

**JOINT LEGISLATIVE COMMITTEE ON THE BUDGET  
GENERAL FUND FISCAL STATUS STATEMENT  
FISCAL YEAR 2017-2018  
(\$ in millions)**

January 22, 2018

	<u>DEC 2017</u>	<u>JAN 2018</u>	<b>JAN 2018 Over/(Under) DEC 2017</b>
<b><u>GENERAL FUND REVENUE</u></b>			
Revenue Estimating Conference, December 14, 2017	\$9,442.200	\$9,594.900	\$152.700
FY16-17 Revenue Carried Forward into FY 17-18	\$19.157	\$19.157	\$0.000
<b>Total Available General Fund Revenue</b>	<b><u>\$9,461.357</u></b>	<b><u>\$9,614.057</u></b>	<b><u>\$152.700</u></b>
<b><u>APPROPRIATIONS AND REQUIREMENTS</u></b>			
<b>Non-Appropriated Constitutional Requirements</b>			
Debt Service	\$416.183	\$416.183	\$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>\$507.904</u></b>	<b><u>\$507.904</u></b>	<b><u>\$0.000</u></b>
<b>Appropriations</b>			
General (Act 3 of 2017 2nd ELS)	\$8,737.948	\$8,737.948	\$0.000
Ancillary (Act 48 of 2017 RLS)	\$0.000	\$0.000	\$0.000
Judicial (Act 68 of 2017 RLS)	\$151.531	\$151.531	\$0.000
Legislative (Act 78 of 2017 RLS)	\$62.473	\$62.473	\$0.000
Capital Outlay (Act 4 of 2017 2nd ELS)	\$1.500	\$1.500	\$0.000
<b>Total Appropriations</b>	<b><u>\$8,953.452</u></b>	<b><u>\$8,953.452</u></b>	<b><u>\$0.000</u></b>
<b>Total Appropriations and Requirements</b>	<b><u>\$9,461.356</u></b>	<b><u>\$9,461.356</u></b>	<b><u>\$0.000</u></b>
<b>General Fund Revenue Less Appropriations and Requirements</b>	<b><u>\$0.002</u></b>	<b><u>\$152.702</u></b>	<b><u>\$152.700</u></b>

## II. FY 2016-2017 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 A.(3)(a) "At the first meeting of the Joint Legislative Committee on the Budget after publication of the Comprehensive Annual Financial Report for the state of Louisiana, the commissioner of administration shall certify to the committee the actual expenditures paid by warrant or transfer and the actual monies received and any monies or balances carried forward for any fund at the close of the previous fiscal year which shall be reflected in the budget status report."

<b>FY17 GENERAL FUND DIRECT SURPLUS/DEFICIT - ESTIMATED (millions)</b>		
<b>FY16 Surplus/(Deficit)</b>		<b>(313.815)</b>
<b>FY17 General Fund - Direct Revenues:</b>		
Actual General Fund Revenues	9,437.191	
Revenue Anticipation Notes (RANS) Proceeds	370.000	
FY17 Deficit #1 (JLCB Approved)	9.871	
FY17 Deficit #2 (JLCB & Legislature Approved)	46.000	
Budget Stabilization Fund - Z08	99.000	
General Fund - Direct Carryforwards from FY16 to FY17	18.560	
<b>Total FY17 General Fund - Direct Revenues</b>		<b>9,980.622</b>
<b>FY17 General Fund - Direct Appropriations &amp; Requirements:</b>		
Draws of General Fund - Direct Appropriations	(8,582.697)	
General Obligation Debt Service	(391.681)	
Revenue Anticipation Notes (RAN) - Payment	(370.000)	
Other Debt Service Costs - RAN Expenses	(2.377)	
Debt Service - Cost of Issuance	(0.804)	
Transfers to Revenue Sharing Fund - Z06	(90.000)	
Transfers Out to Various Funds - 20-XXX FY17 per Act 17 of 2016	(48.906)	
Transfer to Budget Stabilization Fund per Act 1 of 2017 Second Extraordinary Session	(25.000)	
Capital Outlay Project Closeout (075, 057, 055, 051)	(1.460)	
Other Transfers Out (318,782.64 (from 000) + 5,265,863.75 (from B15))	(5.585)	
<b>Total FY17 General Fund - Direct Appropriations &amp; Requirements</b>		<b>(9,518.511)</b>
<b>General Fund Direct Cash Balance</b>		<b>148.297</b>
General Fund - Direct Carryforwards to FY18		(19.157)
Statutorily Required Transfer of DPS Driver's License Fees		(6.519)
<b>Adjusted General Fund Revenues Less Appropriations &amp; Requirements for FY 2016-2017</b>		<b>122.620</b>

<b>Certification in accordance with R.S. 39:75A(3)(a)</b>	<b>\$122,619,960</b>
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## III. Current Year Items Requiring Action

Proclamation 104 JBE 2017 - State of Emergency - Tropical Storm Harvey	\$0.925	
Estimated State Share (75%/25%) (Estimated Total Cost - \$3.70m)		
Proclamations 126 JBE 2017 - State of Emergency - Tropical Storm Nate	\$0.397	
Estimated State Share (75%/25%) (Estimated Total Cost - \$1.59m)		
Emergency Management Assistance Compact (EMAC) Estimated Total Expenses - \$20.57m (100% reimbursable from Texas (Hurricane Harvey) via GOHSEP - \$14.91m) (100% reimbursable from Florida (Hurricane Irma) via GOHSEP - \$2.92m) (100% reimbursable from Puerto Rico (Hurricane Maria) via GOHSEP - \$2.75m)	\$0.000	
<b>TOTAL EXPENDITURES</b>		<b>\$1.322</b>

## 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.

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

	Current Fiscal Year 2017-2018	Ensuing 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	\$12,110,200,000	\$11,112,200,000	\$11,293,700,000	\$11,422,600,000	\$11,663,700,000
Less Dedications	(\$2,515,300,000)	(\$2,510,900,000)	(\$2,537,300,000)	(\$2,560,100,000)	(\$2,582,000,000)
Carry Forward Balances	\$19,157,479	\$0	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$9,614,057,479</b>	<b>\$8,601,300,000</b>	<b>\$8,756,400,000</b>	<b>\$8,862,500,000</b>	<b>\$9,081,700,000</b>
<b>ANNUAL GROWTH RATE</b>		<b>-10.36%</b>	<b>1.80%</b>	<b>1.21%</b>	<b>2.47%</b>
<b>EXPENDITURES:</b>					
General Appropriation Bill (Act 3 of 2017 2nd ELS)	\$8,737,948,098	\$9,460,542,994	\$9,639,137,629	\$9,921,405,577	\$10,199,357,323
Ancillary Appropriation Bill (Act 48 of 2017 RLS)	\$0	\$0	\$8,660,815	\$17,754,671	\$27,303,219
Non-Appropriated Requirements	\$507,903,581	\$520,371,375	\$520,371,375	\$520,371,375	\$520,371,375
Judicial Appropriation Bill (Act 68 of 2017 RLS)	\$151,530,944	\$151,530,944	\$151,586,200	\$151,586,197	\$151,586,194
Legislative Appropriation Bill (Act 78 of 2017 RLS)	\$62,472,956	\$62,472,956	\$62,550,721	\$62,550,655	\$62,550,595
Special Acts	\$0	\$0	\$6,049,204	\$6,049,204	\$6,049,204
Capital Outlay Bill (Act 4 of 2017 2nd ELS)	\$1,500,000	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$9,461,355,579</b>	<b>\$10,194,918,269</b>	<b>\$10,388,355,944</b>	<b>\$10,679,717,679</b>	<b>\$10,967,217,910</b>
<b>ANNUAL GROWTH RATE</b>		<b>7.75%</b>	<b>1.90%</b>	<b>2.80%</b>	<b>2.69%</b>
<b>PROJECTED BALANCE</b>	<b>\$152,701,900</b>	<b>(\$1,593,618,269)</b>	<b>(\$1,631,955,944)</b>	<b>(\$1,817,217,679)</b>	<b>(\$1,885,517,910)</b>

Oil Prices included in the REC official forecast

\$51.78

\$54.31

\$54.06

\$54.03

\$54.52

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

	<b>Current Fiscal Year 2017-2018</b>	<b>Ensuing Fiscal Year 2018-2019</b>	<b>Projected Fiscal Year 2019-2020</b>	<b>Projected Fiscal Year 2020-2021</b>	<b>Projected Fiscal Year 2021-2022</b>
<b>REVENUES:</b>					
Taxes, Licenses & Fees:					
Corporate Franchise & Income	\$350,000,000	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000
Individual Income	\$2,993,700,000	\$3,038,300,000	\$3,117,100,000	\$3,253,200,000	\$3,350,700,000
Sales, General & Motor Vehicle	\$4,435,600,000	\$3,532,000,000	\$3,587,400,000	\$3,562,700,000	\$3,667,400,000
Sales, Suspension of Exemptions 2)	\$0	\$0	\$0	\$0	\$0
Mineral Revenues	\$546,500,000	\$566,300,000	\$532,000,000	\$520,100,000	\$510,400,000
Gaming Revenues	\$873,000,000	\$865,000,000	\$865,000,000	\$865,000,000	\$865,000,000
Other	\$2,911,400,000	\$2,810,600,000	\$2,892,200,000	\$2,921,600,000	\$2,970,200,000
<b>TOTAL TAXES, LICENSES, &amp; FEES</b>	\$12,110,200,000	\$11,112,200,000	\$11,293,700,000	\$11,422,600,000	\$11,663,700,000
LESS DEDICATIONS	(\$2,515,300,000)	(\$2,510,900,000)	(\$2,537,300,000)	(\$2,560,100,000)	(\$2,582,000,000)
FUND TRANSFER	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$9,594,900,000</b>	<b>\$8,601,300,000</b>	<b>\$8,756,400,000</b>	<b>\$8,862,500,000</b>	<b>\$9,081,700,000</b>
<b>ANNUAL GROWTH RATE</b>		<b>-10.36%</b>	<b>1.80%</b>	<b>1.21%</b>	<b>2.47%</b>
<b>OIL PRICE</b>	<b>\$51.78</b>	<b>\$54.31</b>	<b>\$54.06</b>	<b>\$54.03</b>	<b>\$54.52</b>
<b>NOTES:</b>					
<b>Source: The official forecast adopted by the Revenue Estimating Conference on December 14, 2017.</b>					

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

ADJ TYPE	DESCRIPTION	Continuation Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
<b>Existing Operating Budget as of 12/01/2017</b>		<b>\$9,461,355,579</b>	<b>\$9,461,355,579</b>	<b>\$9,461,355,579</b>	<b>\$9,461,355,579</b>
STATEWIDE	2% General Increase Annualization Classified	\$7,902,238	\$7,902,238	\$7,902,238	\$7,902,238
STATEWIDE	2% General Increase Annualization Unclassified	\$1,171,446	\$1,171,446	\$1,171,446	\$1,171,446
STATEWIDE	Acquisitions & Major Repairs	\$30,502,138	\$30,741,004	\$30,958,278	\$31,152,956
STATEWIDE	Administrative Law Judges	(\$58,349)	(\$59,930)	(\$61,369)	(\$62,657)
STATEWIDE	Capitol Park Security	\$12,280	\$12,613	\$12,915	\$13,187
STATEWIDE	Capitol Police	(\$28,009)	(\$28,009)	(\$28,009)	(\$28,009)
STATEWIDE	Civil Service Fees	(\$207,640)	(\$215,512)	(\$220,685)	(\$225,319)
STATEWIDE	Civil Service Training Series	\$2,224,279	\$2,224,279	\$2,224,279	\$2,224,279
STATEWIDE	Group Insurance Rate Adjustment for Active Employees	\$0	\$4,827,493	\$9,896,361	\$15,218,672
STATEWIDE	Group Insurance Rate Adjustment for Retirees	\$0	\$3,833,322	\$7,858,310	\$12,084,547
STATEWIDE	Inflation	\$12,861,355	\$25,978,651	\$39,598,583	\$53,548,899
STATEWIDE	Legislative Auditor Fees	\$461,574	\$461,574	\$461,574	\$461,574
STATEWIDE	Maintenance in State-Owned Buildings	(\$22,163)	(\$22,163)	(\$22,163)	(\$22,163)
STATEWIDE	Market Rate Classified	\$23,293,950	\$47,286,719	\$71,999,270	\$97,453,198
STATEWIDE	Market Rate Unclassified	\$364,053	\$739,028	\$1,125,251	\$1,523,062
STATEWIDE	Medical Inflation	\$80,657,591	\$160,313,476	\$239,531,465	\$321,642,611
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)
STATEWIDE	Office of State Procurement	(\$244,922)	(\$244,922)	(\$244,922)	(\$244,922)
STATEWIDE	Office of Technology Services (OTS)	\$2,688,421	\$2,761,278	\$2,827,548	\$2,886,927
STATEWIDE	Related Benefits Base Adjustment	\$9,215,149	\$9,215,149	\$9,215,149	\$9,215,149
STATEWIDE	Rent in State-Owned Buildings	(\$488,001)	(\$501,226)	(\$513,255)	(\$524,034)
STATEWIDE	Retirement Rate Adjustment	\$813,100	\$813,100	\$813,100	\$813,100

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

ADJ TYPE	DESCRIPTION	Continuation Adjustments	Projected FY19-20	Projected FY20-21	Projected FY21-22
STATEWIDE	Risk Management	(\$9,013,652)	(\$6,466,833)	(\$3,148,469)	\$286,038
STATEWIDE	Salary Base Adjustment	\$17,762,750	\$17,762,750	\$17,762,750	\$17,762,750
STATEWIDE	State Treasury Fees	(\$10,354)	(\$10,354)	(\$10,354)	(\$10,354)
STATEWIDE	Structural Annualization Classified	\$4,140,151	\$4,140,151	\$4,140,151	\$4,140,151
STATEWIDE	Structural Annualization Unclassified	\$322,937	\$322,937	\$322,937	\$322,937
STATEWIDE	Topographic Mapping	\$1,097,926	\$1,097,926	\$1,097,926	\$1,097,926
STATEWIDE	UPS Fees	(\$51,148)	(\$52,534)	(\$53,795)	(\$54,925)
	Subtotal of Statewide Adjustments	\$160,366,453	\$289,003,001	\$419,615,864	\$554,748,616
TOTAL MEANS OF FINANCING SUBSTITUTION ADJUSTMENTS		\$107,943,567	\$136,844,336	\$138,334,287	\$139,876,181
TOTAL NON-RECURRING OTHER ADJUSTMENTS		(\$16,265,875)	(\$16,265,875)	(\$16,265,875)	(\$16,265,875)
TOTAL OTHER ADJUSTMENTS		\$144,217,868	\$256,747,560	\$354,677,519	\$450,496,599
TOTAL OTHER ANNUALIZATIONS ADJUSTMENTS		\$15,993,603	\$17,555,283	\$19,166,676	\$20,960,333
TOTAL WORKLOAD ADJUSTMENTS		\$321,307,074	\$243,116,062	\$302,833,628	\$356,046,475
<b>TOTAL CONTINUATION ADJUSTMENTS</b>		<b>\$733,562,690</b>	<b>\$927,000,367</b>	<b>\$1,218,362,099</b>	<b>\$1,505,862,329</b>
<b>CONTINUATION TOTAL</b>		<b>\$10,194,918,269</b>	<b>\$10,388,355,946</b>	<b>\$10,679,717,678</b>	<b>\$10,967,217,908</b>

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

DI Description	Total Continuation Adjustments	Projected Fiscal Year 2019-2020	Projected Fiscal Year 2020 - 2021	Projected Fiscal Year 2021 - 2022
Elections Expense	\$1,623,436	\$5,197,765	\$2,225,185	(\$4,806,000)
Local Housing _State Offenders	(\$2,252,177)	\$471,051	\$471,119	\$715,752
Medicaid Payments	\$491,932,492	\$556,196,286	\$732,642,125	\$887,299,627
Taylor Opp Program_Students	\$0	\$268,119	\$1,300,544	\$3,764,942
Minimum Foundation Program	(\$692,567)	\$9,353,156	\$19,377,716	\$29,402,276

**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 Continuation Adjustments' represents the Continuation 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 November 2017. The projected fiscal years' growth rate of the implicit price deflator for total consumption expenditures is 2.92%, 2.75%, 2.27%, and 1-88% for fiscal years 2018-2019 through 2021-2022, respectively.

**Group Benefits Adjustments**

As of December 2017, information recommending a change to the current premium rates for plan year 2019 has not been presented to the Group Benefits Estimating Conference and the Group Benefits Policy and Planning Board. Accordingly, Continuation-level five year projections for FY 2018-2019 Group Insurance Premiums reflect no change. While no recommended changes to the current premium rates (and/or changes to the current plan of benefits that would offset the need for premium rate changes) have been presented to the Group Benefits Estimating Conference and Group Benefits Policy and Planning Board, OGB's actuary assumes an overall annual growth trend of 5% for FY 2018-2019 through FY 2021 -2022, consisting of medical and pharmacy claims. This growth trend is 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. Per information received from OGB's actuary, the FYE 2018 fund balance is projected to be \$186.3 million, and the FYE 2019 fund balance is projected to be \$193.0 million. Please note, the FYE 2019 projection assumes a 5% premium rate increase effective January 1, 2019. If no change in premium rates and/or benefits offered are approved for plan year 2019, the FYE 2019 fund balance is projected to be \$156.3 million.

**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 Higher Education all other perils losses 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 provided reduced rates for the FY 17-18 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. The 5-Year average on claims payable 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. 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. Recommended 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. The 3-Year average for claims paid in prior years is \$3,170,833. The 5-Year average for claims paid in prior years is \$3,149,500. In FY16-17, as of June 30, 2017, twenty-two (22) claims were paid totaling \$5,812,500. The Office of Risk Management was appropriated \$5,000,000 in FY 2017-2018 for Survivor Benefits payments and for payment of insurance premiums, and co-pay and deductible payments for disabled firemen and law enforcement officers approved under Act 391 of 2017 Regular Session. 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 total estimated cost of election expenses including ballot printing in FY 2018-2019 is \$17.3 million. Scheduled elections are 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 \$20.8 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 \$17.9 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 \$10.8 million. There is an Open Primary/General/Orleans Municipal Primary/General. The total estimated cost of election expenses including ballot printing in FY 2022-2023 is \$17.3 million including Open Primary/General/Congressional and Municipal Primary/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 Continuation Budget for FY 2018-2019 for Local Housing of State Adult Offenders is \$172.9 million, a decrease from EOB of \$2.3 million in State General Fund (Direct). Adjustments to State General Fund (Direct) include an increase of \$1.5 million based on the projected number of offenders eligible to participate in a Transitional Work Program, and a decrease of \$3.8 million due to a projected reduction in the number of offenders housed in local jails as a result of reforms made to the criminal justice system during the 2017 Regular Session. In accordance with Act 261 of 2017, the \$3.8 million savings represents 30% of the total anticipated savings generated as a result of the enactment of reforms; the remainder of the anticipated savings (approx. \$8.5 million) will be reinvested among various programs as specified by law.

FY 2019-2020 - projections indicate an increase in State General Fund (Direct) of \$471,051; specific adjustments include an increase of \$1.5 million needed due to an increase in the number of offenders assigned to a Transitional Work Program, as well as a decrease of \$1.1 million due to a projected reduction in the number of offenders housed at local jails. This decrease represents 30% of the total anticipated savings generated as a result of the enactment of reforms to the criminal justice system; the remainder of the anticipated savings (approx. \$2.5 million) will be reinvested among various programs as specified by law.

FY 2020-2021 - projections indicate an increase in State General Fund (Direct) of \$471,119; specific adjustments include an increase of \$1.5 million needed due to an increase in the number of offenders assigned to a Transitional Work Program, as well as a decrease of \$1.1 million due to a projected reduction in the number of offenders housed at local jails. This decrease represents 30% of the total anticipated savings generated as a result of the enactment of reforms to the criminal justice system; the remainder of the anticipated savings (approx. \$2.5 million) will be reinvested among various programs as specified by law.

FY 2021-2022 - projections indicate an increase in State General Fund (Direct) of \$715,752; specific adjustments include an increase of \$1.5 million needed due to an increase in the number of offenders assigned to a Transitional Work Program, as well as a decrease of \$823,752 due to a projected reduction in the number of offenders housed at local jails. This decrease represents 30% of the total anticipated savings generated as a result of the enactment of reforms to the criminal justice system; the remainder of the anticipated savings

(approx. \$1.9 million) will be reinvested among various programs as specified by law.

### **Medical Vendor Payments**

The Continuation Budget for FY 2018-2019 for Medical Vendor Payments is \$12.3 billion, of which, \$2.5 billion is State General Fund. The budget is based on the following facts:

- A. For the Medical Vendor Payments program, growth for the out years is measured using the chained price index for Medical Services as published by Moody, as of November 2017. The rates are as follows: FY 2019-2020 = 3.76%; FY 2020-2021 = 3.90% and FY 2021-2022 = 3.77%. Applying these rates against the total State General Fund, the required amount of State General Fund for the out years is: FY 2019-2020 - \$79.7 million; FY 2020-2021 - \$158.9 million; and FY 2021-2022 - \$241 million.
- B. Means of Financing Substitutions replacing State General Fund with non-recurring revenue which allows for services to continue at current level. These Means of Financing Substitutions result in a net increase in State General Fund of \$108.6 million for FY 2018-2019, and include:
  1. \$111.4 million State General Fund (Direct) increase due to a means of financing substitution replacing Federal Funds, if the Children's Health Insurance Program (CHIP) is not reauthorized by Congress.
  2. \$56.4 million State General Fund (Direct) increase due to a means of financing substitution replacing Hospital Stabilization Fund from assessments per House Concurrent Resolution (HCR) 51 of the 2016 Regular Legislative Session (RLS) and HCR 8 of the 2017 RLS.
  3. \$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.
  4. \$3.9 million State General Fund (Direct) increase due to a means of financing substitution replacing Louisiana Medical Assistance Trust Fund (MATF) based on projected FY 19 collections.
  5. \$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.
  6. \$1.2 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.
  7. (\$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.
  8. (\$2.5) million replacing State General Fund (Direct) with Health Trust Fund based on a higher than projected FY 18 initial fund balance.
- C. The following adjustments also increased the need for State General Fund in the following amounts: Managed Care Organization (MCO) adjustment, \$156.5 million; Payment of the 13th MCO Checkwrite, \$140.9 million; Long Term-Personal Care Services (LT-PCS), and waiver services rate adjustment/utilization, \$29 million; Intermediate Care Facilities for the Developmentally Disabled (ICF/DD) rate rebase, \$9.2 million; Public Private Partnership (PPP) up to FY 18 MOUs, \$8.8 million; Home and Community Based Services (HCBS), \$7.6 million; Rural Health Clinics (RHCs) & Federally Qualified Health Clinics (FQHCs) - New Clinics, Medicare Economic Index (MEI), & Annualization, \$4.6 million; Nursing Home Rebase, \$3.7 million; Pharmacy Utilization, \$3.3 million; Dental Benefits Program, \$2 million; Medicare Part A&B Premiums, \$1.8 million; Reinstatement of Louisiana Health Insurance Premium Payment (LaHIPP) Program, \$1.8 million; Clawback growth, \$1.6 million.
- D. Increases in Medicaid payments for the out years include, in FY 2019-2020, State General Fund (Direct) need over the UCC Cap, \$103.2 million; MCO growth, \$30 million; Replacement of Medicaid Trust Fund for the Elderly (MTFE), \$18.2 million; HCBS growth, \$14.8 million; Cooperative Endeavor Agreement (CEA) inflation, \$9.7 million; Clawback growth, \$8.5 million; ICF/DD rate rebase, \$5.8 million; Medicare Part A&B Premiums, \$5.1 million; Rural Health Clinics (RHCs) & Federally Qualified Health Clinics (FQHCs) - New Clinics, Medicare Economic Index (MEI), & Annualization, \$3.8 million; LT-PCS growth, \$3.3 million; Pharmacy Utilization, \$2.2 million. In FY 2020-2021, State General Fund (Direct) need over the UCC Cap, \$170.3 million; Clawback growth, \$69 million; MCO growth, \$62.5 million; HCBS growth, \$29.4 million; Nursing Home Rebase, \$21.5 million; CEA inflation, \$19.6 million; Replacement of MTFE, \$18.2 million; Clawback growth, \$17.6 million; ICF/DD rate rebase, \$11.8 million; Medicare Part A&B Premiums, \$10.3 million; Rural Health Clinics (RHCs) & Federally Qualified Health Clinics (FQHCs) - New Clinics, Medicare Economic Index (MEI), & Annualization, \$7.6 million; LT-PCS growth, \$6.8 million; Pharmacy Utilization, \$4.5 million.

In FY 2021-2022, State General Fund (Direct) need over the UCC Cap, \$238.1 million; MCO growth, \$91.6 million; HCBS growth, \$44.9 million; CEA inflation, \$29.7 million; Clawback growth, \$27 million; Nursing Home Rebase, \$21.5 million; ICF/DD rate rebase, \$18.3 million; Replacement of MTFE, \$18.2 million; Medicare Part A&B Premiums, \$15.8 million; Rural Health Clinics (RHCs) & Federally Qualified Health Clinics (FQHCs) - New Clinics, Medicare Economic Index (MEI), & Annualization, \$11.4 million; LT-PCS growth, \$10.5 million; Pharmacy Utilization, \$7 million; Program for All Inclusive Care for the Elderly (PACE) growth, \$1.4 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.

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

The agency is projecting the full funding amount for FY19 to be approximately \$289.06M for 54,874 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 0.1% increase in the number of awards for FY20 (\$289.4M for 54,963 awards), a 0.4% increase in the number of awards in FY21 (\$290.5M for 55,172 awards), a 0.9% increase in the number of awards for FY22 (\$292.9M for 55,567 awards), and a 0.5% increase in the number of awards for FY23 (\$294.5M for 55,867 awards). These projected award increases are built into the estimate.

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

Summary:

FY 2018-2019 Continuation Budget contains a net decrease of \$0.69 million State General Fund and a total increase of \$2.35 million. FY 2019-2020 through FY 2021-2022 out year student count projections are based on a five year average October 1 student count adjustment of 1,904 using the average state cost per pupil of \$5,265 for a total cost of \$10.02 million.

##### **Ensuing Fiscal Year:**

FY 2018-2019 - Continuation Budget is \$3.46 billion State General Fund and a total cost of \$3.72 billion with a student count of 693,806. Base per pupil amount is \$3,961. The State General Fund net decrease of \$0.69 million consists of the following: \$9.82 million increase based on the anticipated student growth of 2,786; a means of finance substitution decreasing State General Fund by \$3.05 million and increasing Statutory Dedication, Support Education in Louisiana First (SELF) Fund, by \$3.05 million for a total of \$107.23 million based on the Revenue Estimating Conference (REC); and \$7.47 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.

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

FY 2019-2020 - Projections include an additional \$10.02 million of State General Fund attributed to the projected student count of 695,710 for a total increase of \$19.85 million in State General Fund.

FY 2020-2021 - Projections include an additional \$10.02 million of State General Fund attributed to the projected student count of 697,614 for a total increase of \$29.87 million in State General Fund.

FY 2021-2022 - Projections include an additional \$10.02 million of State General Fund attributed to the projected student count of 699,518 for a total increase of \$39.89 million in State General Fund.

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

Projections are based on 5 years of average claim payments of approximately \$6.05 million.