



# 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

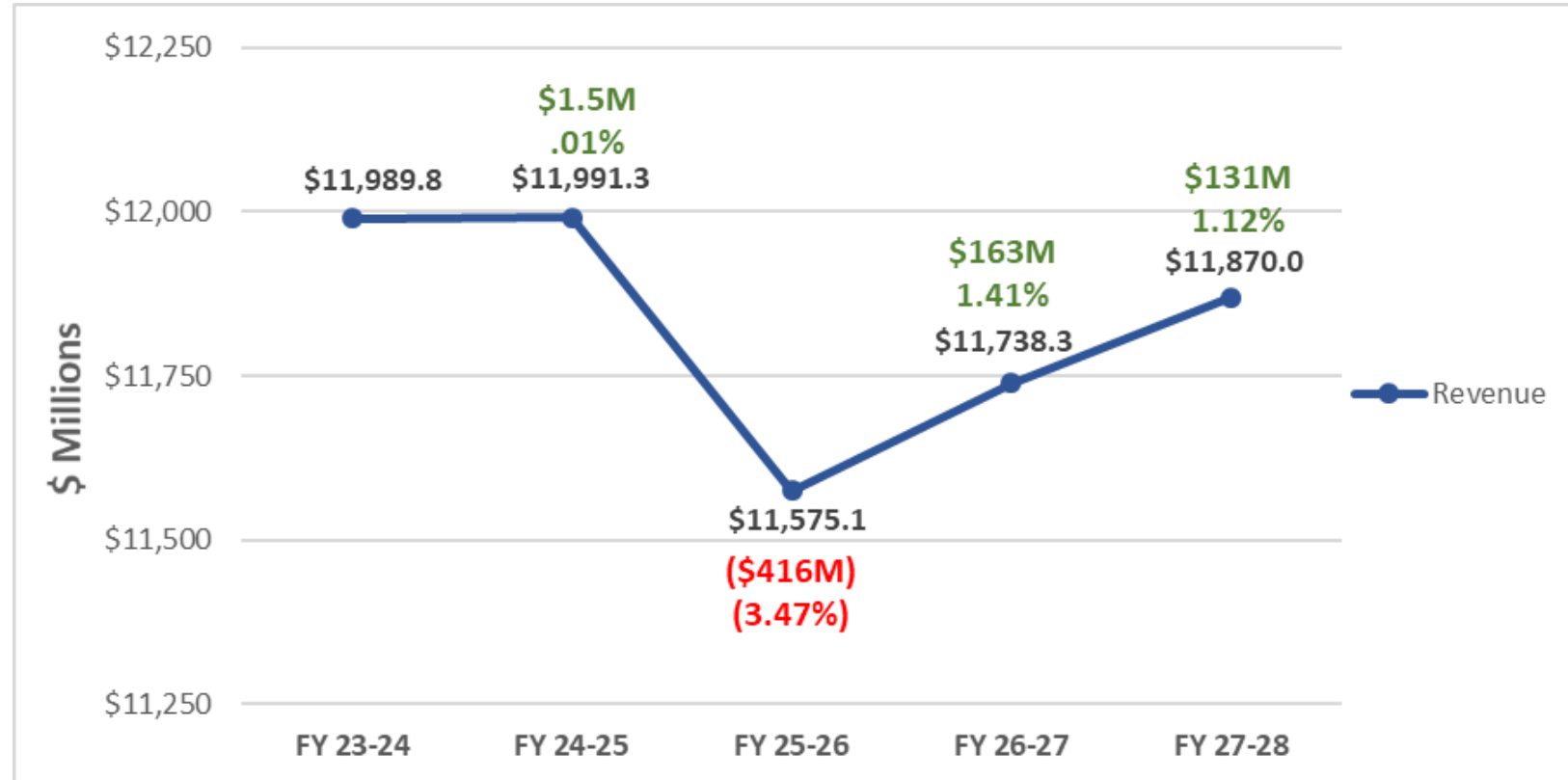
# Preparing for the Future



# 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



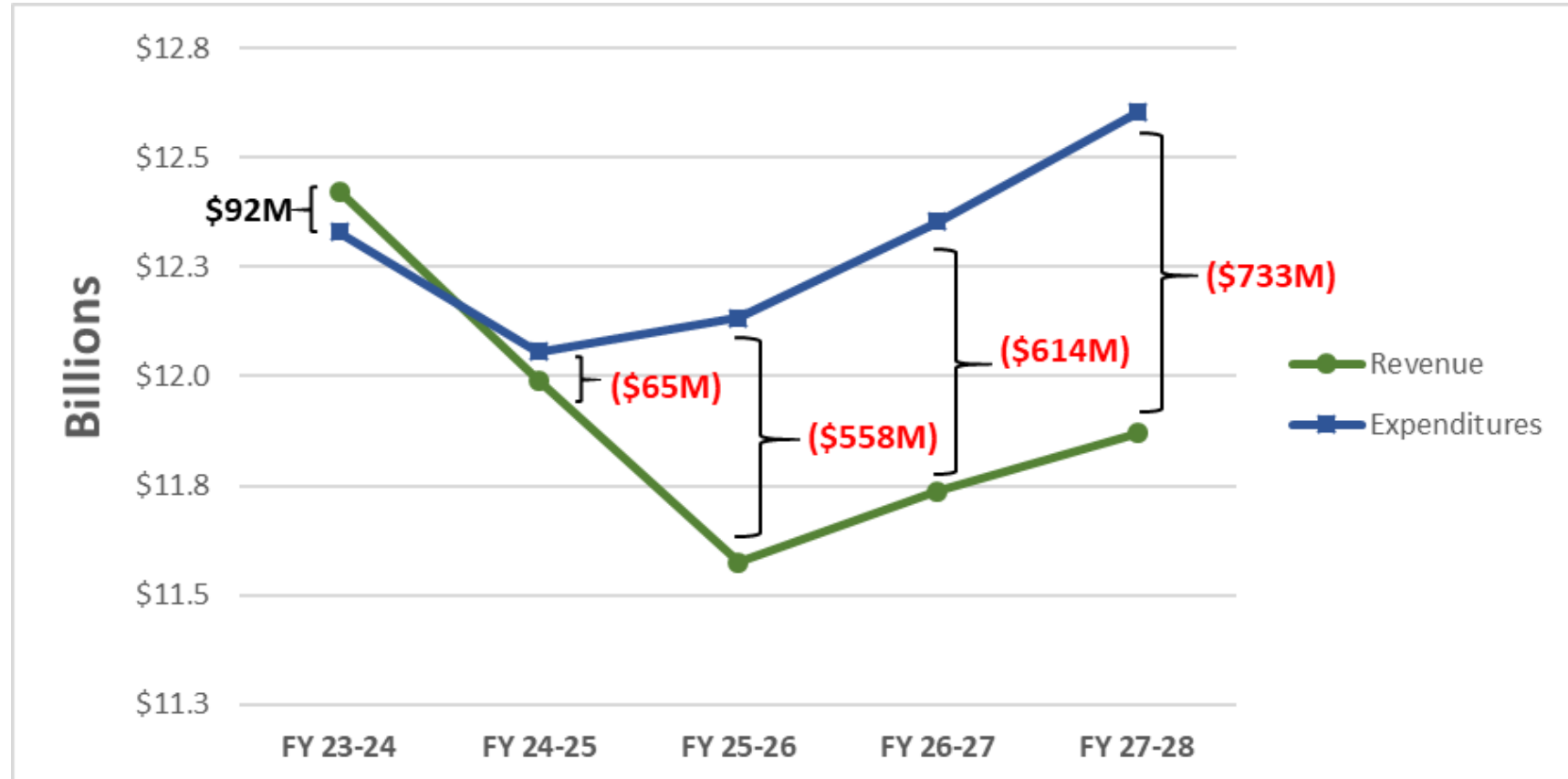
Source: Revenue Estimating Conference Official Forecast Adopted 12/14/23



# 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>



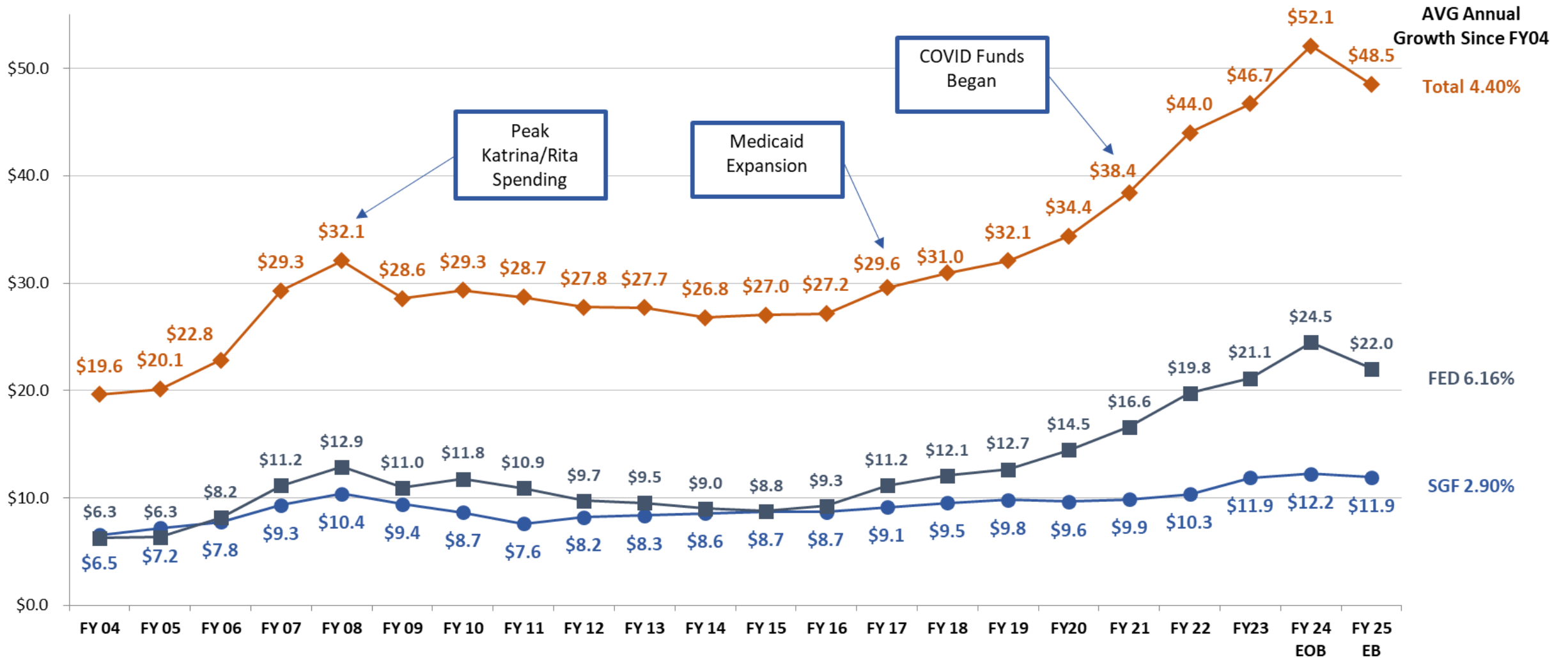
# CHANGE FROM FY24

## 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>

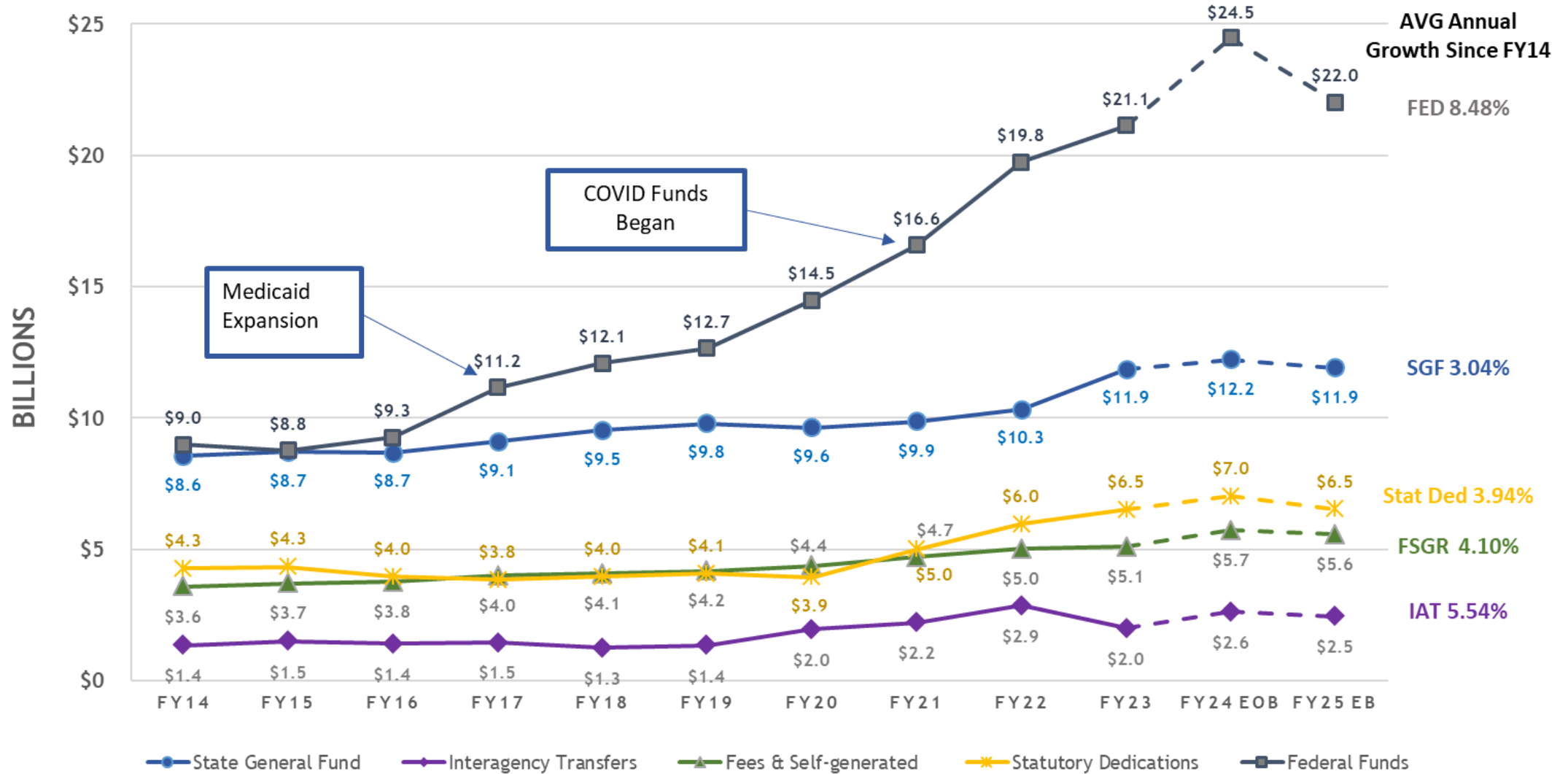


# HISTORICAL SPENDING



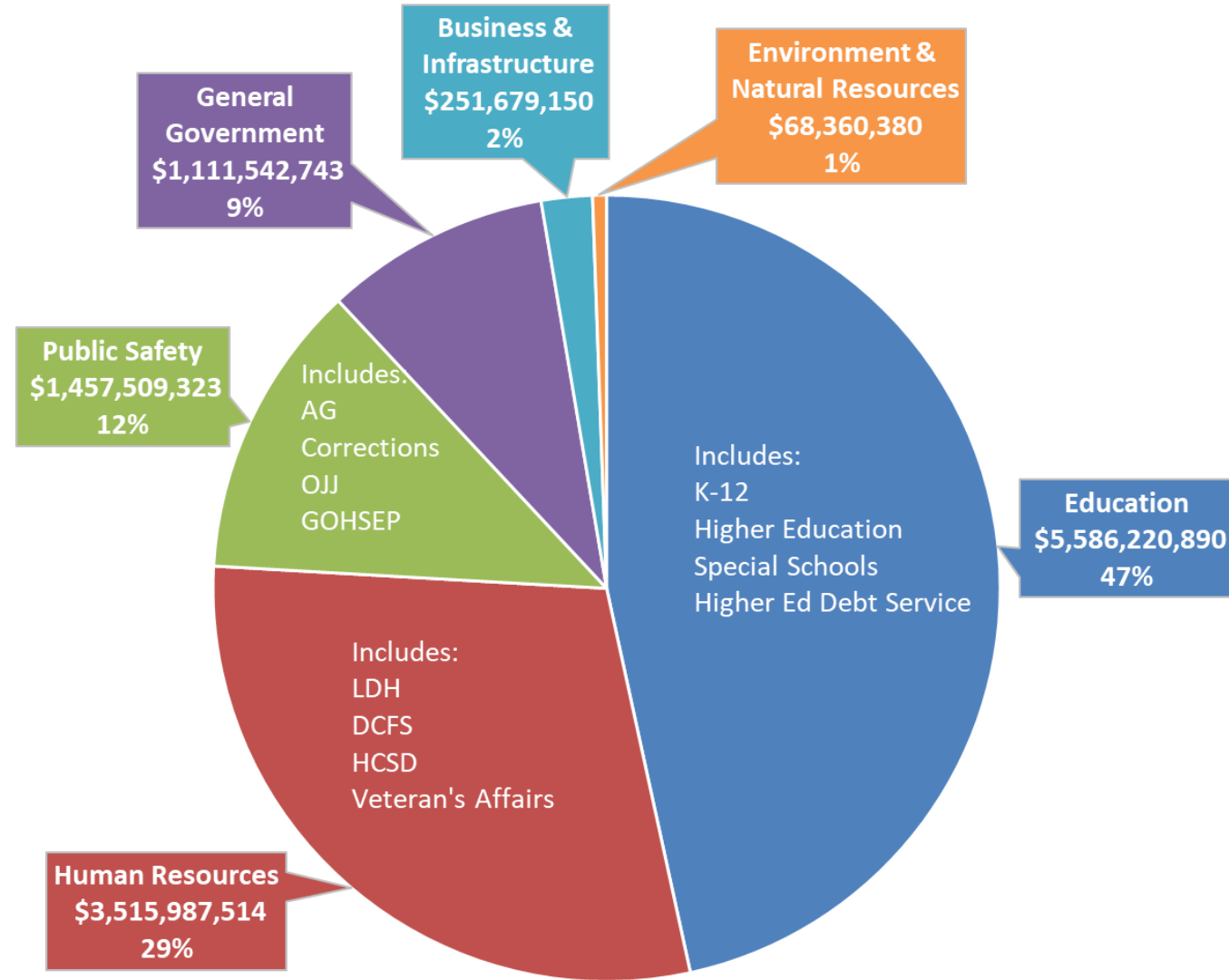


# HISTORICAL SPENDING (ALL MOF)





# 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
<b>Teacher Stipend</b>	<b>\$198.0M</b>
<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	<b>\$285.1M</b>
MCO utilization, enrollment, and premium tax changes and pharmacy rebates	<b>(\$116.3M)</b>
CMS Clawback payments for Medicare Part-D dual eligible	<b>\$ 28.4M</b>
Annualization of FY24 nursing home rebase	<b>\$ 34.5M</b>
DOJ Agreement/Cooper-Jackson Settlement for additional beds and contract increases for meals and pharmaceuticals	<b>\$ 16.5M</b>





# 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

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