



**STATE OF LOUISIANA
LEGISLATIVE FISCAL OFFICE
BATON ROUGE**

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TO: The Honorable Taylor F. Barras, Speaker of the House of Representatives
Honorable Members of the House of Representatives

FROM: John D. Carpenter, Legislative Fiscal Officer
Evan J. Brasseaux, LFO Staff Director

DATE: May 11, 2016

SUBJECT: House Rule 7.19, HB 1 Engrossed, FY 17 Financing Replacement

Pursuant to House Rule 7.19, the Legislative Fiscal Office (LFO) is required to submit a report to the House of Representatives, which indicates whether the appropriation bill appropriates one-time money within the Engrossed version of House Bill 1 (HB 1). The LFO is providing this information for HB 1 – Engrossed and a discussion of the FY 18 financing decisions that will have to be made as a result of the current structure of the FY 17 proposed operating budget.

If you have any questions about any of the information presented in this memo, please contact me by email at carpenterj@legis.la.gov or by phone at 225-342-7233.

HR 7.19 One-Time Money List

Pursuant to HR 7.19(C)(2), appropriations from one-time money for ordinary recurring expenses may not exceed the projected growth of the state general fund from the fiscal year for which the appropriation is proposed and the subsequent fiscal year according to the most recent official forecast. The threshold calculation is the difference between the official SGF revenue forecast adopted by the Revenue Estimating Conference on March 16, 2016, for FY 17 of \$ 9,498.5 B and for FY 18 of \$ 9,740.0 B, which equates to \$241.5 M of SGF revenue growth. The amount of one-time funds, as defined by HR 7.19, allowed to be appropriated in HB 1 for FY 17 expenditure is approximately \$241.5 M. **After Adopted House Appropriations Committee amendments to HB 1 and HB 409 (Funds Bill), there is no (\$0) one-time money as defined in House Rule 7.19 in HB 1 Engrossed.**

FY 18 Replacement Financing Decision List

Although HR 7.19 contains a definition of "one-time money," the rule itself is not indicative of the financing decisions that will have to be made in FY 18 relative to the current structure of the FY 17 proposed operating budget. Due to this issue, the LFO is not only providing the HR 7.19 list to comply with the House Rule, we are also providing you with a detail of significant potential FY 18 financing replacements that will have to be made as a result of the proposed FY 17 budget. See discussion of Medical Vendor Payments below regarding resources being utilized in FY 17 that will likely require another revenue source in FY 18. The \$34.5 M of financing needs are in addition to any other continuation budget requirements not yet resolved in the FY 17 budget. These additional funding requirements will likely result in an FY 18 anticipated funding shortage that could exceed \$34.5 M. **The \$34.5 M of potential financing replacement in FY 18 is a significant reduction compared to the amount of FY 17 financing replacement of approximately \$826.4 M.**

Agency – Medical Vendor Payments

The executive budget recommendation presented by the Division of Administration in HB 1 Original included an appropriation of \$34.5 M drawn from fund balances of the Medicaid Trust Fund for the Elderly and the Health Trust Fund. These funds are expected to be essentially depleted after the draw down of monies in FY 17, resulting in a need to identify replacement revenues for FY 18.