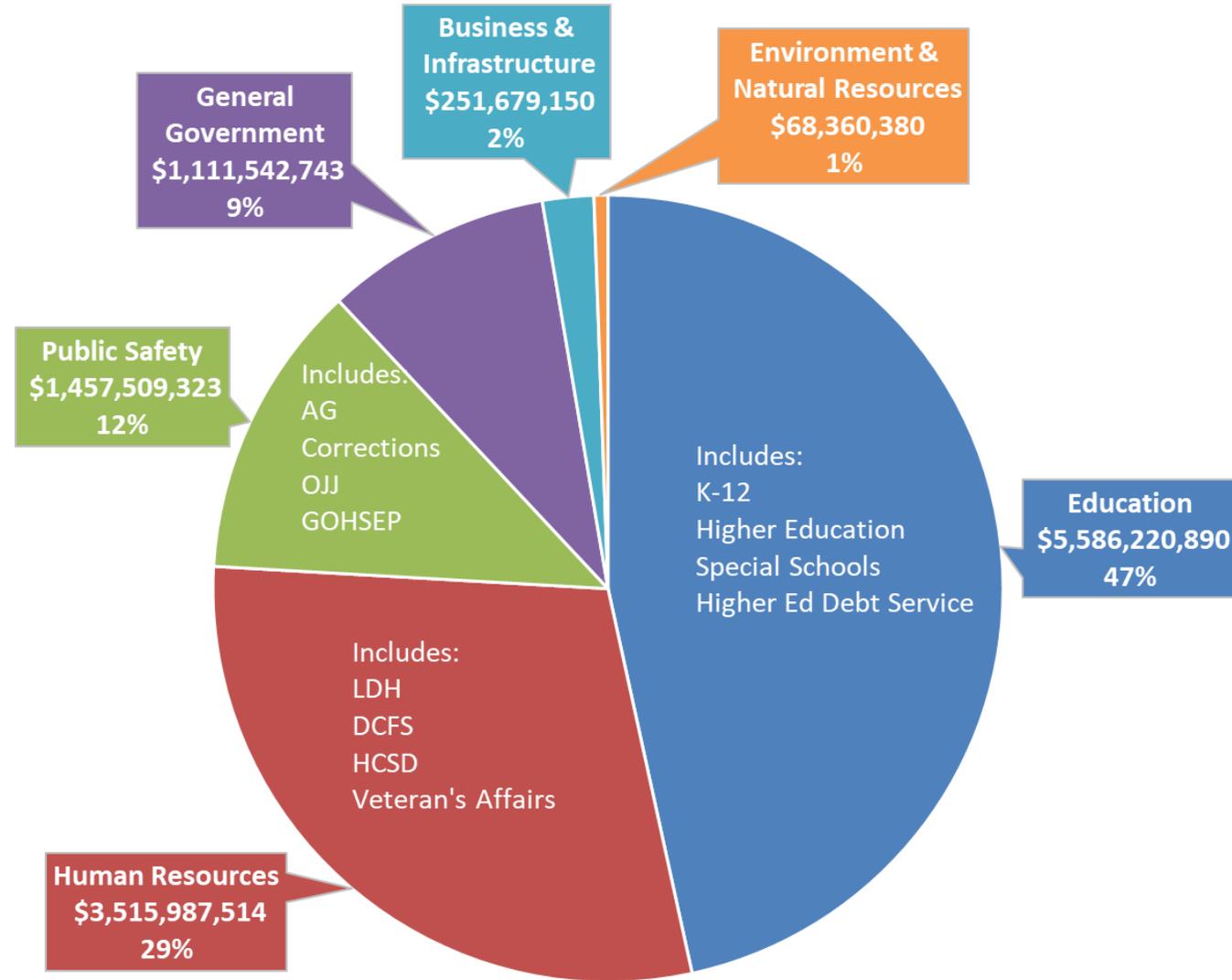


# HISTORICAL SPENDING (ALL MOF)





# BREAKDOWN OF STATE GENERAL FUND





# COMPARISON OF STATE GENERAL FUND

Department	Existing FY 23-24	Executive Budget FY 24-25	Difference
LDH	\$2,934,624,231	\$3,134,882,531	\$200,258,300
Corrections	\$655,088,667	\$717,013,720	\$61,925,053
DOTD	\$43,993,004	\$68,694,750	\$24,701,746
Non-Approp	\$529,145,269	\$547,914,908	\$18,769,639
Public Safety	\$63,778,361	\$70,519,004	\$6,740,643
Judicial	\$178,883,689	\$184,583,689	\$5,700,000
DCFS	\$288,499,293	\$292,557,203	\$4,057,910
Veterans	\$14,947,469	\$16,936,245	\$1,988,776
Special Schools	\$62,296,688	\$63,573,166	\$1,276,478
Attorney Gen	\$18,883,644	\$19,322,648	\$439,004
Legislative	\$87,446,566	\$87,590,443	\$143,877
Workforce	\$14,810,048	\$14,810,048	\$0
Treasurer	\$232,710	\$205,260	(\$27,450)
Lt Governor	\$1,509,553	\$1,356,435	(\$153,118)
Nat Resources	\$27,718,362	\$27,096,926	(\$621,436)
LSU HCSD	\$25,829,112	\$25,004,833	(\$824,279)

Department	Existing FY 23-24	Executive Budget FY 24-25	Difference
Ag and Forestry	\$26,723,845	\$25,029,615	(\$1,694,230)
Civil Service	\$8,637,485	\$6,490,791	(\$2,146,694)
DEQ	\$16,858,079	\$13,853,948	(\$3,004,131)
Sec State	\$75,119,855	\$71,329,113	(\$3,790,742)
Youth Services	\$152,728,317	\$145,118,882	(\$7,609,435)
Education	\$4,204,307,129	\$4,195,567,360	(\$8,739,769)
Ancillary	\$10,500,000	\$0	(\$10,500,000)
Wildlife	\$11,426,395	\$0	(\$11,426,395)
CRT	\$57,075,416	\$45,346,114	(\$11,729,302)
DED	\$55,349,569	\$35,502,410	(\$19,847,159)
Executive	\$299,854,507	\$263,666,583	(\$36,187,924)
Higher Ed	\$1,387,178,812	\$1,283,170,408	(\$104,008,404)
Capital Outlay	\$166,819,000	\$62,800,000	(\$104,019,000)
Other Req	\$801,238,551	\$571,362,967	(\$229,875,584)
<b>TOTAL</b>	<b>\$12,221,503,626</b>	<b>\$11,991,300,000</b>	<b>(\$230,203,626)</b>



# MAJOR ITEMS FUNDED IN BUDGET

Major Items	Amount
Teacher Stipend	\$198.0M
<b>Acquisitions and Major Repairs (replacements)</b> <ul style="list-style-type: none"><li>• Replace forklifts, scissor lift, radios, laptops for Military Affairs Program</li><li>• Repair of undercarriage for 58 dozers for wildfire response in Ag and Forestry</li><li>• Water system, air conditioning, replace fire alarms at corrections facility</li><li>• Replace 238 vehicles within State Police fleet</li></ul>	<b>\$127.1M</b>
<b>DOTD Highway Program to Match Federal Funds</b>	<b>\$ 62.8M</b>



# MAJOR ITEMS FUNDED IN BUDGET

Louisiana Department of Health	Amount
Replacing Federal Funds from enhanced FMAP and MATF with State General Fund	\$285.1M
MCO utilization, enrollment, and premium tax changes and pharmacy rebates	(\$116.3M)
CMS Clawback payments for Medicare Part-D dual eligible	\$ 28.4M
Annualization of FY24 nursing home rebase	\$ 34.5M
DOJ Agreement/Cooper-Jackson Settlement for additional beds and contract increases for meals and pharmaceuticals	\$ 16.5M



# MAJOR ITEMS FUNDED IN BUDGET

Public Safety	Amount
<b>Corrections</b> - Operating, other compensation, and supplies	\$ 20.5M
<b>State Police</b> – Independent Review of Department, Troop NOLA, Uniform Allowance Increase, Replace Riverboat Enforcement Funds with State General Fund, and Two Cadet Classes	\$ 32.4M
<b>Judicial</b> - Drug Court funding	\$ 5.7M
<b>OJJ</b> – Increase in per diem for non-secure care contract providers	\$ 3.8M
<b>AG</b> – Increase for Project NOLA for cost of investigations and prosecutions	\$ 2.3M



# MAJOR ITEMS FUNDED IN BUDGET

Other Major Items	Amount
<b>DCFS</b> - Congregate Care provider rate increase, supplemental staffing contract, Therapeutic Foster Care rate and capacity increase	<b>\$14.5M</b>
<b>Veterans Affairs</b> – National Guard and Reserve member burials and program to recruit and retain military members and veterans as well as encourage them to relocate back to Louisiana.	<b>\$ 1.7M</b>

# SURPLUS AND EXCESS



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## Surplus

- Fiscal Year 2022 – 2023: **\$325,437,431**

## Excess

- Fiscal Year 2023 – 2024: **\$90,063,184**



# SURPLUS AND EXCESS

## Surplus

- Funds from Prior Year
- State General Fund remaining after closing the books on the prior year
- Can only be spent on 6 non-recurring items outlined in the constitution

## Excess

- Current Year funds
- State General Fund available when REC raises the forecast during the year
- Can only be spent during a legislative session, usually in Supplemental Bill



# USES OF SURPLUS

**Article VII, Section 10: appropriations of money in the official forecast designated as non-recurring shall be made only for:**

- Deposit into the Budget Stabilization Fund (25% required)
- Payments against the state retirement systems' unfunded accrued liability (10% required increasing to 25% in FY26)
- Retiring or the defeasance of bonds
- Funding for capital outlay projects
- Highway construction for which federal matching funds are available
- Deposit into the Coastal Protection and Restoration Fund



# RECOMMENDATION FOR FY 23 SURPLUS

Constitutional Item	Recommended Amount
Rainy Day Fund (required)	\$81,359,358
Unfunded Accrued Liability (required)	\$32,543,743
DOTD	\$211,534,330
CPRA	
Capital Outlay (Deferred Maintenance)	
<b>Total</b>	<b>\$325,437,431</b>



# RECOMMENDATIONS FOR \$90.1M EXCESS

## **Excess State General Fund Expenditures (Supplemental Bill)**

- \$ 9.7M – State Police (Special Session)
- \$11.0M – Extra security for secure care facilities
- \$15.0M – Ag and Forestry for wildfire expenses during state emergency
- \$31.0M – Department of Corrections for operating, overtime, food, and supplies



# RECOMMENDATIONS FOR FY24 EXCESS

## **Excess State General Fund Transfers (Funds Bill)**

- \$10M – Voting Technology Fund for new voting machines
- \$10M – State Emergency Response Fund for future disasters



# THE DIVISION OF ADMINISTRATION TEAM

## Commissioner of Administration

Taylor Barras

## Deputy Commissioner of Administration

Patrick Goldsmith

## State Director of the Office of Planning and Budget (OPB)

Ternisa Hutchinson

## Assistant Commissioners

Randy Davis – Statewide Services

Nancy Keaton – Finance

Sonia Mallett – Risk and Property

## Executive Counsel

Craig Cassagne

Office of the Commissioner  
State of Louisiana  
Division of Administration

JEFF LANDRY  
GOVERNOR



TAYLOR F. BARRAS  
COMMISSIONER OF ADMINISTRATION

**MEMORANDUM**

**TO:** Honorable Glen Womack  
Chairman, Joint Legislative Committee on the Budget

**FROM:** Taylor Barras  
Commissioner of Administration 

**DATE:** February 5, 2024

**SUBJECT:** Fiscal Year 2024-2025 State Expenditure Limit

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In compliance with Revised Statute 39:33.1, the Commissioner of Administration shall submit a calculation for Fiscal Year 2024-2025 to the Joint Legislative Committee on the Budget no later than thirty-five days prior to the start of the 2024 Regular Legislative Session, or by February 5, 2024.

The expenditure limit for Fiscal Year 2025 is calculated as the expenditure limit for Fiscal Year 2024 times the growth factor if the growth factor is positive. Pursuant to the statute, the growth rate is the average of the annual growth in state personal income for the three calendar years preceding the fiscal year as reported by the U.S. Department of Commerce. This calculation is attached.

The expenditure limit established for Fiscal Year 2023-2024 was \$17,897,721,252. **The expenditure limit calculated for Fiscal Year 2024-2025 is \$18,554,091,122, which is 3.67% higher than the Fiscal Year 2023-2024 expenditure limit.**

TB:kh

Enclosure

## Expenditure Limit Calculation Information

FY24-25 Expenditure Limit Growth Rate

Calendar Year	State Personal Income (\$ Million)	Quarterly Annual Change	Annual Change	3 Year Average = FY24/25 Growth Rate
<b>2020</b>	<b>233,715</b>			
2021Q1	263,643			
2021Q2	248,122			
2021Q3	250,050			
2021Q4	247,462			
<b>2021</b>	<b>252,319</b>		<b>7.96%</b>	
2022Q1	246,302			
2022Q2	249,402			
2022Q3	251,630			
2022Q4	253,349			
<b>2022</b>	<b>250,171</b>		<b>-0.85%</b>	
2023Q1	259,005			
2023Q2	259,370			
2023Q3	261,358			
<b>2023</b>	<b>259,911</b>		<b>3.89%</b>	<b>3.67%</b>

Expenditure Limit

SFY	Expenditure Limit	Growth Rate	Annual Change
2005-06	\$10,121,874,771	3.71%	\$362,088,086
2006-07	\$10,318,239,142	1.94%	\$196,364,371
<b>2006-07 raised*</b>	<b>\$12,196,877,089</b>	<b>NA</b>	<b>\$2,075,002,318</b>
2007-08	\$11,599,764,443	12.42%	\$1,281,525,301
<b>2007-08 raised**</b>	<b>\$12,614,422,713</b>	<b>NA</b>	<b>\$417,545,624</b>
2008-09	\$12,294,590,334	5.99%	\$694,825,890
2009-10	\$13,923,623,553	13.25%	\$1,629,033,219
2010-11	\$14,430,606,696	3.64%	\$506,983,143
2011-12	\$14,912,885,640	3.34%	\$482,278,944
2012-13	\$15,117,140,870	1.37%	\$204,255,230
2013-14	\$15,686,646,424	3.77%	\$569,505,554
<b>2013-14 lowered***</b>	<b>\$12,916,140,654</b>	<b>0.00%</b>	<b>-\$2,770,505,770</b>
2014-15	\$13,365,694,187	3.48%	\$449,553,533
2015-16	\$13,853,769,302	3.65%	\$488,075,115
2016-17	\$14,188,108,716	2.41%	\$334,339,414
2017-18	\$14,616,943,593	3.02%	\$428,834,877
2018-19	\$14,805,436,238	1.29%	\$188,492,645
<b>2018-19 lowered****</b>	<b>\$13,591,805,919</b>	<b>-7.01%</b>	<b>-\$1,025,137,674</b>
2019-20	\$13,840,931,859	1.83%	\$249,125,940
2020-21	\$14,353,474,249	3.70%	\$512,542,390
2021-22	\$15,021,678,035	4.66%	\$668,203,786
2022-23	\$15,889,263,342	5.78%	\$867,585,308
<b>2022-23 raised*****</b>	<b>\$16,139,263,342</b>	<b>NA</b>	<b>\$250,000,000</b>
2023-24	\$16,497,721,252	3.83%	\$608,457,910
<b>2023-24 raised*****</b>	<b>\$17,897,721,252</b>	<b>NA</b>	<b>\$1,400,000,000</b>
2024-25	\$18,554,091,122	3.67%	\$656,369,870

**NOTE:** Based on information released by the Bureau of Economic Analysis on **December 22, 2023**. Data subject to revision in future months and years.

\* HCR 10 (House Concurrent Resolution 10) of the 2007 Regular Session raised the FY07 Expenditure Limit \$1,878,637,947 above the calculated limit to accommodate FY06 surplus and excess revenue.

\*\* HCR 1 (House Concurrent Resolution 1) of the 2008 2nd Extraordinary Session raised the FY08 Expenditure Limit \$1,014,658,270 above the calculated limit to accommodate FY07 surplus and excess revenue.

\*\*\* HCR6 (House Concurrent Resolution 6) of the 2013 Regular Session established that the new Expenditure Limit for FY14 is \$12,916,140,654. Any future growth rates should be calculated from this number.

\*\*\*\* HCR5 (House Concurrent Resolution 5) of the 2018 Regular Session established that the new Expenditure Limit for FY19 is \$13,591,805,919. Any future growth rates should be calculated from this number.

\*\*\*\*\* SCR3 (Senate Concurrent Resolution 3) of the 2023 Regular Session established that the new Expenditure Limit for FY23 is \$16,139,263,342 and FY24 is \$17,897,721,252.