LOUISIANA LEGISLATIVE FISCAL OFFICE

HB1 Engrossed 2013 RS

Increases /Enhancements

Reductions

Means of Finance (MOF) Swaps

Budget Issues

John D. Carpenter, Legislative Fiscal Officer

Evan Brasseaux, LFO Staff Director

May 09, 2013

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2012	Current Year EOB 12/1/2012 FY 2013	Next Year HB 1 Engrossed FY 2014	2014 - 2013 Dollar Change	Percent Change
GRAND TOTAL - Statewide Budget					
STATE GENERAL FUND (Direct):	**$8,218,640,371**	**$8,278,830,099**	**$8,059,151,254**	**-$219,678,845**	**-2.7%**
STATE GENERAL FUND BY:					
Interagency Transfers	**2,713,385,050**	**3,074,493,039**	**1,998,924,328**	**-1,075,568,711**	**-35.0%**
Fees & Self-gen Revenues	**3,414,278,740**	**3,566,995,129**	**3,495,532,761**	**-71,462,368**	**-2.0%**
Statutory Dedications	**3,679,618,033**	**3,924,386,315**	**4,325,908,305**	**401,521,990**	**10.2%**
Interim Emergency Board	**2,019,745**	**1,452,933**	**0**	**-1,452,933**	**-100.0%**
FEDERAL FUNDS	**9,745,573,269**	**11,346,106,544**	**10,242,435,998**	**-1,103,670,546**	**-9.7%**
	$27,773,515,208	**$30,192,264,059**	**$28,121,952,646**	**-$2,070,311,413**	**-6.9%**
T.O.	**72,677**	**66,427**	**56,289**	**-10,138**	**-15.3%**
STATE FUNDS (excludes Federal):	**$18,027,941,939**	**$18,846,157,515**	**$17,879,516,648**	**-$966,640,867**	**-5.1%**
General Appropriation Bill					
STATE GENERAL FUND (Direct):	$7,600,044,474	$7,735,329,388	$7,413,114,596	($322,214,792)	(4.2%)
STATE GENERAL FUND BY:					
Interagency Transfers	2,433,260,228	2,736,685,249	1,681,925,035	(1,054,760,214)	(38.5%)
Fees & Self-gen Revenues	1,880,791,165	2,143,383,216	2,083,165,622	(60,217,594)	(2.8%)
Statutory Dedications	2,470,844,521	2,698,540,076	3,156,321,101	457,781,025	17.0%
Interim Emergency Board	19,745	1,452,933	0	(1,452,933)	(100.0%)
FEDERAL FUNDS	9,724,838,610	11,322,466,122	10,233,835,998	(1,088,630,124)	(9.6%)
	$24,109,798,743	$26,637,856,984	$24,568,362,352	($2,069,494,632)	(7.8%)
T.O.	71,966	65,911	55,878	(10,033)	(15.2%)
01 Executive					
STATE GENERAL FUND (Direct):	$146,720,482	$148,590,391	$61,472,668	-$87,117,723	(58.6%)
STATE GENERAL FUND BY:					
Interagency Transfers	302,393,144	468,461,397	390,511,077	-77,950,320	(16.6%)
Fees & Self-gen Revenues	98,892,420	122,213,259	127,327,227	5,113,968	4.2%
Statutory Dedications	147,335,676	271,550,778	323,095,094	51,544,316	19.0%
Interim Emergency Board	19,745	1,452,933	0	-1,452,933	(100.0%)
FEDERAL FUNDS	2,343,761,546	2,919,536,832	2,479,865,126	-439,671,706	(15.1%)
	$3,039,123,013	$3,931,805,590	$3,382,271,192	-$549,534,398	(14.0%)
T.O.	2,262	2,182	2,243	61	2.8%
03 Veterans' Affairs					
STATE GENERAL FUND (Direct):	$5,181,345	$5,613,948	$5,204,047	-$409,901	(7.3%)
STATE GENERAL FUND BY:					
Interagency Transfers	1,008,144	1,464,960	1,407,771	-57,189	(3.9%)
Fees & Self-gen Revenues	14,866,137	15,566,572	16,423,557	856,985	5.5%
Statutory Dedications	153,074	300,000	115,528	-184,472	(61.5%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	32,647,652	34,555,356	34,292,400	-262,956	(0.8%)
	$53,856,352	$57,500,836	$57,443,303	-$57,533	(0.1%)
T.O.	830	835	839	4	0.5%
04a State					
STATE GENERAL FUND (Direct):	$50,019,063	$45,776,632	$38,547,477	-$7,229,155	(15.8%)
STATE GENERAL FUND BY:					
Interagency Transfers	444,779	384,870	334,980	-49,890	(13.0%)
Fees & Self-gen Revenues	19,246,951	19,629,307	20,175,665	546,358	2.8%
Statutory Dedications	5,016,646	7,038,078	2,011,078	-5,027,000	(71.4%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	63,803	286,198	0	-286,198	(100.0%)
	$74,791,242	$73,115,085	$61,069,200	-$12,045,885	(16.5%)
T.O.	317	317	315	-2	(0.6%)

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2012	Current Year EOB 12/1/2012 FY 2013	Next Year HB 1 Engrossed FY 2014	2014 - 2013 Dollar Change	Percent Change
04b Justice					
STATE GENERAL FUND (Direct):	$12,215,630	$12,067,137	$7,069,766	-$4,997,371	(41.4%)
STATE GENERAL FUND BY:					
Interagency Transfers	32,253,682	25,600,032	20,836,052	-4,763,980	(18.6%)
Fees & Self-gen Revenues	2,436,541	7,213,532	8,155,321	941,789	13.1%
Statutory Dedications	11,520,354	12,729,199	11,976,584	-752,615	(5.9%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	4,931,507	6,070,482	5,989,344	-81,138	(1.3%)
	$63,357,714	$63,680,382	$54,027,067	-$9,653,315	(15.2%)
T.O.	480	474	472	-2	(0.4%)
04c Lieutenant Governor					
STATE GENERAL FUND (Direct):	$1,426,425	$1,497,823	$1,440,278	-$57,545	(3.8%)
STATE GENERAL FUND BY:					
Interagency Transfers	61,248	465,356	325,000	-140,356	(30.2%)
Fees & Self-gen Revenues	4,000	25,000	10,000	-15,000	(60.0%)
Statutory Dedications	15,292	0	0	0	
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	4,410,584	5,509,255	5,509,255	0	0.0%
	$5,917,549	$7,497,434	$7,284,533	-$212,901	(2.8%)
T.O.	8	8	7	-1	(12.5%)
04d Treasury					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	1,438,853	1,628,452	1,628,452	0	0.0%
Fees & Self-gen Revenues	8,195,085	8,354,510	8,262,855	-91,655	(1.1%)
Statutory Dedications	412,875	2,271,417	2,271,417	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$10,046,813	$12,254,379	$12,162,724	-$91,655	(0.7%)
T.O.	59	58	57	-1	(1.7%)
04e Public Service Commission					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	9,056,558	9,295,852	8,726,587	-569,265	(6.1%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	211,489	505,348	0	-505,348	(100.0%)
	$9,268,047	$9,801,200	$8,726,587	-$1,074,613	(11.0%)
T.O.	97	97	97	0	0.0%
04f Agriculture & Forestry					
STATE GENERAL FUND (Direct):	$26,465,339	$26,847,582	$25,546,612	-$1,300,970	(4.8%)
STATE GENERAL FUND BY:					
Interagency Transfers	1,235,608	8,913,916	1,200,445	-7,713,471	(86.5%)
Fees & Self-gen Revenues	5,678,114	6,742,470	6,687,210	-55,260	(0.8%)
Statutory Dedications	31,439,336	31,973,333	32,555,527	582,194	1.8%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	6,815,229	7,851,818	7,716,818	-135,000	(1.7%)
	$71,633,626	$82,329,119	$73,706,612	-$8,622,507	(10.5%)
T.O.	644	625	582	-43	(6.9%)

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2012	Current Year EOB 12/1/2012 FY 2013	Next Year HB 1 Engrossed FY 2014	2014 - 2013 Dollar Change	Percent Change
04g Insurance					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	27,210,216	28,941,559	28,450,743	-490,816	(1.7%)
Statutory Dedications	1,316,821	1,325,000	1,381,137	56,137	4.2%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	1,982,934	879,812	744,339	-135,473	(15.4%)
	$30,509,971	$31,146,371	$30,576,219	-$570,152	(1.8%)
T.O.	265	263	258	-5	(1.9%)
05 Economic Development					
STATE GENERAL FUND (Direct):	$10,489,399	$13,972,195	$2,385,244	-$11,586,951	(82.9%)
STATE GENERAL FUND BY:					
Interagency Transfers	683,443	1,204,065	0	-1,204,065	(100.0%)
Fees & Self-gen Revenues	2,084,759	3,124,377	3,464,585	340,208	10.9%
Statutory Dedications	34,021,620	30,893,307	31,229,559	336,252	1.1%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	3,042,616	8,777,210	4,739,367	-4,037,843	(46.0%)
	$50,321,837	$57,971,154	$41,818,755	-$16,152,399	(27.9%)
T.O.	124	122	117	-5	(4.1%)
06 Culture, Recreation & Tourism					
STATE GENERAL FUND (Direct):	$37,042,481	$37,532,677	$32,612,993	-$4,919,684	(13.1%)
STATE GENERAL FUND BY:					
Interagency Transfers	3,374,801	5,120,356	5,343,377	223,021	4.4%
Fees & Self-gen Revenues	25,169,847	31,940,164	25,487,991	-6,452,173	(20.2%)
Statutory Dedications	8,860,421	8,899,774	9,935,867	1,036,093	11.6%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	8,996,267	8,045,292	6,678,235	-1,367,057	(17.0%)
	$83,443,817	$91,538,263	$80,058,463	-$11,479,800	(12.5%)
T.O.	630	633	629	-4	(0.6%)
07 Transportation & Development					
STATE GENERAL FUND (Direct):	$0	$238,660	$0	-$238,660	(100.0%)
STATE GENERAL FUND BY:					
Interagency Transfers	6,879,816	9,871,386	5,910,000	-3,961,386	(40.1%)
Fees & Self-gen Revenues	42,774,374	41,039,360	24,175,937	-16,863,423	(41.1%)
Statutory Dedications	466,675,380	474,864,285	490,325,168	15,460,883	3.3%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	19,550,222	27,681,056	26,761,411	-919,645	(3.3%)
	$535,879,792	$553,694,747	$547,172,516	-$6,522,231	(1.2%)
T.O.	4,494	4,322	4,357	35	0.8%
08 Corrections					
STATE GENERAL FUND (Direct):	$432,474,350	$419,862,161	$451,304,082	$31,441,921	7.5%
STATE GENERAL FUND BY:					
Interagency Transfers	7,105,879	6,000,006	5,081,903	-918,103	(15.3%)
Fees & Self-gen Revenues	35,313,222	37,409,991	38,666,566	1,256,575	3.4%
Statutory Dedications	10,385,977	54,000	54,000	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	718,571	1,480,697	1,480,697	0	0.0%
	$485,997,999	$464,806,855	$496,587,248	$31,780,393	6.8%
T.O.	5,284	5,021	4,777	-244	(4.9%)

Statewide Budget
Department Budget Summary

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08 Public Safety					
STATE GENERAL FUND (Direct):	$0	$100,000	$0	-$100,000	(100.0%)
STATE GENERAL FUND BY:					
Interagency Transfers	30,387,371	44,853,037	44,687,579	-165,458	(0.4%)
Fees & Self-gen Revenues	128,702,550	139,807,439	131,478,701	-8,328,738	(6.0%)
Statutory Dedications	193,867,013	218,645,492	166,149,029	-52,496,463	(24.0%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	36,114,782	40,564,524	46,019,519	5,454,995	13.4%
	$389,071,716	$443,970,492	$388,334,828	-$55,635,664	(12.5%)
T.O.	2,675	2,681	2,607	-74	(2.8%)
08 Youth Services					
STATE GENERAL FUND (Direct):	$108,166,911	$100,294,402	$88,183,994	-$12,110,408	(12.1%)
STATE GENERAL FUND BY:					
Interagency Transfers	15,965,802	18,833,660	17,933,660	-900,000	(4.8%)
Fees & Self-gen Revenues	1,664,353	959,528	959,528	0	0.0%
Statutory Dedications	2,015,775	272,000	172,000	-100,000	(36.8%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	891,796	891,796	891,796	0	0.0%
	$128,704,637	$121,251,386	$108,140,978	-$13,110,408	(10.8%)
T.O.	1,056	990	936	-54	(5.5%)
09 Health & Hospitals					
STATE GENERAL FUND (Direct):	$1,794,164,101	$1,901,864,240	$2,472,548,781	$570,684,541	30.0%
STATE GENERAL FUND BY:					
Interagency Transfers	387,344,513	477,300,223	454,599,970	-22,700,253	(4.8%)
Fees & Self-gen Revenues	142,885,198	196,845,821	201,492,095	4,646,274	2.4%
Statutory Dedications	492,181,728	554,124,189	424,557,369	-129,566,820	(23.4%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	5,138,520,286	5,802,642,647	5,326,105,148	-476,537,499	(8.2%)
	$7,955,095,826	$8,932,777,120	$8,879,303,363	-$53,473,757	(0.6%)
T.O.	8,458	6,718	5,772	-946	(14.1%)
10 Children & Family Services					
STATE GENERAL FUND (Direct):	$149,243,549	$161,234,764	$143,626,986	-$17,607,778	(10.9%)
STATE GENERAL FUND BY:					
Interagency Transfers	5,316,761	5,150,189	9,365,899	4,215,710	81.9%
Fees & Self-gen Revenues	17,354,060	16,945,798	17,795,316	849,518	5.0%
Statutory Dedications	6,156,285	2,123,398	1,547,121	-576,277	(27.1%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	569,456,257	642,058,485	598,538,224	-43,520,261	(6.8%)
	$747,526,912	$827,512,634	$770,873,546	-$56,639,088	(6.8%)
T.O.	4,082	3,960	3,738	-222	(5.6%)
11 Natural Resources					
STATE GENERAL FUND (Direct):	$4,550,130	$5,683,455	$7,389,797	$1,706,342	30.0%
STATE GENERAL FUND BY:					
Interagency Transfers	13,887,849	17,753,165	24,866,206	7,113,041	40.1%
Fees & Self-gen Revenues	47,542	345,875	345,875	0	0.0%
Statutory Dedications	27,887,667	30,520,378	26,654,333	-3,866,045	(12.7%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	52,921,496	119,018,851	115,323,814	-3,695,037	(3.1%)
	$99,294,684	$173,321,724	$174,580,025	$1,258,301	0.7%
T.O.	380	367	412	45	12.3%

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2012	Current Year EOB 12/1/2012 FY 2013	Next Year HB 1 Engrossed FY 2014	2014 - 2013 Dollar Change	Percent Change
12 Revenue					
STATE GENERAL FUND (Direct):	$0	$61,864	$0	-$61,864	(100.0%)
STATE GENERAL FUND BY:					
Interagency Transfers	338,219	347,300	321,300	-26,000	(7.5%)
Fees & Self-gen Revenues	82,838,735	94,989,819	80,392,436	-14,597,383	(15.4%)
Statutory Dedications	671,751	705,041	647,928	-57,113	(8.1%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	329,395	883,007	883,007	0	0.0%
	$84,178,100	$96,987,031	$82,244,671	-$14,742,360	(15.2%)
T.O.	802	792	689	-103	(13.0%)
13 Environmental Quality					
STATE GENERAL FUND (Direct):	$498,828	$500,000	$500,000	$0	0.0%
STATE GENERAL FUND BY:					
Interagency Transfers	1,432,030	2,917,443	1,073,300	-1,844,143	(63.2%)
Fees & Self-gen Revenues	305,662	105,000	105,000	0	0.0%
Statutory Dedications	85,940,322	100,795,058	97,671,280	-3,123,778	(3.1%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	18,526,379	22,789,400	22,789,400	0	0.0%
	$106,703,221	$127,106,901	$122,138,980	-$4,967,921	(3.9%)
T.O.	805	762	699	-63	(8.3%)
14 Workforce Commission					
STATE GENERAL FUND (Direct):	$7,859,768	$8,239,768	$8,239,768	$0	0.0%
STATE GENERAL FUND BY:					
Interagency Transfers	3,466,229	4,295,877	2,222,766	-2,073,111	(48.3%)
Fees & Self-gen Revenues	27,000	69,202	69,202	0	0.0%
Statutory Dedications	90,798,348	100,926,430	97,225,256	-3,701,174	(3.7%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	150,051,665	172,868,097	165,174,992	-7,693,105	(4.5%)
	$252,203,010	$286,399,374	$272,931,984	-$13,467,390	(4.7%)
T.O.	1,191	1,155	1,033	-122	(10.6%)
16 Wildlife & Fisheries					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	11,213,144	19,182,189	7,023,824	-12,158,365	(63.4%)
Fees & Self-gen Revenues	9,900,646	16,499,148	16,304,315	-194,833	(1.2%)
Statutory Dedications	82,476,316	100,502,350	100,230,645	-271,705	(0.3%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	27,411,145	67,333,975	71,222,677	3,888,702	5.8%
	$131,001,251	$203,517,662	$194,781,461	-$8,736,201	(4.3%)
T.O.	775	777	749	-28	(3.6%)
17 Civil Service					
STATE GENERAL FUND (Direct):	$4,136,401	$4,722,449	$4,622,666	-$99,783	(2.1%)
STATE GENERAL FUND BY:					
Interagency Transfers	16,622,000	18,005,729	17,927,342	-78,387	(0.4%)
Fees & Self-gen Revenues	724,550	767,945	765,756	-2,189	(0.3%)
Statutory Dedications	1,962,014	1,927,543	1,883,799	-43,744	(2.3%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$23,444,965	$25,423,666	$25,199,563	-$224,103	(0.9%)
T.O.	212	213	213	0	0.0%

Statewide Budget

Department Budget Summary

		Previous Year Actual FY 2012	Current Year EOB 12/1/2012 FY 2013	Next Year HB 1 Engrossed FY 2014	2014 - 2013 Dollar Change	Percent Change
19	**Higher Education**					
	STATE GENERAL FUND (Direct):	$938,374,962	$983,354,769	$255,242,534	-$728,112,235	(74.0%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	409,714,712	392,232,944	169,672,752	-222,560,192	(56.7%)
	Fees & Self-gen Revenues	1,118,580,163	1,180,419,347	1,276,484,370	96,065,023	8.1%
	Statutory Dedications	289,091,448	192,349,749	808,133,997	615,784,248	320.1%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	129,379,721	152,909,153	183,446,969	30,537,816	20.0%
		$2,885,141,006	$2,901,265,962	$2,692,980,622	-$208,285,340	(7.2%)
	T.O.	27,703	24,866	22,657	-2,209	(8.9%)
19	**Special Schools & Comm.**					
	STATE GENERAL FUND (Direct):	$41,928,625	$38,935,734	$37,185,094	-$1,750,640	(4.5%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	23,604,782	26,028,061	26,181,011	152,950	0.6%
	Fees & Self-gen Revenues	1,961,229	2,575,155	2,600,635	25,480	1.0%
	Statutory Dedications	21,513,040	25,463,619	23,957,403	-1,506,216	(5.9%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	58,006	105,086	105,086	0	0.0%
		$89,065,682	$93,107,655	$90,029,229	-$3,078,426	(3.3%)
	T.O.	750	748	740	-8	(1.1%)
19	**Elem. & Secondary Educ.**					
	STATE GENERAL FUND (Direct):	$3,298,593,705	$3,277,025,689	$3,336,935,873	$59,910,184	1.8%
	STATE GENERAL FUND BY:					
	Interagency Transfers	524,052,021	587,655,656	396,284,927	-191,370,729	(32.6%)
	Fees & Self-gen Revenues	22,589,433	35,640,002	33,988,439	-1,651,563	(4.6%)
	Statutory Dedications	268,970,240	278,336,860	271,049,784	-7,287,076	(2.6%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	1,103,837,283	1,190,692,873	1,120,576,778	-70,116,095	(5.9%)
		$5,218,042,682	$5,369,351,080	$5,158,835,801	-$210,515,279	(3.9%)
	T.O.	654	596	552	-44	(7.4%)
19E	**LSU Health Care Services Division**					
	STATE GENERAL FUND (Direct):	$64,296,464	$29,261,831	$3,860,659	-$25,401,172	(86.8%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	591,473,799	548,393,931	31,889,668	-516,504,263	(94.2%)
	Fees & Self-gen Revenues	66,799,358	128,516,746	4,334,389	-124,182,357	(96.6%)
	Statutory Dedications	0	35,000,000	0	-35,000,000	(100.0%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	66,653,785	84,347,612	4,800,336	-79,547,276	(94.3%)
		$789,223,406	$825,520,120	$44,885,052	-$780,635,068	(94.6%)
	T.O.	6,929	6,329	331	-5,998	(94.8%)
20	**Other Requirements**					
	STATE GENERAL FUND (Direct):	$466,196,516	$512,051,217	$429,195,277	-$82,855,940	(16.2%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	41,561,599	44,621,049	45,295,774	674,725	1.5%
	Fees & Self-gen Revenues	4,539,020	6,696,290	8,761,908	2,065,618	30.8%
	Statutory Dedications	181,102,544	205,652,946	222,763,611	17,110,665	8.3%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	3,554,194	4,181,260	4,181,260	0	0.0%
		$696,953,873	$773,202,762	$710,197,830	-$63,004,932	(8.1%)
	T.O.	0	0	0	0	

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2012	Current Year EOB 12/1/2012 FY 2013	Next Year HB 1 Engrossed FY 2014	2014 - 2013 Dollar Change	Percent Change
Other Appropriation Bills					
STATE GENERAL FUND (Direct):	$208,918,653	$213,426,367	$215,402,841	$1,976,474	0.9%
STATE GENERAL FUND BY:					
Interagency Transfers	280,124,822	337,807,790	316,999,293	(20,808,497)	(6.2%)
Fees & Self-gen Revenues	1,533,487,575	1,423,611,913	1,412,367,139	(11,244,774)	(0.8%)
Statutory Dedications	1,088,975,991	1,114,346,239	1,057,697,355	(56,648,884)	(5.1%)
Interim Emergency Board	2,000,000	0	0	0	
FEDERAL FUNDS	20,734,659	23,640,422	8,600,000	(15,040,422)	(63.6%)
	$3,134,241,700	$3,112,832,731	$3,011,066,628	($101,766,103)	(3.3%)
T.O.	711	516	411	(105)	(20.3%)
21 Ancillary					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	252,670,199	295,042,722	283,062,793	-11,979,929	(4.1%)
Fees & Self-gen Revenues	1,405,551,659	1,313,122,867	1,304,878,093	-8,244,774	(0.6%)
Statutory Dedications	73,644,383	81,000,000	121,000,000	40,000,000	49.4%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	11,478	0	0	0	
	$1,731,877,719	$1,689,165,589	$1,708,940,886	$19,775,297	1.2%
T.O.	711	516	411	-105	(20.3%)
23 Judiciary					
STATE GENERAL FUND (Direct):	$138,862,434	$142,862,434	$144,838,908	$1,976,474	1.4%
STATE GENERAL FUND BY:					
Interagency Transfers	0	10,436,500	10,436,500	0	0.0%
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	6,040,000	9,650,831	9,650,831	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$144,902,434	$162,949,765	$164,926,239	$1,976,474	1.2%
T.O.	0	0	0	0	
24 Legislature					
STATE GENERAL FUND (Direct):	$67,349,034	$69,263,933	$69,263,933	$0	0.0%
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	22,064,566	23,379,566	23,379,566	0	0.0%
Statutory Dedications	10,892,828	11,201,724	11,201,724	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$100,306,428	$103,845,223	$103,845,223	$0	0.0%
T.O.	0	0	0	0	
26 Capital Outlay Cash					
STATE GENERAL FUND (Direct):	$2,707,185	$1,300,000	$1,300,000	$0	0.0%
STATE GENERAL FUND BY:					
Interagency Transfers	27,454,623	32,328,568	23,500,000	-8,828,568	(27.3%)
Fees & Self-gen Revenues	105,871,350	87,109,480	84,109,480	-3,000,000	(3.4%)
Statutory Dedications	998,398,780	1,012,493,684	915,844,800	-96,648,884	(9.5%)
Interim Emergency Board	2,000,000	0	0	0	
FEDERAL FUNDS	20,723,181	23,640,422	8,600,000	-15,040,422	(63.6%)
	$1,157,155,119	$1,156,872,154	$1,033,354,280	-$123,517,874	(10.7%)
T.O.	0	0	0	0	

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2012	Current Year EOB 12/1/2012 FY 2013	Next Year HB 1 Engrossed FY 2014	2014 - 2013 Dollar Change	Percent Change
Non-Appropriated Requirements					
STATE GENERAL FUND (Direct):	$409,677,244	$330,074,344	$430,633,817	$100,559,473	30.5%
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	119,797,521	111,500,000	111,889,849	389,849	0.3%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$529,474,765	$441,574,344	$542,523,666	$100,949,322	22.9%
T.O.	0	0	0	0	
22 Non-Appropriated Requirements					
STATE GENERAL FUND (Direct):	$409,677,244	$330,074,344	$430,633,817	$100,559,473	30.5%
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	119,797,521	111,500,000	111,889,849	389,849	0.3%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$529,474,765	$441,574,344	$542,523,666	$100,949,322	22.9%
T.O.	0	0	0	0	

Increases / Enhancements

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 107	Executive	Division of Administration	Increase of $171,213 ($147,943 SGF and $23,270 IAT from DOTD) provides for the following: $23,270 IAT for increased Agile Assets costs anticipated in FY 14. The Agile Assets module of LaGov is only used by DOTD. Thus, the maintenance of this module is funded by the Transportation Trust Fund - Regular. After the increased funding of $23,270, the amount in FY 14 for Agile Assets will be $1,277,286. $147,943 SGF for various information technology maintenance costs. Those costs include: $30,560 - hardware maintenance costs LaGov production operations, $53,971 - LaGov SAP software maintenance costs and $63,412 - additional software maintenance costs for non-SAP software. **Note:** FY 14 is the 4th consecutive fiscal year the budget has not funded a statewide rollout. The further the rollout is delayed, the less relevant the LaGov system becomes and the increased risk that the current 17-year old legacy systems will crash beyond repair.	$147,943	$171,213	0
01 107	Executive	Division of Administration	Additional $350,000 ($82,444 SGF, $139,593 IAT and $127,963 SGR) for elevator maintenance. DOA contends that a single vendor will handle all elevator maintenance for all state buildings under the Office of State Buildings (OSB).	$82,444	$350,000	0
01 107	Executive	Division of Administration	Additional SGR for an anticipated increase in maintenance costs (State Buildings) due to 2 Office of Public Health (OPH) labs scheduled to open in FY 14. According to the DOA, these labs are scheduled to open in August/September 2013. The DOA provided the LFO no additional details concerning this increase.	$0	$1,379,400	0
01 107	Executive	Division of Administration	Increases IAT funding from DNR ($62,000), WLF ($500,000) and Coastal ($388,000). The majority of the funding will be utilized for salaries and related benefits for staff that will housed at the DOA during the year of implementation of LaGov (FY 14), training for Dept. of Natural Resources (DNR), Dept. of Wildlife & Fisheries (WLF) and Office of Coastal Protection & Restoration (Coastal) personnel on using the system and any adjustments needed to existing system modules to meet the needs of DNR, WLF and Coastal. Due to FY 11, FY 12, FY 13 and FY 14 budget constraints, the DOA chose to pilot the implementation of the system for the Dept. of Transportation & Development (DOTD) in FY 11, Dept. of Environmental Quality (DEQ) in FY 13 and the DNR, WLF and Coastal in FY 14. **Note:** FY 14 is the 4th consecutive fiscal year the budget has not funded a statewide rollout. The further the rollout is delayed, the less relevant the LaGov system becomes and the increased risk that the current 17-year old legacy systems will crash beyond repair. In addition to DNR and WLF transferring to LaGov in FY 14, DNR, DEQ and WLF will consolidate back office functions with DNR. The DOA has indicated to the LFO that will be no issues at DNR concerning these changes. However, back office personnel within DNR will not only be learning the agency functions of WLF and DEQ in order to consolidate back office functions correctly, DNR will also be learning a new system (LaGov).	$0	$950,000	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 109	Executive	Coastal Protection & Restoration	Adds $8,500 IAT revenue from the Dept. of Natural Resources (DNR) and $1,500 in Statutory Dedications from the Coastal Protection & Restoration Fund. The IAT revenue derives from a federal coastal wetlands grant received by DNR. The increased funding will be sent to the Dept. of Wildlife & Fisheries' Nutria Control Program and Caernarvon & Davis Pond Freshwater Diversion Program.	$0	$10,000	0
01 109	Executive	Coastal Protection & Restoration	Increases Statutory Dedications from the Coastal Protection & Restoration Fund. The increased funds will be sent to the Dept. of Natural Resources ($62,000) and the Division of Administration ($388,000) to provide for the implementation costs to bring the agency onto LaGov.	$0	$450,000	0
01 109	Executive	Coastal Protection & Restoration	Increases Statutory Dedications from the Coastal Protection & Restoration Fund to provide for increased rental costs for the Thibodaux Field Office. The rental lease was amended to provide an additional 1,522 square feet of office space.	$0	$24,000	0
01 109	Executive	Coastal Protection & Restoration	Annualization of a BA-7 that provided $6 M in Federal funds in FY 13 from the U.S. Dept. of Commerce for the Bayou Dupont Marsh & Ridge Creation Project in Jefferson Parish. The project involves dredging activities to create or nourish the marsh habitat for aquatic species by the delivery of sediment from the Mississippi River through a pipeline, along with creation of a ridge. This adjustment is the balance of the $30 M grant awarded to the agency.	$0	$24,005,572	0
01 109	Executive	Coastal Protection & Restoration	Increases IAT revenue from the Dept. of Natural Resources Office of the Secretary. The IAT revenue originates from a federal coastal wetlands grant and will be utilized for wetlands projects.	$0	$71,909	0
01 112	Executive	Military Department	Increase in federal Sustainment, Restoration & Maintenance (SRM) funding ($1,391,200) and federal Anti-Terrorism funding ($24,121). Approximately 97% of these additional Federal funds will be utilized on major repairs. The SRM funding will be budgeted as follows: $18,875 - in-state field travel, $20,000 - acquisitions and $1,352,325 - major repairs. The total SRM funding in the FY 14 budget will be $8,192,408. *However, due to sequestration/continuing resolution and the potential for a reduction in Federal funds, the department does not anticipate expending all of the FY 14 Federal budget authority.*	$0	$1,391,200	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 112	Executive	Military Department	Provides total funding in the amount of $257,033 ($123,354 SGF and $133,679 Federal) for the following: 1.) $115,926 - 2 new armory annexes at Jackson Barracks ($57,963 SGF and $57,963 Federal). The anticipated FY 14 expenditures include: building maintenance ($34,768), electricity ($69,536) and household supplies ($11,622). 2.) $20,649 - The Tactical Unmanned Aircraft System (TUAS) Facility at Fort Polk ($5,162 SGF and $15,487 Federal). The TUAS is a military construction project originally funded under the FFY 2011 Federal Army National Guard budget. The state will be responsible for the operating expenditures associated with the facility. The costs incurred for TUAS operations will be federally reimbursed via the Sustainment, Restoration (SRM) Cooperative Agreement, which is 75% federal and 25% state. 3.) $120,458 - Armed Forces Readiness Center at Camp Minden ($60,229 SGF and $60,229 Federal). The Center was originally funded under the FFY 2011 Federal Army National Guard budget. The state will be responsible for the operating expenditures associated with the center. The costs incurred for the center will be federally reimbursed via the Sustainment, Restoration (SRM) Cooperative Agreement, which is 50% federal and 50% state.	$123,354	$257,033	0
01 116	Executive	LA Public Defender Board	Annualizes an approved Joint Legislative Committee on the Budget (JLCB) BA-7 at the December 2012 meeting. The approved BA-7 appropriated expenditures associated with the continued funding of a Case Management Analyst position and a new auditor position, both of which are non-T.O. positions (other compensation positions). The original source of the IAT funds is an Edward Byrne Memorial Justice Assistance Grant (JAG), which is a formula driven federal grant received annually, via the LA Commission on Law Enforcement (LCLE). These grant funds will be utilized to fund an auditor position, who will review and evaluate monthly financial report submissions from the 42 district public defender offices, and will continue funding of an existing CMS analyst position.	$0	$88,209	0
01 129	Executive	LA Commission on Law Enforcement	Increases Federal funds from the Edward Byrne Memorial Justice Assistance Grant for maintenance support for the eGrants Management System, which is used to monitor formula grants from the U.S. Dept. of Justice. FY 14 budget is $75,000.	$0	$75,000	0
01 255	Executive	Financial Institutions	Additional professional services funding for the replacement of the agency's financial regulatory database system, which provides the Office of Financial Institutions (OFI) with automated reporting and tracks current licensee information and fee collections. The agency's current system, Fox Pro, will no longer provide support beyond 2015. The new system is called STARS and the vendor is Iron Data. SGR (OFI fee collections) will be utilized to fund the new replacement database.	$0	$315,000	0
			Major Increases/Enhancements for Executive	**$353,741**	**$29,538,536**	**0**

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
03 130	Veterans' Affairs	Dept. Veterans' Affairs	Funding increase for a new cemetery in St. Tammany to support 4 positions and operational expenses. The new cemetery is currently under construction, which is scheduled to end by November 2013. However, due to potential weather delays affecting construction and time needed for hiring personnel and start-up preparations, the cemetery is not scheduled to open until February 2014. FY 14 expenditures at the new St. Tammany cemetery for 5 months of operation include: salaries ($93,663), related benefits ($38,847), travel ($3,294), operating services ($23,000), interagency transfers ($4,364), supplies ($20,000), and acquisitions ($20,000). The 4 positions include an Administrative Coordinator ($23,040), Mobile Equipment Operator ($25,790), Horticultural Attendant Supervisor ($32,623), and Horticultural Attendant ($12,210).	$203,168	$203,168	4
			Major Increases/Enhancements for Veterans' Affairs	**$203,168**	**$203,168**	**4**
04a 139	State	Secretary of State	Provides $24,955 SGF and $138,476 SGR for civil service training series promotions for persons in information technology, accounting, elections technician and elections program specialists job series. Training series promotions includes those jobs whose classification is downgraded to allow the incumbent a training period to become more proficient.	$24,955	$163,431	0
			Major Increases/Enhancements for State	**$24,955**	**$163,431**	**0**
05 252	Economic Development	Business Development	Increases Federal funds from the Dept. of Treasury for a grant award for the State Small Business Credit Initiative Program (SSBCIP). The SSBCIP facilitates capital accessibility for small businesses by providing loan guarantees to banks and other small business lenders in association with the federal State Small Business Credit Initiative (SSBCI).	$0	$89,825	0
05 252	Economic Development	Business Development	Increases SGR from an anticipated increase in business incentive fees for various analytical, legal, accounting and IT services required in the Business Incentives Program. This funding will assist with the Quality Jobs Program, Research & Development Tax Credits, and the Enterprise Zone Program.	$0	$299,500	0
			Major Increases/Enhancements for Economic Development	**$0**	**$389,325**	**0**

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
07 276	Transportation & Development	Engineering & Operations	Multimodel Planning Program - Increases IAT from the LA Highway Safety Commission for highway safety projects. This increase is based on projected funding levels by federal formula. The total funding recommended for FY 14 to be sent from the Highway Safety Commission to the DOTD operating budget is $4.91 M.	$0	$927,455	0
07 276	Transportation & Development	Engineering & Operations	Operations Program - Increases expenditures for maintenance of the statewide Traffic Management System out of Statutory Dedications (Transportation Trust Fund - Regular). The increased costs are associated with enhancements to system functionality and networking connectivity of the statewide traffic camera system. The camera system is used to provide traffic reports during times of high-traffic congestion, as well as providing traffic management and coordination during declared disasters and evacuations.	$0	$1,744,203	0
07 276	Transportation & Development	Engineering & Operations	Operations Program - Provides for LEAF financing purchases of heavy equipment over a 3-year period in place of direct acquisitions of equipment from Statutory Dedications (Transportation Trust Fund - Regular). In previous years, these purchases were funded in the Acquisitions & Major Repairs expenditure category as a direct cash purchase. LEAF financing purchases are budgeted in the Operating Services expenditure category. The FY 13 funding level was $5 M.	$0	$4,120,122	0
			Major Increases/Enhancements for Transportation & Development	**$0**	**$6,791,780**	**0**
08A 400	Corrections	Administration	Provides funding for off-site non-primary health care services for offenders. This funding amount is based on historical utilization data from LSU-HCSD, DHH and several cost projections from insurance providers. These services include emergency, inpatient, outpatient/specialists, diagnostics, surgery, and cancer treatments. The $50 M will be used to fund offender costs at LSU-Shreveport, E.A. Conway, and Lallie Kemp in FY 14 (approximately $11,712,921), in addition to contracting with LSU partner hospitals and other private hospitals for inpatient and outpatient specialist care (approximately $38,287,079). LSU is currently negotiating with its partner hospitals to continue the provision of prisoner care on campus and/or in dedicated prisoner wards where those are available and bill DOC for services rendered. DOC is also working with DHH to find hospitals that are willing to provide emergency care, inpatient hospitalization, intensive care, and any diagnostic or surgical procedure that cannot be done at prison facilities. The other major component is to optimize services delivered at DOC facilities. This includes expanding clinical exam capacity, procuring third-party mobile services to serve prisoners on site, and continuing the use of the LSU Telemedicine Network. Renovations are underway at Elayn Hunt Correctional Center, LA Correctional Institute for Women, and LA State Penitentiary.	$50,000,000	$50,000,000	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major Increases/Enhancements for Corrections	**$50,000,000**	**$50,000,000**	**0**
08B 418	Public Safety	Management & Finance	Management & Finance Program - Provides IAT funding from the Governor's Office of Homeland Security for hazard mitigation projects to open regional code offices in the 64 parishes using either Regional Planning Commissions or a large municipality as the code office. This action will faciliate compliance with the Louisiana Recovery Authority Action Plan and statewide building code standards adopted in Act 12 of the 2005 1st Extraordinary Legislative Session. The funds were initially appropriated for use in FY 13, but due to an unanticipated delay, some expenditures will occur in FY 14.	$0	$1,206,035	0
08B 419	Public Safety	State Police	Traffic Program - Provides Statutory Dedications funding from the Crescent City Connection Toll Fund for police functions on the Crescent City Connection Bridge. A BA-7 approved by the Joint Legislative Committee on the Budget at its meeting on 2/22/2013, approved 1/2 year funding of $1 M to fund the transfer of 22 personnel from the CCC police force into Police Officer (non-trooper) positions within DPS, as well as associated operating expenses. This adjustment annualizes the approved BA-7. The 22 vacant positions within DPS were formerly State Trooper positions and have been eliminated.	$0	$2,000,000	0
08B 419	Public Safety	State Police	Operational Support Program - Provides funding from Statutory Dedications - Concealed Handgun Permit Fund for additional resources to reduce the backlog associated with permits to carry concealed weapons. The funds will provide for filling 4 permanent and 8 temporary positions using current unfunded vacant T. O. positions.	$0	$1,284,574	0
08B 419	Public Safety	State Police	Operational Support Program - Provides IAT funding from the Dept. of Transportation & Development for the purchase of new I9000 breath testing instruments, the related software, and the appropriate training of law enforcement officers. These funds are provided through highway safety Flex funds and will provide for the purchase and deployment of 253 new breath testing instruments.	$0	$2,043,459	0
08B 425	Public Safety	LA Highway Safety Commission	Increases federal budget authority for a projected increase in expenditures associated with hazard elimination funds received from the Federal Highway Administration. The funds are used for projects that correct or improve hazardous road locations or features and address highway safety problems. This adjustment brings the total appropriation of Federal funds from the Federal Highway Administration to $34.6 M in FY 14.	$0	$9,264,327	0
			Major Increases/Enhancements for Public Safety	**$0**	**$15,798,395**	**0**

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 305	Health & Hospitals	Medical Vendor Administration	Annualization of a professional services contract. The Bureau of Health Services Financing (BHSF) contracts for the provision of professional services necessary to support mission critical operations. The source of the Federal funds ($2,030,998) is Medicaid Administrative federal financial participation.	$2,030,998	$4,061,996	0
09 305	Health & Hospitals	Medical Vendor Administration	The Affordable Care Act requires each State Medicaid agency to replace the current Medicaid Statistical Information System (MSIS) database with a transformed MSIS (T- MSIS) database as requested by the U.S. Office of Inspector General. The new database contains more data elements than its predecessor for the improved detection of fraud, waste and abuse. The final database requirements are to be determined, but a mandated compliance date in FY 14 has been indicated. ($400,000 SGF and $3.6 M Federal)	$400,000	$4,000,000	0
09 305	Health & Hospitals	Medical Vendor Administration	As part of the ß42 CFR 455.101-455.470, certain Medicaid providers are subject to a non-refundable application fee as a result of participation in Medicaid. The application fee is set by the Centers for Medicare & Medicaid Services (CMS) and may be adjusted annually. The fee is assessed at the point of initial enrollment ($475,407 SGR). Medical Vendor Administration will collect this fee and send the collections to the CMS. This represents pass-through funding to DHH.	$0	$475,407	0
09 306	Health & Hospitals	Medical Vendor Payments	Additional funding ($1,419,675 SGF and $2,413,140 Federal) for reimbursement of Medicaid covered services to adults currently eligible for but not enrolled in Medicaid. This increase in enrollment is the result of a “woodwork” effect, in which certain individuals will enroll in Medicaid due to the national attention to increased access to affordable health care coverage for lower income individuals.	$1,419,675	$3,832,815	0
09 306	Health & Hospitals	Medical Vendor Payments	Adjustment for increased utilization for Durable Medical Equipment. The source of the Federal funds ($617,421) is Title 19 federal financial participation.	$363,235	$980,656	0
09 306	Health & Hospitals	Medical Vendor Payments	Provides funding to increase inpatient hospital rates for small rural hospitals per Act 327 of 2007. The Act requires DHH to raise the rates annually by the Medicare market basket inflation factor. This is part of LA’s state plan with the Center for Medicare & Medicaid Services (CMS). The source of Federal funds ($1,166,355) is Title 19 federal financial participation. The adjustment is based on the following calculations:	$686,178	$1,852,533	0

	Payment rate	x paid days	Annual Amt.	x 3%	60 day lag	FY 14 Amt.
Acute	$1,722.88	35,882	$61,820,380	$1,854,611.40	$304,867.63	$1,549,743.78
Psych Unit	$861.64	14,018	$12,078,470	$362,354.09	$59,565.06	$302,789.03
Total		49,900	$73,898,849	$2,216,965.49	$364,432.68	$1,852,532.81

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Provides funding for the Medicare Economic Index (MEI) rate adjustment for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). The source of Federal funds ($530,058) is Title 19 federal financial participation. This funding will cover the annualized cost of inflation on prospective payment system rates as determined by the published MEI. The MEI is a measure of inflation for physicians and used for determining allowable charges for physicians services. The MEI is updated annually, and is based on a formula that factors in physician practice costs, medical equipment costs, and general wage levels. The estimated increase is based on the following calculation: FQHC projected FY 13 expenditures $27,024,423 MEI percentage 1.36% Projected increase $367,532 RHC projected FY expenditures $34,879,702 MEI percentage 1.36% $474,364 Total MEI adjustment $841,896	$311,838	$841,896	0
09 306	Health & Hospitals	Medical Vendor Payments	Provides funding for 9 new Federally Qualified Health Centers (FQHCs) and 8 new Rural Health Clinics (RHCs) projected to enroll in the Medicaid Program in FY 14. The source of Federal funds ($1,948,041) is Title 19 federal financial participation. The increased funding represents Medicaid claims payments for projected Medicaid eligible encounters at these health centers in FY 14. Projected costs are based on an average payment per month ($45,983.27 for FQHCs and $24,026.11 for RHCs). These safety net providers offer primary care services and supplies in rural areas that are considered medically underserved as designated by the federal government. DHH anticipates these 17 new providers will obtain Centers for Medicare & Medicaid Services (CMS) licensing and certification in FY 14.	$1,146,053	$3,094,094	0
09 306	Health & Hospitals	Medical Vendor Payments	Provides annualized funding for payments to 8 rural health clinics and 9 federally qualified health centers that are enrolled in FY 13. The source of Federal funds ($2,711,190) is Title 19 federal financial participation. The increased funding represents Medicaid claims payments for Medicaid eligible encounters at these health centers. Projected costs are based on an average payment per month ($45,983.27 for FQHCs and $24,026.11 for RHCs) and annualized for FY 14. These safety net providers offer primary care services and supplies in rural areas that are considered medically underserved as designated by the federal government.	$1,595,021	$4,306,211	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Annualizes federally mandated increased reimbursement for designated primary care services (effective 1/1/2013). The source of Federal funds ($9,364,467) is Title 19 federal financial participation. Information provided by DHH indicates that LA Medicaid will be required to reimburse certain physicians or certain procedure codes at the higher of one of two rates (100% of Medicare's 2009 or 2013 fee schedule). These Medicaid rates are based on requirements of the Affordable Care Act. Qualifying physicians include family practice, general practice, internal medicine, and pediatric medicine. Specific codes that will be affected include evaluation and management services and immunization administration service codes. A portion of these rate increase are reimbursed with 100% Federal funds (Title 19).	$1,628,781	$10,993,248	0

$29,201,791	FY 13 funding
$10,993,248	FY 14 total projected cost for paying higher rates for certain codes
$40,195,039	Total payments in FY 14 based on new rates

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Funding for the annualized costs of waiver slots filled in FY 13 for the Adult Day Health Care (ADHC), Children's Choice, New Opportunities (NOW), Residential Options and Supports waivers. The source of Federal funds ($2,704,639) is Title 19 federal financial participation. The increase in funding for FY 14 is based on the following slots phased in over FY 13, and average monthly cost as reflected in the table below.	$1,591,166	$4,295,805	0

Waiver	FY 13 slots added	Annualized costs	Average monthly costs
Adult Day HC	744	$298,943	$834,705
Childrens Choice	55	$430,495	$651.75
New Opportunities (NOW)	220	$3,104,508	$4,460.50
Residential Options	12	$226,577	$2,904.83
Supports	41	$235,282	$235,281
Total	1,072	$4,295,805	

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	The projected expenditures for inpatient major teaching. Tulane Hospital will be reimbursed for its high cost hemophilia cases in FY 14. The source of the Federal funds ($188,880) is Title 19 federal financial participation.	$111,120	$300,000	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Increases funding for Outlier payments to hospitals for recipients in fee-for-service Medicaid (non-prepaid plans). The source of the Federal funds ($1,825,840) is Title 19 federal financial participation. Outlier payments have been made to hospital providers that demonstrate extraordinary costs in excess of the per diem paid to those facilities as a result of high cost patients (usually patient cost in NICU and PICU). To qualify for outlier payments, a case must have a cost above a “fixed-loss cost threshold” amount, or the amount of the cost of the case above LA Medicaid payments for such case. The total annual outlier pool amount is for FY 14 is projected to be $10 M. The initial estimate for outliers was $7.1 M due to the percentages of recipients that were in fee-for-service vs. the prepaid plans. DHH is adjusting the amount paid for outliers for the non-prepaid recipients to be the full $10 M. $7,100,000 Projected FY 13 Outlier claims submitted in fee-for-service $10,000,000 Projected FY 14 Outlier claims submitted in fee-for-service $2,900,000 Increase	$1,074,160	$2,900,000	0
09 306	Health & Hospitals	Medical Vendor Payments	Funding for projected increase in utilization in the Private Providers Program for FY 14. The source of the Federal funds ($45,765,773) is Title 19 federal financial participation.	$26,924,463	$72,690,236	0
09 306	Health & Hospitals	Medical Vendor Payments	Provides Medicaid claims reimbursements for Rural Health Clinic cost report settlements. This adjustment to Rural Health Clinics is based on an analysis of prior year and estimated FY 14 expenditures. The source of the Federal funds ($818,480) is Title 19 federal financial participation.	$481,520	$1,300,000	0
09 306	Health & Hospitals	Medical Vendor Payments	Provide funding for an increase in Upper Payment Limit (UPL) supplemental Medicaid payments to private providers that will partner with public hospitals. This funding represents a portion of funding that will be allocated to private providers in FY 14. The source of the Federal funds ($47,124,285) is Title 19 federal financial participation. $51,684,356 UPL payments to LSU hospitals in FY 13 Medicaid base budget that will be redirected and paid to privates in FY 14 $74,847,975 Additional UPL payments added for private partners in FY 14 $126,532,331 Total UPL hospital payments for private partners	$27,723,690	$74,847,975	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Realignment of HCSD Central Office operations from the Health Care Services Division (eliminated in FY 14) to the Medical Vendor Payments. For FY 14, funding ($16,815,348 SGF and $28,582,460 Federal) for certain expenses of the Health Care Services Division Central Office are appropriated in the Medical Vendor Payments, Payments to Private Providers Program. Information provided by the Dept. of Health & Hospitals indicates these costs are related to retirees insurance expenses and certain Information Technology expenditures. $24,004,319 - FY 13 Central Office funding in the Health Care Services Division $45,397,808 - FY 14 Central Office funding in Medical Vendor Payments (Private Providers Program)	$16,815,348	$45,397,808	0
09 306	Health & Hospitals	Medical Vendor Payments	Increases funding ($4,729,976 Statutory Dedications and $8,039,937 Federal) due to an increase in nursing home provider fees from $8.02 to $10 per bed day. The source of Statutory Dedication funding is revenue from the Medicaid Trust Fund for the Elderly and additional provider fee revenues deposited into the Medical Assistance Trust Fund (MATF). The source of the Federal funds is Title 19 federal financial participation. **Note:** This adjustment represents only a portion of the provider fee increase. The total provider fee increase is $16,493,932 ($4,729,976 + $11,763,956) and the balance of the additional fees is reflected as part of a separate adjustment in the Major MOF Swaps with a like amount of SGF.	$0	$12,769,913	0
09 306	Health & Hospitals	Medical Vendor Payments	Additional funding for projected Graduate Medical Education (GME) funding in FY 14. GME reimbursement represents a supplemental portion (payment) of the per diem rate paid to teaching hospital providers. The source of Federal funds ($4,731,342) is Title 19 federal financial participation. The adjustment is based on the following projections.	$2,783,496	$7,514,838	0

	Days	GME portion	GME cost
Tulane U Hospital	28,959	$273.44	$7,918,548.96
Baton Rouge General	24,735	$21.36	$528,339.60
Ochsner	7,696	$17.57	$135,218.72
Ochsner K	40.295	$207.94	$8,378,942.30
Touro	26,172	$23.10	$604,573.20
Childrens NO	30,819	$187.77	$5,786,883.63
			$23,352,506.41

Additional 32% over base funding
32.18% x $23,352,506 = $7,514,838

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Increases Federal funds budget authority for services paid by Medicaid to Local Education Agencies (LEA) for Medicaid allowable School Based Health services. The LEA certifies the cost associated with providing these services, and these certifications are used as the state share (state match source) and DHH draws draws down the federal financial participation and pays the federal share directly to the school district. The source of Federal funds is Title 19 federal financial participation. In FY 13, DHH is projected to reimburse school districts approximately $32,104,446 in CPE reimbursements for SBH services. This adjustment increases payments for such services to the school districts to $43,437,246 for FY 14. $32,104,446 FY 13 LEA CPE $11,332,800 Adjustment in HB 1 $43,437,246 Total CPE funding to LEAs in FY 14	$0	$11,332,800	0
09 306	Health & Hospitals	Medical Vendor Payments	Provides increased SGF for "Clawback" funding. The Clawback represents payments that are made by LA Medicaid to the federal Medicare program as required by the Centers for Medicare & Medicaid Services (CMS) on a monthly basis to cover the cost of the Medicare Prescription Drug Program, Part D. As of January 2006, dual eligibles receive prescription drug benefits from Medicare and not Medicaid. The amount that each state is designed to pay is based on what a state would pay if a dual eligible Medicaid enrollee would have continued to receive their prescription drug benefit under Medicaid. Dual enrollees are enrolled in both Medicaid and Medicare. This funding is the result of a projected increase in enrollees and a projected increase in the "Per Capita Phasedown Amount" (monthly payment). Existing Clawback Budget $104,957,935 FY 14 Projected Clawback $138,172,357 Total requested increase $33,214,422	$33,214,422	$33,214,422	0
09 306	Health & Hospitals	Medical Vendor Payments	Increase for the Electronic Health Records (EHR) Incentive Payment Program due to the projected increase in participation by the Eligible Professional (EP) and Eligible Hospital (EH) groups resulting from outreach activities performed in FY 13 targeting approximately 700 provider specialists. Eligible professionals include certain physicians, nurse practitioners, certified nurses, dentists, and physician assistants that furnish services in a FQHC or RHC. The maximum amount of the incentive over 5 years is $63,750, and the providers must demonstrate meaningful use of EHR technology to receive the payments. Funding added to the program (100% federal grant funds) is due to a projected increase in participation by eligible professionals, and the addition of optometrists that are now eligible for the program. The FY 13 allocation for the EHR Incentive Program is $102,946,357. 350 providers @ $7,437,500 350 providers @ $2,975,000 Total $10,412,500	$0	$10,412,500	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Provides funding for federally qualified rate changes to Medicare Part B premiums for certain qualifying individual, or QI (qualifying individuals). This adjustment provides federal funding for federally mandated rate changes to Medicare premiums and for the anticipated increase in the number of enrollees (low-income seniors and disabled individuals who qualify for both Medicare and Medicaid) who enroll in the Medicare Savings Program. Funding is 100% reimbursed by the federal government (no state match). The increase is based on the following assumptions and calculations: Part B premium increase from $99.90 to 109.10 monthly Part B Medicare enrollees increasing from 16,813 (July 2013) to 17,779 (through June 2014) Existing Operating Budget for premiums $20,339,653 Total FY 14 projected premium cost $22,959,785 Adjusted over EOB $2,620,132	$0	$2,620,132	0
09 306	Health & Hospitals	Medical Vendor Payments	Funding adjustments to the Buy-ins Program related to Bayou Health (BH) Medicaid Managed Care. The source of the Federal funds ($30,947,078) is Title 19 federal financial participation. $61,320,332 New funding for Bayou Health costs associated with Pharmacy ($12,166,777) Reduction in (e)PCCM payments to Bayou Health Shared Services Plans $49,153,555 **Note:** In addition to the net increase in funding for BH as reflected above, approximately $296,562,209 in Private Provider base funding is being transferred from the Private Provider Program to the Buy-ins Program due to inclusion of Pharmacy as a benefit provided by Bayou Health full risk (prepaid) plans that began 11/1/2012. In addition, a portion of the LaChip Affordable Plan base funding ($3,775,531) is transferred within Buy-ins from the OGB PPO Plan and into the Bayou Health risk plan. For additional information on Bayou Health funding, see “*Budget Issues”.*	$18,206,477	$49,153,555	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Provides funding ($2,375,319 SGF and $4,037,530 Federal) for federally required rate changes to Medicare premiums (Medicare Part A & Part B) and for an 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. LA Medicaid pays Medicare premiums for certain low income individuals that qualify (Medicaid buys in to the Medicare Program). Medicare Part A represents hospital insurance and Medicare Part B represents medical insurance. The increase is based on the following assumptions and calculations: Part A premium increase from $450 to $456 per month Part B premium increase from 109.10 to 112.10 per month Part A Medicare enrollees increasing from 8,100 a month (July 2013) to 8,360 a month (June 2014) Part B Medicare enrollees increasing from 162,733 a month (July 2013) to 166,610 (through June 2014) Existing Operating Budget for premiums $256,897,513 Total FY 14 Medicare premiums cost $263,310,362 Adjustment above EOB $6,412,849	$2,375,319	$6,412,849	0
09 306	Health & Hospitals	Medical Vendor Payments	Increases funding ($5.556 M in SGR and $9.444 M in Federal) for hospital based physician UPL payments. The source of the SGR is revenue (non-state match source) from certain participating public hospitals that is used as a state match source to draw federal matching funds. In FY 11, DHH was approved by CMS to make payments for physician services at public hospitals up to the average private insurance rate. The physician must be an employee of the hospital or the hospital must have a contract with the physician that establishes a quasi employment relationship. As a part of the contract, the physician must agree to assign a portion of the supplemental payment to the hospital. $15,000,000 FY 13 budgeted physician UPL payments $15,000,000 FY 14 budget adjustment $30,000,000 FY 14 projected expenditures	$0	$15,000,000	0
09 307	Health & Hospitals	Office of Secretary	MOF Swap replaces Statutory Dedications funding from the Telecommunication for the Deaf Fund with SGF due to revenue collected by the fund declining over the last 4 years.	$805,344	$0	0

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 320	Health & Hospitals	Aging & Adult Services	Increases Title 19 Medicaid IAT funding ($200,000) and Statutory Dedications funding ($200,000) in the Administration, Protection & Support Program. The source of Statutory Dedications funding is revenue from the Nursing Home Resident Trust Fund (NHRTF) that will be used as state match (50%-50% match rate) to draw down Title 19 Medicaid Administration funds. The NHRTF is funded by civil monetary penalties imposed by the DHH Health Standards Compliance Section. Civil monetary penalties paid into the NHRTF may only be used to support activities and projects that benefit quality of care and life of nursing home residents. Also, all civil monetary penalty funds awarded by DHH for projects must be approved by the Centers for Medicare & Medicaid Services.	$0	$400,000	0
09 320	Health & Hospitals	Aging & Adult Services	Increases Title 19 Medicaid IAT funding from $16,378,412 in FY 13 to $17,422,547 in FY 14 at Villa Feliciana Medical Complex due to projected higher revenue collections of Medicaid funds. Medicaid eligible patients at Villa Feliciana have increased.	$0	$1,044,135	0
09 330	Health & Hospitals	Behavioral Health	Funding to replace one-time money from Statutory Dedications (Overcollections Fund) for the 8% administrative fee paid to Magellan for managing care for OBH's non-Medicaid populations. The one-time money from Overcollections was intended as bridge funding until the Centers for Medicare & Medicaid Services (CMS) approved the 1915i waiver, which increases Medicaid eligibility to 150% of the Federal poverty level (FPL) for mental health services for adults under the LA Behavioral Health Partnership (LBHP). Due to the delay in CMS approval, current non-Medicaid participants in the LBHP that were supposed to transition to Medicaid in FY 13 are still being serviced by OBH. This adjustment replaces the one-time money with SGF until the 1915i waiver is approved by CMS. **Note:** The Statutory Dedications funding was non-recurred from OBH's budget in FY 13 since this service population was anticipated to transition to Medicaid in FY 13 and the 8% administrative fee would no longer be required, which is why this adjustment reflects an increase instead of an MOF swap.	$3,259,716	$3,259,716	0
09 330	Health & Hospitals	Behavioral Health	Funding for the provision of services for OBH's non-Medicaid population. Due to a delay in the approval of the 1915i waiver, which increases Medicaid eligibility to 150% of the Federal poverty level (FPL) for mental health services for adults under the LA Behavioral Health Partnership (LBHP), costs for services that were supposed to transition to Medicaid in FY 13 are still being serviced by OBH. This funding will allow OBH to continue providing services to this non-Medicaid population in the absence of the 1915i waiver.	$4,500,000	$4,500,000	0
			Major Increases/Enhancements for Health & Hospitals	**$149,448,020**	**$393,805,540**	**0**

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 435	Natural Resources	Coastal Management	Increases IAT revenue from the Coastal Protection & Restoration Authority for transition to the LaGov. LaGov is a statewide multi-year project launched in 2010 that utilizes technology to streamline government and improve services and efficiency.	$0	$62,000	0
			Major Increases/Enhancements for Natural Resources	**$0**	**$62,000**	**0**
12 440	Revenue	Office of Revenue	This SGR adjustment increases the appropriation for the Consumer Use Tax distribution to parishes as authorized under R.S. 47:302(K) by $75,806 to $728,913. The Consumer Use Tax is declared by the buyer who did not pay sales tax at the taxable event. The proceeds of the use tax are deposited to the SGF for use in other areas of the state budget, but the parishes are paid from LDR fees.	$0	$75,806	0
			Major Increases/Enhancements for Revenue	**$0**	**$75,806**	**0**
16 511	Wildlife & Fisheries	Management & Finance	Adjustment to increase Statutory Dedications budget authority to cover expenses related to moving the department to LaGov. The Go Live date is 7/1/2014. Conservation funds will be utilized for this initiative.	$0	$500,000	0
16 513	Wildlife & Fisheries	Office of Wildlife	Increases federal budget authority to receive funds from the North American Wetlands Conservation Act. The Office of Wildlife received 5,500 acres from International Paper, which includes Wham Brake Reservoir and will be included in the Russell Sage Wildlife Management Area. Funding will be utilized to establish levees, water control structures, and a water delivery system to flood impoundments which will increase waterfowl hunting opportunities. The Office will also be expanding the parking area and improving the boat launch for public access.	$0	$1,000,000	0
16 513	Wildlife & Fisheries	Office of Wildlife	Increases Statutory Dedication (Conservation Fund) budget authority to use as a match in order to receive additional Federal funds through a U.S. Sportfish & Wildlife Restoration Grant based on an excise tax on gun and ammunition sales.	$0	$2,600,687	0
			Major Increases/Enhancements for Wildlife & Fisheries	**$0**	**$4,100,687**	**0**

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A 600	Higher Education	LSU System	Provides funding to the LSU School of Public Health for the Breast & Cervical Cancer Screening Program at the LSU Health Sciences Center in New Orleans. The FY 13 budget includes $35,000 for this program. HB 1 adds an additional $665,000 for FY 14.	$665,000	$665,000	0
19A 600	Higher Education	LSU System	Net increase in Uncompensated Care Payments (UCC) due to a public/private partnership at LSU HSC-S.	$0	$6,979,837	0
19A 661	Higher Education	Student Financial Assistance	Increase for TOPS awards as projected by the Office of Student Financial Assistance. This increase in TOPS funding is due to an increase in the number of awards, an increase in Performance and Honors awards, and an increase in the number of students attending LSU A&M which has the highest tuition rates in the state.	$31,999,119	$31,999,119	0
			Major Increases/Enhancements for Higher Education	**$32,664,119**	**$39,643,956**	**0**
19B 655	Special Schools & Comm.	LA Special Education Center (LSEC)	Increases IAT funding from the Dept. of Education for an Assistive Technology grant as part of the LA Assistive Technology Initiative. The source of IAT funding is Federal funds from Individuals with Disabilities Education Act, Part B. The LA Special Education Center is a regional center that serves central LA Assistive Technology Facilitators work with local educational agencies and provide training and technical assistance to educators, parents and students on assistive technology devices. Assistive Technology Grant FY 13 $460,000 FY 14 $526,000 Increase $66,000	$0	$66,000	0
19B 673	Special Schools & Comm.	New Orleans Center for Creative Arts-Riverfront	Increases IAT funding from the Minimum Foundation Program (MFP) to be utilized for salaries for 5 new teachers in order for the school to implement the third year of the full day school program (Academic Studio) with 60 incoming freshman (includes full academic curriculum). In FY 14, the full day school program will be serving juniors, sophomores and freshmen.	$0	$368,720	5
			Major Increases/Enhancements for Special Schools & Comm.	**$0**	**$434,720**	**5**

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19 678	Elem. & Secondary Educ.	State Activities	Increases SGF for the implementation of multiple education reform initiatives. The initiatives include the Scholarship Program school audit function and the Course Choice data system and operations as contained in Act 2 of 2012; Early Childhood pilot programs and assessment tools, data systems, and training for new assessment implementation as contained in Act 3 of 2012; and required enhancements to the COMPASS data system as contained in Act 54 of 2010.	$4,100,000	$4,100,000	0
19 678	Elem. & Secondary Educ.	State Activities	Increases SGR to enable the establishment of a "sales for services" model relative to the Course Choice Program. The Course Choice Program allows students to enroll in courses provided through approved course providers. Approved course providers for FY 14 include 5 public school districts, every public college and university in LA, LA-based course providers and virtual schools. This adjustment will allow the Dept. of Education to receive fees paid by nonpublic school students for courses the students register for through the Course Choice Program and the department will make a payment to the proper course provider on their behalf.	$0	$900,000	0
19 695	Elem. & Secondary Educ.	Minimum Foundation Program (MFP)	Increases funding for the Minimum Foundation Program (MFP) for an estimated student enrollment increase. The estimated increase in enrollment is 8,430. The total amount provided for the FY 14 MFP is $3,459,349,488.	$37,084,283	$37,084,283	0
			Major Increases/Enhancements for Elem. & Secondary Educ.	**$41,184,283**	**$42,084,283**	**0**
19E 610	LSU Health Care Services Division	LSU HSC-HCSD	Since Lallie Kemp will be the only state public hospital under HCSD without a public/private partnership, it will serve as the state's primary safety net hospital in the southern region and remain under HCSD's budgetary control and operational management. Although HCSD is undergoing negotiations with the private partners for the continuation of prisoner care, Lallie Kemp will add 6 inpatient prisoner care beds and 18 positions since it will also serve as the state's primary resource for prisoner health care in the southern region. ($9,831,478 IAT, $988,613 SGR and $599,156 Federal). For additional information, refer to the "LSU Public/Private Partnership" in the *Budget Issues*.	$0	$11,419,247	18
			Major Increases/Enhancements for LSU Health Care Services Division	**$0**	**$11,419,247**	**18**

Major Increases/Enhancements in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 901	Other Requirements	State Sales Tax Dedications	These statutory dedication adjustments are HAC amendments and include increased appropriations for the Ascension Parish Visitor Enterprise Fund ($200,000) for a total appropriation of $500,000. The St. Mary Parish Visitor Enterprise Fund is appropriated an additional $440,000 (total of $665,000) due to an available fund balance. The disbursements of the new appropriation are as follows: $190,000 is dedicated to the St. Mary Parish Tourist Commission for Berwick Riverfront ($50,000), Berwick Bayou Teche Canoe and Pirogue Race ($10,000), Franklin Bear & Bird Festival and Harvest Moon Festival ($10,000), Lake Fausse Point/Grand Avoille Cove Advisory Committee ($50,000), Chitimacha Tribe of LA Tribal Culture and Tourism Office ($15,000), Patterson Cypress Sawmill Festival and Community Fair ($10,000), Patterson Cultural Development and Main Street Program ($35,000), Baldwin Centennial Celebration ($10,000). The remainder of the St. Mary Visitor Enterprise Fund appropriation ($250,000) includes $75,000 for Morgan City festival grounds, $75,000 for Franklin Center Theater and adjacent building, $50,000 for the St. Mary Parish Council for Myette Point Landing improvement, and $50,000 for Baldwin Main Street Station and Cultural Center improvements.	$0	$640,000	0
20 931	Other Requirements	LED Debt Service / State Commitments	SGR funds from the City of Baton Rouge for an IBM Services Center in the city. Baton Rouge will contribute $4.5 M to IBM over 3 years ($1.5 M per year) as part of the state's incentive package for opening offices in downtown. IBM will employ 800 office workers in an 8-story building along North Street when the facility opens in 2015.	$0	$1,500,000	0
20 977	Other Requirements	DOA Debt Service & Maintenance	Provides funding to cover the cost of the road hazard insurance premiums in the Road Hazard Program. Federal funds generated from premium reimbursements that are used to cover various insurance lines were diverted to cover other insurance lines (the Road Hazard) that were not funded. The federal Division of Cost Allocation has ruled this action improperly allocated federal funding, in large part from the DHH, to pay insurance claims from the road hazard insurance line (that had no federal funding participation). The current disallowance balance (with interest) is approximately $174 M. According to the DOA FY 14 Budget Request, the terms of the settlement agreement provide for the DOA to make 10 annual installments with the first payment being due 7/1/2013 (FY 14). The payment breakdown for FY 14 is as follows: $16,552,315 - principal and $3,212,521 interest. The final payment will be made on 7/1/2022. Over the life of the payment cycle, the state will have paid approximately $198 M. The interest rate is 3%.	$19,764,836	$19,764,836	0
			Major Increases/Enhancements for Other Requirements	**$19,764,836**	**$21,904,836**	**0**
			Major Increases/Enhancements of FY 2014	**$293,643,122**	**$616,415,710**	**27**

Reductions

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 100	Executive	Executive Office	Eliminates SGR funding associated with grant funds from the Wallace Foundation that will expire 6/30/2013. There will be no Wallace Grant funds available in FY 14. The Wallace Foundation is a philanthropic organization that seeks to improve the education and enrichment for disadvantaged children.	$0	-$2,419,382	0
01 107	Executive	Division of Administration	Non-recurs funding associated with the State Broadband Data & Development Grant, as originally funded by the American Recovery & Reinvestment Act (ARRA) of 2009. Federal budget authority for this 5-year grant is being reduced from $2.3 M in FY 13 to $800,000 in FY 14. The DOA was originally awarded $6,649,679 and the majority of these grant funds has been used for professional services including broadband service provider outreach, service and network data collection, data validation, geospatial mapping and web mapping allocation development.	$0	-$1,547,228	0
01 107	Executive	Division of Administration	The decreased IAT funding is excess budget authority associated with the implementation of a hosted Statewide Fraud Detection Solution software, which is a pilot project within the LA Workforce Commission's Unemployment Insurance and Workers Compensation programs. The original source of funds is Federal funds from the LA Workforce Commission. Reducing the $175,000 will leave approximately $825,000 in FY 14, which will be budgeted for consulting services, personal services for 2 FTE positions and various operating services.	$0	-$175,000	0
01 107	Executive	Division of Administration	Reduces IAT budget authority from the Dept. of Environmental Quality's (DEQ) Environmental Trust Fund. These funds were originally appropriated to bring DEQ online with the LaGov System. The current go live date for DEQ to start utilizing LaGov is 7/1/2013.	$0	-$500,000	0
01 107	Executive	Division of Administration	Non-recurs funding from the State Emergency Response Fund (SERF) that was appropriated in September 2012 via a DOA in-house approved BA-7 for state cost share expenditures associated with Hurricane Isaac and Sinkhole (Assumption Parish). To date (FY 13), the following amounts have been transferred from the Division of Administration (DOA) to following agencies: Military Dept. ($4,294,500 - Hurricane Isaac & $60,614 - Sinkhole), LA Workforce Commission ($425,958 - Hurricane Isaac), Agriculture & Forestry ($1,928,367 - Hurricane Isaac). As of February 2013, the remaining unexpended balance within SERF within the DOA is approximately $10.8 M.	$0	-$16,491,175	0
01 107	Executive	Division of Administration	Non-recurs federal Community Development Block Grant (CDBG) funds that were appropriated in FY 13 to support the LA4 Pre-K Program. The Division of Administration transferred (IAT) these funds to the DOE. These funds were federal disaster recovery funds the state received as a result of hurricanes Gustav/Ike.	$0	-$20,000,000	0
01 107	Executive	Division of Administration	Non-recurs federal funding in the Community Development Block Grant (CDBG) Program associated with the Alternative Housing Pilot Program (Katrina Cottages). According to the DOA, this program is scheduled to end in FY 13.	$0	-$1,770,085	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 107	Executive	Division of Administration	Non-recurs federal funding in the Community Development Block Grant (CDBG) Program associated with the Hazard Mitigation Program Grant. Thus, Federal funds for this program are being reduced from approximately $270 M to $228.7 M for FY 14. CDBG/DRU's Hazard Mitigation Program assists homeowners in coastal LA protect their homes from damage of future natural disasters by elevating homes and reconstructing safer structures.	$0	-$39,816,632	0
01 107	Executive	Division of Administration	Reduces excess federal budget authority in the Community Development Block Grant (CDBG) Program/ Disaster Recovery Unit (DRU). For the past 4 fiscal years, the actual federal expenditures have declined an average of approximately 30.1%. Thus, the FY 14 budget reduces the CDBG/DRU Program from $1.55 B to $1.092 B. Prior year actuals over the past 4 years for federal funds are as follows: FY 12 - $916.6 M, FY 11 - $1.4 B, FY 10 - $1.6 B, FY 09 - $1.9 B, and FY 08 - $4.5 B.	$0	-$434,481,471	0
01 107	Executive	Division of Administration	The FY 14 budget includes the back office consolidation within the DOA from various state agencies as the DOA will provide this service to 6 different state agencies. These consolidations include reducing 63 positions within various DOA sections (01-107 & 21-805) and transferring 155 positions from various agencies into the DOA. Even though the DOA has not provided any detailed information concerning this consolidation, based upon LFO analysis, it appears that of the 155 positions identified by the administration as transfers in the FY 14 budget, 63 will likely be eliminated through layoffs or through normal attrition (retirements). Position analysis by agency is as follows: Office of Group Benefits (71), Office of Risk Management (17), Office of Telecommunications Management (8), Office of Elderly Affairs (4), Office of Financial Institutions (3), Dept. of Revenue (46) and Community Development Block Grant (6)	-$3,881,908	-$10,952,461	-63
01 109	Executive	Coastal Protection & Restoration	Removes non-recurring IAT revenue from State Police that provided for expenditures associated with the Deep Water Horizon event. IAT revenue comes from the Oil Spill Contingency Fund.	$0	-$5,026,146	0
01 111	Executive	Homeland Security & Emergency Prep	Decreases the remaining IAT funds from the Community Development Block Grant (CDBG)/Disaster Recovery Unit (DRU) for increasing the capacity of the LA Wireless Information Network (LWIN). The original source of IAT is federal disaster funds from hurricanes Gustav/Ike. GOHSEP applied for these funds in the fall of 2009 and was awarded $17,099,040 in August 2010. The LA Wireless Information Network (LWIN) is now the largest statewide radio system in the country, providing daily voice communications to more than 67,000 users at the Federal, State, and local levels. Of these users, more than 70% are from local jurisdictions. The system is fully maintained by the State at a cost of approximately $8 M per year (LA Interoperable Communications Fund - revenue source of fund is SGF deposited into the fund in 20-XXX of HB 1).	$0	-$1,285,921	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 111	Executive	Homeland Security & Emergency Prep	Decreases the remaining operational costs of the LA Wireless Information Network (LWIN). The MOF impacted is the LA Interoperability Communications Fund. The Dept. of Public Safety (DPS) will provide all maintenance and expenditures associated with LWIN. The LA Interoperability Communications Fund is appropriated in GOHSEP's budget which allows the agency to utilize these resources as state match for federal grants. GOHSEP transfers (IAT) the statutorily dedicated resources to DPS in order to maintain the LWIN system.	$0	-$119,573	0
01 111	Executive	Homeland Security & Emergency Prep	Decreases funding for operating services expenditures due to the elimination of satellite radio communications support provided to 64 parishes. GOHSEP previously purchased 64 satellite radios ($3,600/radio) and paid the monthly fee for 64 parishes. This SGF reduction of $70,000 represents the annual amount paid by GOHSEP on behalf of the parishes for the monthly radio fee. If local entities would like satellite radio communications, the local government entity will be required to fund it themselves.	-$70,000	-$70,000	0
01 111	Executive	Homeland Security & Emergency Prep	Annualization of the FY 13 Deficit Reduction Plan, which reduces $474,305 SGF, $103,316 SGR, $1,139,441 Statutory Dedications (LA Interoperability Communications Fund), and $271,634 Federal; and reduces 14 TO positions and 4 non-TO FTE positions. Approximately $717,766 total MOF of this $2 M reduction is associated with the consolidation of the Interoperability & Operations Communications within GOHSEP and 24/7 Radio operations functions with Public Safety. Other reductions are associated with the elimination of contingency contracts with Dell, Sparkhound & Tigerbytes for IT maintenance, which provide IT network support when needed. These contingency contracts have been reduced and the Dept. of Public Safety will provide this function if necessary. In addition, DPS will now provide all maintenance responsibilities of the LWIN system.	-$474,305	-$1,988,696	-14
01 111	Executive	Homeland Security & Emergency Prep	Decreases the remaining IAT budget authority from the Community Development Block Grant (CDBG) /Disaster Recovery Unit (DRU) for the FEMA Pilot Reconstruction Program (Hazard Mitigation Grant Program). According to GOHSEP, this program function has been completed. The FEMA Pilot Reconstruction Program provided funding to eligible homeowners for expenditures related to demolition and reconstruction as a result of hurricanes Katrina and Rita. These grant funds reimbursed local government entities for payments made to the homeowner. Impacted individuals were allowed to receive up to $150,000 in grant funding from GOHSEP's Hazard Mitigation Grant Program and another $50,000 from these CDBG funds for the total maximum grant funds of $200,000 for demolition and reconstruction.	$0	-$6,312,695	0
01 112	Executive	Military Department	Non-recurs IAT funding from the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) and IAT funding from the Division of Administration (DOA) for one-time expenditures associated with Hurricane Isaac and sinkhole missions in Assumption Parish. The original source of the IAT funds is from the Federal Emergency Management Agency (FEMA) reimbursements via GOHSEP ($12,883,500) and from the State Emergency Response Fund (SERF) via the DOA ($4,355,101).	$0	-$17,238,614	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 112	Executive	Military Department	Decreases SGF due to the closure of 5 armories. The agency has not finalized the particular locations or timelines for closure. These closures will impact the guardsman in the area as these individuals will be required to attend drill at a different location. The anticipated savings from armory closures are due to utilities, waste management and repairs.	-$60,000	-$60,000	0
01 112	Executive	Military Department	Decreases funding for death benefits in FY 14. The FY 13 budget originally appropriated $1.25 M in death benefits. After this reduction, there will be $250,000 SGF appropriated in FY 14 for death benefits. To the extent additional death benefits are needed, the department will likely have to request additional funds in FY 14. **Note:** The FY 13 Deficit Reduction Plan reduced the SGF amount for death benefits by $750,000 from $1.25 M to $500,000.	-$1,000,000	-$1,000,000	0
01 124	Executive	LA Stadium & Exposition District	Reduces funding ($240,000 - LSED License Plate Fund and $4,622,447 IAT) associated with the new lease agreement with the Pelicans (effective 7/1/2012). The new agreement eliminated all exit options and attendance benchmarks and eliminated all ticket revenue shortfall payments. Thus, the Pelicans team entitlements for FY 14 have been reduced from approximately $14.6 M in FY 13 to approximately $10.2 in FY 14. Of the $10.2 M budgeted for FY 14, approximately $2.9 M is team inducement payments. Under the old lease agreement, the Pelicans inducement payments were approximately $8 M and subject to attendance benchmarks. Refer to the *"Budget Issues"* for additional information.	$0	-$4,862,447	0
01 126	Executive	Board of Tax Appeals	Reduction eliminates out-of-state travel ($3,500) and reduces the travel budget for the Board by $6,791 leaving a FY 14 travel appropriation of $8,126. This cut represents a 2.8% reduction in the agency's budget.	-$10,291	-$10,291	0
01 129	Executive	LA Commission on Law Enforcement	Non-recurs SGR received as a grant from the Annie E. Casey Foundation. The funding provided for implementation of the Juvenile Detention Alternative Initiative Program. The Juvenile Detention Alternative Initiative Program promotes changes to policies, practices and programs to reduce reliance on secure confinement, improve public safety, reduce racial disparities and bias, save taxpayers' dollars and stimulate overall juvenile justice reform.	$0	-$150,000	0
01 129	Executive	LA Commission on Law Enforcement	Non-recurs Federal funds from the U.S. Dept. of Justice Crime Victims Assistance grant. The funding was utilized to assist local governments to integrate their computer systems with the LA Automated Victims Notification System (LAVINS). LAVIN is an online resource that allows a user to search for information regarding an offender's current custody and case status. A system user may register to be notified automatically when an offender is released, transferred or escapes or has a change in case status. FY 14 recommendation includes $3,729,593 SGF for LAVINS.	$0	-$600,000	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 129	Executive	LA Commission on Law Enforcement	Non-recurring American Recovery & Reinvestment Act (ARRA) federal funding from the Violence Against Women Act ($200,000) and the Byrne Justice Assistance grant ($1,606,014); and non-recurring Federal funds. to reflect anticipated awards for the regular Violence Against Women Act grant ($400,000) and the Byrne Justice Assistance grant ($1,606,014). The Violence Against Women Act grant was provided to develop strategies to combat violent crimes against women, strengthen victim services in cases involving crimes against women, etc. The Byrne grant was provided to stabilize state and local government budgets to minimize reductions in essential law enforcement programs, prosecution and court programs, drug treatment programs, etc.	$0	-$1,806,014	0
01 129	Executive	LA Commission on Law Enforcement	Reduces Statutory Dedications from the Tobacco Tax Health Care Fund to reflect anticipated collections. The funding was utilized by local governments for substance abuse programs. The FY 14 recommendation includes $3,042,920 from the Tobacco Health Care Fund.	$0	-$148,191	0
01 129	Executive	LA Commission on Law Enforcement	Eliminates funding for the evaluation of local truancy centers by the LSU Truancy & Assessment & Service Center (TASC) Program. This elimination will result in the termination of outcome evaluation and monitoring of local TASC sites by the LSU School of Social Welfare’s Office of Social Service Research & Development (OSSRD). OSSRD is responsible for monitoring and evaluating 16 operating TASC sites in 25 parishes and reporting this information to the legislature. The TASC Program was statutorily created in 1998 to prevent students from dropping out and diverting at-risk youths from crime.	-$491,163	-$491,163	0
			Major Reductions for Executive	**-$5,987,667**	**-$569,323,185**	**-77**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
03 130	Veterans' Affairs	Dept. Veterans' Affairs	Non-recurs one-time funding for Special Legislative Projects for expansion of the Claims Program for veterans with service related disabilities and other war-related impediments. This funding was reduced during the FY 13 mid-year cuts since it was never utilized, and annualized in the FY 14 Executive Budget.	-$500,000	-$500,000	0
			Major Reductions for Veterans' Affairs	**-$500,000**	**-$500,000**	**0**
04a 139	State	Secretary of State	Reduces SGF for election expenses to reflect anticipated requirements. The FY 14 recommendation includes $7.461 M for election expenses for 6 scheduled elections (2 state and 4 local) in FY 14. The congressional open primary is scheduled 10/19/2013 and the open general is scheduled 11/16/2013. The New Orleans municipal primary is scheduled 2/1/2014 and the New Orleans municipal general is scheduled 3/15/2014. The municipal primary for all parishes except New Orleans is scheduled 4/5/2014, and the municipal general for all parishes except New Orleans is scheduled 5/ 3/2014.	-$5,910,418	-$5,910,418	0
04a 139	State	Secretary of State	Reduces $5.027 M in Statutory Dedications funding from the Help American Vote Act to reflect anticipated collections and removes $286,198 of non-recurring Federal funds that provided for services related to researching and testing of the new functionality of the Elections & Registration Information Network. The FY 14 recommendation includes a total of $1.973 M in Statutory Dedications from the Help America Vote Act.	$0	-$5,313,198	0
04a 139	State	Secretary of State	Removes SGR from the Commercial Program that provided for a non-recurring professional services contract for the development of additional online filing capabilities for businesses and a new e-mail subscription service to notify interested parties of filing on business entities.	$0	-$402,500	0
04a 139	State	Secretary of State	Reduces IAT revenue for microfilm services performed by the Archives Program to reflect anticipated collections. Reduction is due to fewer interagency agreements for microfilm services.	$0	-$49,890	0
			Major Reductions for State	**-$5,910,418**	**-$11,676,006**	**0**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b 141	Justice	Attorney General	Reduces SGR appropriation from mortgage settlement funds in Civil Law Program. Revenue from the mortgage settlement agreement comes from a joint state-federal settlement with 5 banks (Wells Fargo, Citigroup, Bank of America, JP Morgan Chase and Ally Financial) related to flawed and fraudulent foreclosure practices. LA received a one-time payment of $ 21,741,560. The FY 14 budget includes $4.9 M in revenue from the mortgage settlement agreement. **Note:** To the extent the FY 13 and FY 14 appropriated mortgage settlement funds are completely expended, there will be approximately $5.3 M remaining of the $21.7 M originally awarded. To date, these funds have been utilized as follows: $7,000,000 Act 597 of 2012 (Funds Bill) transferred to SGF for FY 13 general appropriations $477,804 Act 53 of 2012 (FY 12 Supplemental Appropriations Bill) $3,971,142 FY 13 Existing Operating Budget $4,976,705 FY 14 Proposed Budget	$0	-$3,558,408	0
			Major Reductions for Justice	**$0**	**-$3,558,408**	**0**
04d 147	Treasury	State Treasury	Reduces SGR funding for personal services (salaries & related benefits) and 1 vacant position (Fund Control Manager). The duties of the reduced position will be absorbed by the Financial Services Section. According to the State Treasury, there are currently 3 remaining vacant positions (2 - Unclaimed Property and 1 - Information Technology).	$0	-$111,553	-1
			Major Reductions for Treasury	**$0**	**-$111,553**	**-1**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04e 158	Public Service Commission	Public Service Commission	Eliminates a vacant Administrative Coordinator position in District 4 and the associated funding from the Utility & Carrier Inspection/Supervision Fund.	$0	-$53,069	-1
04e 158	Public Service Commission	Public Service Commission	Reduction in Statutory Dedications funding from the PSC Utility & Carrier Inspection & Supervision Fund. The PSC will lay off 6 to 8 staff members due to this reduction in funding ($347,070). The reduction in PSC staff will have a significant negative impact on the PSC's ability to provide services to utility companies, motor carriers and citizen complaints (10,000 per year). These staff reductions include the loss of 2 staff persons in the Motor Carrier Program resulting in significant delays in applications for carrier authorities, maintenance of insurance filings, enforcement and audits of licensed waste disposal sites, and the investigation of consumer and motor carrier complaints. Staff reductions will result in the hiring of more consultants with consultant fees being passed directly to regulated utilities. The proposed budget reduction will decrease travel funds by 50% ($100,000), which will hinder PSC training/participation in initiatives with other state regulatory agencies and hinder the ability of Commission Members to attend PSC meetings and respond to constituent concerns. The proposed reduction will decrease professional services ($25,000) by eliminating funding for the PSC enhanced power outage management system and a reduction in the STAR PSC (Store & Track Report) system that includes the following: electronic filing of tariffs and applications, electronic routing, and management of dockets, agendas, calendars, hearings, PSC meetings, digital signatures and fees. The PSC power outage system is used by GOSHEP, first responders, the U.S. Dept. of Energy, and other parties in response to natural disasters such as hurricanes.	$0	-$472,070	0
			Major Reductions for Public Service Commission	**$0**	**-$525,139**	**-1**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04f 160	Agriculture & Forestry	Agriculture & Forestry	Elimination of 43 positions and associated funding ($402,279 SGF, $73,320 SGR and $133,780 Statutory Dedications) for personal services. The positions targeted for elimination have not yet been identified as of this date. After this reduction, the department will have 582 positions remaining.	-$402,279	-$609,379	-43
			Major Reductions for Agriculture & Forestry	**-$402,279**	**-$609,379**	**-43**
05 252	Economic Development	Business Development	Eliminates funding for the Renewal Community Program ended in FY 13. The Renewal Community Program provided tax incentives for businesses to locate or expand inside the boundaries of participating communities. The department eliminated this program to focus limited resources on other economic development activities.	-$175,411	-$175,411	0
05 252	Economic Development	Business Development	Reduction in funding from the Marketing Fund due to the elimination of the following one-time educational initiatives: LA Council for Economic Education, MERA marketing education, and District 2 Enhancement Corporation.	$0	-$1,000,000	0
05 252	Economic Development	Business Development	Elimination of state funding to the Baton Rouge Wet Lab because the facility is now self-sufficient. The Baton Rouge Wet Lab is a life science incubator that houses companies doing research in bioinformatics, genomics, medical devices, diagnostics, etc.	-$996,762	-$996,762	0
05 252	Economic Development	Business Development	Eliminates funding from the Small Business Surety Bonding Fund for the Small Business Bonding Program. This program provided financial assistance to small businesses to mitigate gaps in the state surety bond market. The department is eliminating this program due to on-going budget restraints.	$0	-$2,900,000	0
			Major Reductions for Economic Development	**-$1,172,173**	**-$5,072,173**	**0**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 262	Culture, Recreation & Tourism	State Library	Reduction of acquisitions in the book budget. Remaining funding for books in FY 14 is $25,783 SGF. The average book budget for the past 3 fiscal years has been $422,385.	-$399,662	-$399,662	0
06 264	Culture, Recreation & Tourism	State Parks	Personnel reductions of 4 positions, along with associated funding for salaries and related benefits. The positions targeted for elimination have not yet been identified as of this date.	-$207,385	-$207,385	-4
06 267	Culture, Recreation & Tourism	Tourism	Non-recur one-time funding provided for the Super Bowl ($6 M) and Women's Final Four ($1 M). The Super Bowl was held at the Mercedes-Benz Superdome in New Orleans on 2/3/2013. The Women's Final Four was held at the New Orleans Arena on 4/7-4/9/2013. This funding is from the LA Tourism Promotion District.	$0	-$7,000,000	0
			Major Reductions for Culture, Recreation & Tourism	**-$607,047**	**-$7,607,047**	**-4**
07 273	Transportation & Development	Administration	The Administration Agency will eliminate 12 positions in FY 14. The positions have not yet been identified, and will be selected based on attrition between now and the end of the fiscal year, as well as analysis of employee activities and the potential to consolidate duties between positions. The funding source is Statutory Dedications (Transportation Trust Fund - Regular).	$0	-$940,403	-12
07 273	Transportation & Development	Administration	Management & Finance Program - Reduction of operating expenditures due to lower projected revenues in Statutory Dedications (Transportation Trust Fund - Regular). The adjustment reduces $2.15 M of TTF-Regular that was previously associated with training related to LaGov. This adjustment also reduces $43,000 of SGR revenue based on historical non-collection.	$0	-$2,195,250	0
07 276	Transportation & Development	Engineering & Operations	Non-recurring special legislative project funding for the Zachary Taylor Parkway Commission.	-$100,000	-$100,000	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
07 276	Transportation & Development	Engineering & Operations	Crescent City Connection - Eliminates the Bridge Trust ($2.8 M IAT, $7.6 M SGR, 47 T.O.) and Marine Programs ($9.2 M SGR) per Act 866 of 2012, which provided for the termination of the Crescent City Connection (CCC). These activities and the 47 T.O. transfer to the Operations Program. Operations Program (CCC Bridge) - 47 positions are transferred into Operations. An additional 47 positions associated with tolling activities are restored, as approved by the JLCB at its 2/22/2013 meeting (4 of the positions transfer into the Administration Agency to provide back-office accounting functions for a net increase of 43 T.O. in the Engineering & Operations Agency. The CCC Bridge activity will be staffed by 90 positions (47 existing + 43 restored). The adjustment recommends $8.5 M Statutory Dedications (Crescent City Connection Toll Fund) to provide for operations and maintenance of the bridge and connecting arteries, as well as toll and support functions. Operations Program (CCC Ferries) - The adjustment recommends $4 M of Statutory Dedications (Transportation Trust Fund - Regular) to provide for operations and support of the Gretna and Canal Street Ferries, and $800,000 of Statutory Dedications (Algiers-Canal Street Ferry Fund) to provide for the Algiers Ferry. DOTD is exploring options to outsource ferry operations. At the current recommended level, one must assume significant reductions in operating hours, discontinuance of 24-hour service and a reduction of the number of ferries in service. DOTD indicates it may need to reallocate unidentified funds in the Operations base budget to provide for bridge and ferry operations if the funding level is insufficient.	$0	-$6,698,260	0
			Major Reductions for Transportation & Development	**-$100,000**	**-$9,933,913**	**-12**
08A -	Corrections	Department Wide	This adjustment provides for a reduction in utilities expenditures as a result of an Energy Service Company (ESC) contract that will provide a range of comprehensive energy solutions, including design and implementation of energy savings projects. Some projects include the installation of chillers, boilers, and heating units that will result in utilities savings. SGF reductions were by the following amounts: Corrections Administration ($7,947) LA State Penitentiary ($506,817) LA Correctional Institute for Women ($79,293) Dixon Correctional Center ($20,433) Elayn Hunt Correctional Center ($643,853) B.B. Sixty Rayburn ($37,788) **Total ($1,296,131)**	-$1,296,131	-$1,296,131	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A -	Corrections	Department Wide	Reductions in vacant positions and associated SGF funding reduced by the following amounts:	-$4,018,190	-$4,018,190	-60

LA State Penitentiary	($2,215,435)	(27)
Dixon Correctional Center	($335,871)	(5)
Elayn Hunt Correctional Center	($160,000)	(4)
David Wade Correctional Center	($994,360)	17)
B.B. Sixty Rayburn Correctional Center	($312,524)	(7)
Total	**($4,018,190)**	**(60)**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A -	Corrections	Department Wide	Annualization of FY 13 mid-year reductions resulting from the consolidation of administrative functions, including human resources, purchasing, and accounting. Reductions in positions and associated SGF funding were by the following amounts:	-$1,973,200	-$1,973,200	-49

LA State Penitentiary	($224,000)	(5)
Avoyelles Correctional Center	($179,200)	(4)
LA Correctional Institute for Women	($179,200)	(4)
Dixon Correctional Center	($179,200)	(4)
Elayn Hunt Correctional Center	($224,000)	(5)
David Wade Correctional Center	($179,200)	(4)
Adult Probation & Parole	($629,200)	(19)
B.B. Sixty Rayburn	($179,200)	(4)
Total	**($1,973,200)**	**(49)**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A -	Corrections	Department Wide	Annualizes mid-year adjustments related to the closure of C. Paul Phelps Correctional Center in DeQuincy on 11/1/2012. The closure resulted in a decrease of funding in the amount of $19,504,300 ($18,213,460 SGF, $51,001 IAT, and $1,239,839 SGR) and 274 positions. Several adjustments are due to the transfer of 942 offenders to LA State Penitentiary, the transfer of support personnel for the Southwest Region to Dixon Correctional Center, the transfer of the Prison Enterprises garment factory to Elayn Hunt Correctional Center, and the relocation of offenders housed in the Department's Prison Rape Elimination Act (PREA) dormitory to David Wade Correctional Center.	-$10,670,586	-$11,248,389	-164

Other Adjustments	SGF	IAT	SGR	Total	T.O.
LA State Penitentiary	-$5,769,282	$0	-$553,936	-$6,323,218	-80
Dixon Correctional Center	-$1,060,000	-$51,001	-$108,100	-$1,219,101	-14
Elayn Hunt Correctional Center	-$160,000	$0	$0	-$160,000	- 4
David Wade Correctional Center	- $553,592	$0	$0	-$553,592	-12
T*otal Other Adjustments*	*-$7,542,874*	*-$51,001*	*-$662,036*	*-$8,255,911*	*-110*
Net Savings	*-$10,670,586*	*$0*	*-$577,803*	*-$11,248,389*	*-164*
Decreased Funding	**-$18,213,460**	**-$51,001**	**-$1,239,839**	**-$19,504,300**	**-274**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A 413	Corrections	Elayn Hunt Correctional Center	Annualization of mid-year reductions resulting from the elimination of the Intensive Motivational Program of Alternative Correctional Treatment Program (IMPACT). The program is a rigorous multifaceted program that requires high levels of physical and mental activity and emphasizes discipline, education, and rehabilitative therapeutic programs, all within a military model. Because this program is staff intensive, the approach is changing to focus on offender skills training. This new approach will require less staff and will result in the elimination of 14 positions.	-$600,000	-$600,000	-14
			Major Reductions for Corrections	**-$18,558,107**	**-$19,135,910**	**-287**
08B 418	Public Safety	Management & Finance	Non-recurs IAT funding received from the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) that was utilized for hazard mitigation projects relating to the Uniform Construction Code Council. These funds have been included in the department's base budget since Hurricane Katrina and the department's portion of the grant will be completed during FY 13, with the remaining reimbursement to local governments accomplished by 6/30/2013. The original funding source within GOHSEP was Federal funds.	$0	-$2,500,000	0
08B 418	Public Safety	Management & Finance	Reduces SGR in operating services by canceling the Microsoft Enterprise Agreement. The Enterprise Agreement allows governmental entities to upgrade Microsoft Software for all licensed computers as new versions are released. Allowing the agreement to lapse will preclude this option unless it is renewed at some point in the future. The department does not anticipate any negative impacts associated with delaying or forgoing software updates.	$0	-$548,000	0
08B 419	Public Safety	State Police	The Office of State Police will eliminate 39 non-Trooper positions in FY 14. Job titles for the positions include: Administrative Assistants, Administrative Coordinators, Communications Officers, Criminal Investigators, Criminal Records Analysts, Human Resource Analysts and Investigative Specialists. In addition to eliminating 39 "civilian" positions and associated funding ($2.66 M in SGR), this adjustment further reduces funding ($3.99 M in SGR) for 44 vacant State Police commissioned officer positions which shall be retained by the department as unfunded vacancies.	$0	-$6,652,527	-39
08B 419	Public Safety	State Police	Traffic Program - Non-recurs Statutory Dedications funding associated with the state response to the Deepwater Horizon event. The funds are from the Natural Resource Restoration Trust Fund ($23,539,200) and Oil Spill Contingency Fund ($29,489,363). DPS activities associated with this event are not anticipated to continue into FY 14.	$0	-$53,028,563	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B 419	Public Safety	State Police	Auxiliary Program - Reduces IAT funding received from GOHSEP for expenditures associated with maintenance of the LA Wireless Information Network. This adjustment will eliminate some routine maintenance efforts associated with the Wireless Information Network and in some cases may place the department into a reactive, rather than preventive mode, in addressing operability of the network. After this adjustment, DPS will still receive a total of $7.97 M from GOHSEP for this activity.	$0	-$945,000	0
08B 420	Public Safety	Motor Vehicles	Eliminates 32 positions statewide and associated SGR funding. Job titles for the positions include: Motor Vehicle Compliance Analysts 1/2/3/4, Motor Vehicle Compliance Supervisor, Motor Vehicle Manager 1, Motor Vehicle Office Manager, and Administrative Coordinator. To the degree that statewide staffing levels within Offices of Motor Vehicles fall below a certain unspecified level, certain regions may realize longer wait times for OMV services.	$0	-$1,830,000	-32
08B 420	Public Safety	Motor Vehicles	Non-recurring special legislative project funding for organ donor registry educational and awareness programs.	-$100,000	-$100,000	0
			Major Reductions for Public Safety	**-$100,000**	**-$65,604,090**	**-71**
08 403	Youth Services	Juvenile Justice	Reduces SGF in the Administration Program ($187,350), Swanson Center for Youth ($91,856), Jetson Center for Youth ($52,608), Bridge City Center for Youth ($39,561), and Field Services Program ($1,078,625). Expenditures reduced include operating services, supplies, other charges and travel.	-$1,450,000	-$1,450,000	0
08 403	Youth Services	Juvenile Justice	Reduces in the Field Services Program for probation & parole activities ($3.2 M) and the Contract Services Program for community based activities for the Families in Need of Services (FINS) population ($3,878,091). A savings is anticipated if the administration's reforms redefining the classification of youths under FINS formal supervision are adopted. The reforms would reduce the number of children locked up in detention or in a residential facility by prohibiting children with non-criminal or non-delinquent offenses from being referred to the formal FINS Program.	-$7,078,091	-$7,078,091	-54
08 403	Youth Services	Juvenile Justice	Eliminates excess IAT budget authority associated with Temporary Assistance of Need Families (TANF) received from the Dept. of Children & Family Services. No expenditures are associated with this adjustment. The FY 14 budget includes $0.9 M in TANF funds.	$0	-$900,000	0
08 403	Youth Services	Juvenile Justice	Reduces Statutory Dedications funding from the Youthful Offender Management Fund to reflect anticipated collections. FY 14 recommended amount is $172,000.	$0	-$100,000	0
			Major Reductions for Youth Services	**-$8,528,091**	**-$9,528,091**	**-54**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 300	Health & Hospitals	Jefferson Parish Human Services Authority	Contract consolidations and reductions at JPHSA detailed below: **($12,960) -** Assertive Community Treatment (ACT): An evidence-based program for non-Medicaid persons with mental illness and noncompliance/violence issues for which a specific staffing ratio is required. This cut will result in the program failing to meet evidence-based national standards. **($19,492) -** The Extra Mile & Drop-In Center: The Extra Mile supports clothing/supply outlets. Reduction will result in the closure of East Bank "boutique." Drop-in Center offers self-help groups & social leisure opportunities to address isolation and loneliness. Approximately 660 individuals will be impacted. **($1,384) -** Men's Residential Substance Abuse: Reduction will result in decreased capacity in the community for treatment of men with severe drug and/or alcohol addiction. One bed will be reduced. **($91,984) -** Developmental Disabilities contract reductions including: Supported Employment, Psychological Services (with positive behavior support), Respite/Personal Companion Services/Supported Living Services, Family Support, and Flexible Family Funds. Reduction will impact 33 individuals/families. **($17,152) -** Families Helping Families: Provides community outreach, family training, parent education stipends, & conference with local Public School System. Cut will impact 1,625 individuals/families. **($1,350) -** Custom Specialties & interpreter services: Custom Specialties assists families with disability-related expenses (e.g. diapers). Cut will impact 2 families. Interpreter services assists individuals/families who speak Spanish as a primary language. Reduction will decrease available hours from 21.5 to 19.	-$144,526	-$144,526	0
09 300	Health & Hospitals	Human Service Districts	Reduces IAT from the Office for Citizens with Developmental Disabilities (OCDD) to the human service districts. Original source of IAT funding is SGF within OCDD. DHH will transfer services for people currently enrolled in the Family Flexible Fund (FFF) and the Individual & Family Supports Fund (IFSF) to a private entity, LA Clinic Services (LCS). LCS will continue to provide services to all people currently served through these programs under a Low Income Needy Care Collaboration Agreement (LINCCA). Through LINCCA, LCS contracts with individual physicians/providers to provide services that were previously provided by the districts. As a result of terminating these contracts funded with 100% SGF, DHH realized cost avoidance. FFF & IFSF offer home and community-based services to people with developmental disabilities. Each human service district's reduction includes: JPHSA ($152,255); FPHSA ($162,247); CAHSD ($155,223); and MHSD ($28,278). **Note:** Unlike the savings reflected in the previously mentioned districts, South Central LA Human Services Authority ($180,205) and the Acadiana Area Human Services District ($119,321) were appropriated SGF for these services in FY 13 and will also transition them to LINCCA in FY 14; however, the SGF savings are being retained for other operational expenditures at SCLHSA & AAHSD.	$0	-$498,003	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 302	Health & Hospitals	Capital Area Human Services District	Contract consolidations and reductions at CAHSD detailed below: **($146,000) –** Eliminates contracted 10-Bed Social Detoxification Unit. CAHSD intends to incorporate these social detox services into the residential treatment protocol at the Capital Area Recovery Program, which provides 28 day residential addiction recovery services. The client's first 5 to 7 days in treatment will be dedicated to detoxification coupled with treatment. **($45,000) -** Reduces overall funding of the Drop-In Center contract resulting in service reduction impacting 30 individuals who are currently receiving or would receive supportive community services. Services at the Drop-In Center include peer mental health and addiction counseling, computer classes, money management training, social skills training, and basic living skills training. Impacted individuals will no longer have access to these services.	-$191,000	-$191,000	0
09 304	Health & Hospitals	Metropolitan Human Services District	Contract consolidations and reductions at MHSD detailed below: **($30,000) -** Contract with Tulane for physician services at Juvenile Court eliminated. Clients will not be seen in the court environment, but instead, they will need to travel to clinics for services. According to MHSD, capacity currently exists at its clinics to accommodate these clients. **($284,700) -** Decreases transitional beds from 40 to 25. According to MHSD, it has been successful at placing more clients in permanent housing so that the need for 40 beds has decreased and should have no impact on client services.	-$314,700	-$314,700	0
09 305	Health & Hospitals	Medical Vendor Administration	Annualizes mid-year reductions to Radiology Utilization Management (RUM) costs. RUM was implemented to ensure appropriate utilization of imaging services by Medicaid providers and recipients. Medicaid uses MedSolutions Inc. (MSI), to provide prior authorization, monitoring and management of medical imaging services. Imaging providers are required to request prior authorization for certain outpatient procedures, including magnetic resonance imaging (MRI), computed tomography, and nuclear cardiac imaging. The source of the Federal funds ($2.5 M) is Medicaid Administrative federal financial participation.	-$2,500,000	-$5,000,000	0
09 305	Health & Hospitals	Medical Vendor Administration	Annualizes mid-year reductions to Kid Med overhead and management costs in the Molina Contract. The source of the Federal funds ($587,647) is Medicaid Administrative federal financial participation.	-$587,647	-$1,175,294	0
09 305	Health & Hospitals	Medical Vendor Administration	Reduces funding for optional medicaid services contracts. The source of the Federal funds ($328,725) is federal Administrative matching funds.	-$158,275	-$487,000	0
09 305	Health & Hospitals	Medical Vendor Administration	Non-recurs budget authority ($44,2972 SGF, $274,844 SGR and $1,690,084 Federal) due to the expiration of the Medicaid Infrastructure Grant, the Maximizing Enrollment Grant, and the Children's Health Insurance Program Reauthorization Outreach & Enrollment Grants.	-$44,972	-$2,009,900	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Eliminates funding ($1,631,020 SGF and $2,772,383 Federal) for Our Lady of the Lake Upper Payment Limit payments. Supplemental Medicaid payments were made to OLOL from 10/1/2009 to 9/31/2011 to cover the transition costs related to the hospital's staffing, Graduate Medical Education, and one-time facility investment to provide access and capacity for Earl K. Long's patient base to begin receiving inpatient and emergency services. All payments under the payment schedule have been reimbursed to OLOL, and this non-recurs the final payment from FY 12 that was not removed from the Medicaid base budget in FY 13.	-$1,631,020	-$4,403,403	0
09 306	Health & Hospitals	Medical Vendor Payments	Projected decrease in Title 19 Medicaid claims payments to certain providers associated with the delivery of lab and x-ray services and the provision of Durable Medical Equipment (DEM) and Supplies in the Medical Vendor Payments Program. This estimated reduction ($2,165,753 SGF and $3,681,312 Federal) is based on the provision of services being provided by a sole source provider for lab and x-ray, and a sole source provider for DME. Restricting the number or type of providers that could ordinarily be allowed to provide specific Medicaid services will require a 1915(b) waiver from the Centers for Medicare & Medicaid Services (CMS). DHH anticipates the waiver will be approved prior to FY 14. The savings estimate is based on a projected 12.5% reduction in rates for DME services and a projected 7.5% reduction in the rates for lab and x-ray services.	-$2,165,753	-$5,847,065	0
09 306	Health & Hospitals	Medical Vendor Payments	Eliminates certain Optional Medicaid Programs beginning 1/1/2014. The source of Federal funds ($41,693,265) is Title 19 federal financial participation. Specific programs eliminated include the Medicaid Purchase Plan (MPP), Disability Medicaid (DM), and services for Pregnant Women above 133% of the Federal Poverty Level (FPL). Reductions by programs are reflected below. ($11,008,571) Pregnant Women ($6,913,938) Medicaid Purchase Plan ($48,518,998) Disability Medicaid ($66,441,507) Total	-$24,528,567	-$66,441,507	0
09 306	Health & Hospitals	Medical Vendor Payments	Reduction in Rural Hospital Upper Payment Limit payments. The source of the Federal funds ($5,844,936 is federal financial participation.	-$3,438,634	-$9,283,570	0
09 306	Health & Hospitals	Medical Vendor Payments	The High Medicaid Claims Pool is being reduced ($1,426,040 SGF and $2,423,960 Federal). Certain hospitals receive supplemental Medicaid payments from the Dept. of Health & Hospitals that demonstrate high Medicaid utilization. This adjustment reduces these supplemental Medicaid payments to 9 hospital providers. The supplemental payment pool is being reduced to $1 M in FY 14. $4,850,000 FY 13 High Medicaid Claims Pool (HMCP) ($3,850,000) FY 14 Adjustment to the HMCP $1,000,000 FY 14 Funding for HMCP	-$1,426,040	-$3,850,000	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Net decrease in IAT funding associated with the LaChip Affordable Plan (LAP) due to LaChip Affordable Plan (LAP) enrollees moving out of the Office of Group Benefits' (OGB) PPO Plan and into the BAYOU HEALTH group plan, and Shared Savings Plans. ($6,648,586) Reduction of LaChip Affordable Plan funding within Buy-ins $3,775,531 Add back LaChip Affordable Plan money within Buy-ins for Bayou Health risk plans to manage the LAP population $2,337,763 LAP funding added to Private Providers Program for fee for service and shared plans ($535,292) Total reduction to LAP	$0	-$535,292	0
09 306	Health & Hospitals	Medical Vendor Payments	Annualizes FY 13 mid-year cuts to Medicaid ($11,184,819 SGF and $18,515,594 Federal). The reduction represents various annualized cut amounts to the following providers: ($255,310) 1.5% rate reduction to Intermediate Care Facilities ($5,470,750) 1% rate reduction for Inpatient/Outpatient Hospital providers and physicians ($11,937,822) Nursing Home Admission restructuring reduction ($155,710) Case Management for clients with HIV ($93,397) 1st Time Mothers Home Visit Program ($944,924) Rebasing of rates for the Program of All Inclusive Care for Elderly (PACE) ($661,646) Rehabilitation services ($4,900,901) Optional dental program for pregnant women (above 133%) ($279,953) Emergency ambulance rate reduction ($5,000,000) High Medicaid DSH pool reduction ($29,700,413) **Note:** The Hospice Program was originally targeted for a mid-year cut, however the cut to the program never materialized. There are no cuts to the Hospice Program reflected in HB 1 for FY 14.	-$11,184,819	-$29,700,413	0
09 306	Health & Hospitals	Medical Vendor Payments	A portion of the Greater New Orleans Community Health demonstration waiver is being non-recurred due to federal grant expenditure limits.	$0	-$13,306,148	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	Annualizes reduction in Disproportionate Share Hospital (DSH) payments for uncompensated care costs to certain hospitals as the result of a change in the Federal Medical Assistance Percentage (FMAP) from from 71.38% to 66.58% during FY 13. The source of the Federal funds ($323,886,144) is federal financial participation. Specific hospital reductions are reflected below: LSU HSC HCSD ($213,365,665) LSU HSC Shreveport ($85,684,679) LSU HSC H.P. Long ($15,689,320) LSU HSC EA Conway ($1,615,160) Rural Hospitals/Clinics ($7,531,320) Total ($323,886,144)	$0	-$323,886,144	0
09 306	Health & Hospitals	Medical Vendor Payments	Reduces funding for the High Medicaid Disproportionate Share Hospital (DSH) pool. The source of Federal funds ($3.049 M) is the DSH payment FMAP. Certain hospitals receive DSH payments from the Dept. of Health & Hospitals that demonstrate high Medicaid utilization. This adjustment reduces these DSH payments to 9 hospital providers. The DSH pool is being reduced to $2 M in FY 14. $7,000,000 FY 13 DSH Pool ($5,000,000) FY 14 Adjustment to the DSH pool $2,000,000 FY 14 Funding for the High Medicaid DSH pool	-$1,951,000	-$5,000,000	0
09 306	Health & Hospitals	Medical Vendor Payments	Reduces funding (($5,628,099 and $9,566,553 Federal) to nursing home providers as a result of restructuring the nursing home bed buy-back program ($3,256,830); and annualizing a mid-year cost reduction due to the restructuring of nursing home admissions ($11,937,822). The source of the Federal funds is Title 19 federal financial participation.	-$5,628,099	-$15,194,652	0
09 307	Health & Hospitals	Office of Secretary	Reduces funding for contracts and contractual services for the Birth Outcomes Initiative.	-$525,000	-$525,000	0
09 307	Health & Hospitals	Office of Secretary	Non-recurs one-time funding for special legislative project.	-$797,436	-$797,436	0
09 307	Health & Hospitals	Office of Secretary	Non-recurs SGR funding for the LA Rural Health Information Exchange (LaRHIX).	$0	-$1,000,000	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 309	Health & Hospitals	South Central LA Human Services Authority	Contract consolidations and reductions at SCLHSA detailed below: **($123,742) -** Operational hours at Recovery Centers in Morgan City & LaPlace & Opportunity Center in Houma will be reduced by half and also eliminate holiday meals provided. Patrons of the centers are patients of the treatment centers who frequent the centers for social networking or meeting with peers. Approximately 620 individuals will be impacted by this reduction. **($88,798) -** Youth Counseling & Adolescent Intensive Outpatient Program: Contract with Options provides outpatient services to adolescents without Medicaid or other payor sources for which service needs have been identified. Will impact individual & group sessions for approximately 155 youth. **($90,000) -** Functional Family Therapy: Contract with Options provides community-based services for an evidenced based service for patients and family members without Medicaid or other payor sources. This reduction will impact approximately 75 individuals. **($4,867) -** Peer to Peer reduction: Contract with the Start Corporation that provides trained peers to support other patients in meeting recovery goals. Approximately 100 people are served each month. This reduction will impact approximately 2% of the time the peers will be available to meet with other patients.	-$307,407	-$307,407	0
09 324	Health & Hospitals	LA Emergency Response Network Board	Eliminates funding for staffing hours at the 2 communication centers (Baton Rouge and Shreveport) operated by contractor American Medical Response (AMR). Based on historical call volume, the department created a more efficient staffing model that result in a staffing decrease of AMR employees. Savings are a result of decreased staffing hours and closure of the Shreveport communication center. The Shreveport communication center served as a backup site for the Baton Rouge communication center in the event that the Baton Rouge site was inoperable. The Shreveport communication center closed in December 2012.	-$200,000	-$200,000	0
09 324	Health & Hospitals	LA Emergency Response Network Board	Reduces funding for the communication center contract with American Medical Research (AMR). The communication center identifies the nearest hospital with the resources available to address the needs of seriously injured patients throughout the state. The communication center contract will be provided by a private entity, the LA Clinic Services (LCS). LCS will continue to operate the communication center with AMR under a Low Income Needy Care Collaboration Agreement (LINCCA). The Dept. of Health & Hospitals (DHH)/LA Emergency Response Network Board (LERN) will closely monitor the contract with LCS to ensure services are provided as needed.	-$900,000	-$900,000	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 326	Health & Hospitals	Public Health	Closure of low volume Children's Special Health Services (CSHS) clinics and elimination of 8 positions. Currently, CSHS clinics are located in Baton Rouge, Thibodaux, Lafayette, Lake Charles, Alexandria, Shreveport, Monroe, and Hammond. The types of clinics that would be eliminated in various areas of the state would be: Neurosurgey, Ophthalmology, Cystic Fibrosis, Cardiology, Nephrology, Orthopedics, Otology, Urology, Spinal Cord (Spina bifida), and Cleft Lip & Palate. Specific clinical service reductions will vary by region based on volume; however, CSHS clinics will be maintained in areas with no pediatric subspecialists to transfer patients to. According to DHH, there are approximately 207,000 children and youth with special health care service needs. These clinic closures and the transition of clients will impact over 2,200 of these CSHS clients. The agency is working with Medicaid to transition eligible clients to providers in the Bayou Health Network. An itemized description of the reduction is detailed below. **($238,494)** Physician contract reductions **($426,043)** Salaries & Related Benefits for 8 positions **($129,398)** Supplies & Operating Expenses	-$793,935	-$793,935	-8
09 326	Health & Hospitals	Public Health	Elimination of sexually transmitted disease (STD) treatment resources in certain Parish Health Units based on disease prevalence. Elimination of services includes the reduction of 11 positions. In order to operate more efficiently and serve the areas of the state with the highest service volume, the number of STD clinics offered will be based on need. Patients in parishes with reduced clinical offerings will retain access to services, but will have to travel longer distances in order to receive continued care at another Parish Health Unit.	-$416,090	-$416,090	-11
09 326	Health & Hospitals	Public Health	Reduction to Primary Care & Rural Health Adolescent School Health Program and 4 positions. This reduction does not reduce services offered by School Based Health Centers (SBHCs). Rather, this is a reduction of administrative costs and staff that monitor the program and provide technical assistance and capacity building activities. An itemized breakdown of the reduction is detailed below. **($352,124)** Salaries & Related Benefits for 4 positions **($291,763)** Direct and indirect administrative costs including: field travel, building rental costs, dues & subscriptions, postage, office supplies, telephones **($156,113)** Professional service contracts (medical consultation & mental health services)	-$800,000	-$800,000	-4

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 330	Health & Hospitals	Behavioral Health	Reduction in SGF utilized for Access to Recovery (ATR) Program. The DHH will transfer services for all people currently enrolled in the program to a private entity, the LA Clinic Services (LCS). LCS will continue to provide services to all people currently served through ATR under a Low Income Needy Care Collaboration Agreement (LINCCA). Through LINCCA, LCS contracts with individual physicians/providers to provide services that were previously provided by OBH. As a result of terminating these contracts funded with 100% SGF, OBH realized a cost avoidance. Although there is no obligation, the state will continue to make supplemental Medicaid (UPL) payments to the private providers in FY 14. The ATR Program was created as a Presidential initiative to provide client choice among substance abuse clinical treatment and recovery support providers, expand access to clinical treatment and recovery support options (including faith and community-based organizations), and increase substance abuse treatment capacity. The DHH will closely monitor the contract with LCS to ensure continuum of care. There are no personnel reductions involved.	-$453,324	-$453,324	0
09 330	Health & Hospitals	Behavioral Health	Reduces contractual costs at the Eastern LA Mental Health System (ELMHS) in the Hospital Based Treatment program within the Office of Behavioral Health (OBH). According to OBH, there is no anticipated impact on patients. Specific contract reductions are detailed below: **($1,007,708)** - Direct Care Providers: Individual private providers, Tulane, and LSU contracts will reduce costs in the following potential service areas by approximately 10%: •Psychiatric services for forensic, civil, and acute population, •Accreditation services for the hospitals through the infectious control program, •Psychiatric treatment for the forensic aftercare program and the Conditional Release Program, •Extern and intern program for doctoral psychology program •Program that assists women with severe mental illness transition back into the community •Supervised transitional residential aftercare for forensic population •Group Homes, dental services, speech therapy, ophthalmology, deaf interpreting, & ministers **($8,800)** - Non-direct Patient Care: Administrative reduction of approximately 10%.	-$1,016,508	-$1,016,508	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 330	Health & Hospitals	Behavioral Health	Eliminates funding ($753,001 SGF and $6,439,367 IAT) for the Early Childhood Supports & Services (ECSS) Program and the elimination of 12 addictive disorder beds due to loss of Temporary Assistance for Needy Families (TANF) funding from the Dept. of Children and Family Services (DCFS) in the mid-year cuts. OBH laid off 1 T.O. position and 4 non-T.O. from central office administrative staff. Itemized reductions and programmatic information are detailed below. **($164,990) -** Salaries & Related Benefits (1 T.O.) **($588,011) -** Other Charges (4 non-T.O. salaries and benefits) **($6,439,367) -** TANF from DCFS for ECSS & addictive disorders service costs ECSS was an infant mental health program that served children ages 0-5 and their families. Specifically, it provided case management to evaluate family risk and engage a multi-agency network to provide necessary family support, clinical assessments of children and child-caregiver relationships, and intervention support to address behavioral and developmental health concerns. Some of these clients are eligible for similar services under the LA Behavioral Health Partnership (LBHP), but pediatricians will be primarily responsible for less severe cases. The ECSS Program served 574 clients in FY 12. The residential beds were for women and children with addictive disorders. The loss of beds was primarily absorbed by Rays of Sunshine, an existing service provider in central LA.	-$753,001	-$7,192,368	-1
09 330	Health & Hospitals	Behavioral Health	Eliminates 35 positions and associated funding ($75,566 SGF and $254,995 IAT) with the privatization of dietary/food services at the Eastern LA Mental Health System (ELMHS). Original source of IAT was from Disproportionate Share Hospital (DSH) payments. The food supply budget at ELMHS was $3,330,561 M in FY 13 and savings for FY 14 will be $330,561 since annual contract costs are $3 M. The contract for dietary/food services at ELMHS was awarded to the Health Care Services Group.	-$75,566	-$330,561	-35
09 330	Health & Hospitals	Behavioral Health	Savings as a result of the privatization of the Southeast LA Hospital (SELH) in Mandeville. On 12/3/2012, a cooperative endeavor agreement (CEA) was signed between DHH and Meridian Behavioral Health Services for the continuing operation of SELH for 1/2/2013 through 1/1/2016. SELH was originally scheduled to close in FY 13 due to an allocated cut as a result of the federally mandated FMAP reduction. In anticipation of closure, 118 beds were transferred to other public and private service providers. Under the CEA, Meridian operates the remaining 58 beds including: 16 acute adult beds, 22 acute adolescent beds, and 20 adolescent DNP (Developmental Neuropsychiatric Program) beds at SELH. See the *Issues Section* for further details regarding the privatization of SELH. As a result of privatization, out of the 563 positions allocated to SELH, 168 were transferred to other OBH hospitals and 395 were eliminated from state employment as of 1/2/2013. According to DHH, Meridian rehired 125 former SELH employees who were laid off.	-$3,513,745	-$18,993,601	-395

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Eliminates federal grant funding at Pinecrest Supports & Services Center (SSC) for the Foster Grandparents Program. The Foster Grandparents Program assigned a foster grandparent to one or more residents. The foster grandparent spent time with the resident(s) a few hours per day four (4) days per week as a complement to the residential and day program activities in which the residents participated. In FY 13, the Foster Grandparent Program and associated 2 positions was eliminated. Pinecrest SSC did not reapply for the Foster Grandparent Program federal grant. The federal government awarded the Foster Grandparents grant to the Cenla Area Agency on Aging Inc. who continues the foster grandparent services to the residents of Pinecrest SSC at no cost to Pinecrest.	$0	-$289,821	0
09 340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces funding in Community-Based Program. The Dept. of Health & Hospitals (DHH)/Office for Citizens with Developmental Disabilities (OCDD) will transfer services for all people currently enrolled in the Family Flexible Fund (FFF - previously known as the Cash Subsidy Program) and the Individual & Family Supports Funds to a private entity, Louisiana Clinic Services (LCS). LCS will continue the FFF & Individual and Family Supports Fund Program under a Low Income Needy Care Collaboration Agreement (LINCCA). As a result of terminating these programs funded with 100% SGF, DHH realized cost avoidance. DHH/OCDD will closely monitor the contract with LCS to ensure services are provided as needed. In FY 12, the FFF Program provided support to 1,622 families and the Individual & Family Support Program provided support to 2,683 families.	-$1,955,614	-$1,955,614	0
09 340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces funding in the Community-Based Program for Early Steps. The Office for Citizens with Developmental Disabilities (OCDD) will implement a Family Cost Participation (FCP) for assessing a cost share to parents of children who receive Early Step services. Estimates for Family Cost Participation (FCP) scale are based on an average monthly participation of 4,237 children with distribution across income areas, excluding families below 250% federal poverty level. Participation charges will be based on a sliding fee scale depending upon income and family size. Medicaid eligible children will receive the services at no charge. FCP provides a means to maintain services while shifting some of the cost to participating families so that state general fund reductions will not result in additional people losing services. Savings are based on 8 months of implementation in FY 14. In FY 12, a total of 9,819 children and families received support from Early Steps.	-$1,700,000	-$1,700,000	0
09 340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces funding ($5,691,711) and Title 19 Medicaid IAT funding ($2,110,592) for the privatization of North Lake Supports & Services Center (SSC) and the Northwest SSC The Arc of Acadiana will manage Northwest SSC and Evergreen Presbyterian Ministries will manage North Lake SSC.	$0	-$7,802,303	0
09 340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces Title 19 Medicaid IAT funding at Pinecrest Supports & Services Center (SSC) as a result of savings from the privatization of the dietary program. In FY 13, the Office for Citizens with Developmental Disabilities (OCDD) entered into a 5-year contract with Healthcare Services Group of Bensalem, PA for food service at Pinecrest SSC.	$0	-$740,646	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major Reductions for Health & Hospitals	**-$70,102,678**	**-$533,483,231**	**-454**
10 360	Children & Family Services	Children & Family Services	Non-recurs remaining federal funding for Homeless Prevention & Rapid Re-housing Program (HPRP), as authorized under Title XII of Division A of the American Recovery & Reinvestment Act (ARRA) in the Prevention & Intervention Services Program. ARRA funds have expired. The department received a total of approximately $13,541,639 of HPRP funds since FY 10.	$0	-$978,243	0
10 360	Children & Family Services	Children & Family Services	Non-recurs federal funding from the U.S. Dept. of Housing & Urban Development Emergency Shelter grant and eliminates a position in the Prevention & Intervention Program. The grant assisted shelter facilities serving homeless persons The LA Housing Corporation has assumed responsibility for all statewide housing programs pursuant to Act 408 of 2011.	$0	-$1,429,408	-1
10 360	Children & Family Services	Children & Family Services	Reduces funding for the Modernization Project in the Administration & Executive Support Program. The Modernization Project is a 5-year initiative and FY 14 represents its third year of implementation. The decrease in funding represents the completion of the programming and development stages of the project. The goal of the Modernization is to transform the service delivery of DCFS to allow clients multiple ways to apply for services and access services. As a result, clients will no longer have to visit physical DCFS office locations or travel to multiple locations to do business with DCFS. The modernization project includes: (1) customer service call center; (2) electronic case records and document imaging; (3) customer service portal that has a web based application for services and allows clients to access their case record to view basic case information; (4) provider portal that allows providers to view and update basic information regarding invoice, payments, and fees; and (5) worker portal that allows DCFS staff to update and maintain client case information.	-$3,500,000	-$3,500,000	0
10 360	Children & Family Services	Children & Family Services	Decreases Children's Trust Fund statutorily dedicated funding from $1,455,876 in FY 13 to $819,599 in FY 13 in the Prevention & Intervention Services Program to realign budget authority to actual revenue collections and expenditures. The source of the Children's Trust Fund is a $4 surcharge on birth certificates copies. There has been a decline in the number of duplicate birth certificate orders over the past few years. The department projects a total of $819,599 will be collected form the statutory dedication in FY 14. Funds from the Children's Trust Fund are used to provide grants to child abuse and neglect programs.	$0	-$636,277	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
10 360	Children & Family Services	Children & Family Services	Eliminates funding for the Young Adult Program (YAP) in the Prevention & Intervention Service Program. Youth between the ages of 18 and 21 that were once in the Foster Care Program were served in YAP. YAP was a voluntary program, based on eligibility criteria, that provided assistance to complete an educational or vocational program or to obtain employment. Under new federal regulations (Fostering Connections to Success and Increasing Adoptions Act of 2008), youth in foster care do not age out until age 21. Prior to the change, age 18 was the age youth would age out of the foster care system. Therefore, services provided by the YAP will continue to be provided under the Foster Care Program with Federal funds.	-$1,160,000	-$1,160,000	0
10 360	Children & Family Services	Children & Family Services	Eliminates SGF in the Prevention & Intervention Services Program for the licensing of Class B child day care centers. Instead of SGF, the department will utilize existing federal funding from the Child Care & Development Fund (CCDF) block grant.	-$879,447	-$879,447	0
10 360	Children & Family Services	Children & Family Services	Reduces funding ($398,696 SGF and $887,420 Federal) in the Prevention & Intervention Services Program for personal incidentals costs in the Child Welfare Program such as normal clothing costs, personal care items, entertainment, reading materials, gifts and allowances for foster children. The department has identified other existing sources of Federal grant funding to mitigate this reduction.	-$398,696	-$1,286,116	0
10 360	Children & Family Services	Children & Family Services	Eliminates funding in the Prevention & Intervention Services Program for Early Childhood Supports & Services (ECSS) Program. The DCFS sent funding to the Dept. of Health & Hospitals (DHH)/Office of Behavioral Health (OBH) to provide specialty outpatient screening, assessment and treatment services to TANF eligible low-income women and women with dependent children. In December 2012, as part of the mid-year reductions, DHH/OBH eliminated the ECSS Program.	-$4,277,500	-$4,277,500	0
10 360	Children & Family Services	Children & Family Services	Reduces funding ($1 M in SGF and $1,941,176 Federal) in the Field Services Program as a result of consolidating and closing parish and regional offices within the department. Through the Modernization Project, clients now have several ways (website, customer service helpline, and community partners) to conduct business with the department beside visiting a physical office location. In FY 10, the department operated 165 offices in parishes across the state with multiple office locations in many parishes. Presently, the department operates 70 parish offices and has reduced the number of parishes with multiple office locations.	-$1,000,000	-$2,941,176	0
			Major Reductions for Children & Family Services	**-$11,215,643**	**-$17,088,167**	**-1**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 431	Natural Resources	Office of Secretary	Removes non-recurring IAT from Office of State Police for oil spill expenditures. IAT revenue is from the Oil Spill Contingency Fund.	$0	-$107,522	0
11 431	Natural Resources	Office of Secretary	Reduces IAT revenue from the Office of Mineral Resources and 1 T.O. for a vacant architect position. The IAT revenue is from the Mineral & Energy Operations Fund.	$0	-$55,000	-1
11 431	Natural Resources	Office of Secretary	Eliminates 36 positions and associated funding due to the consolidation of certain management and finance activities between the departments of Natural Resources, Wildlife & Fisheries and Environmental Quality. The activities consolidated along with the number of positions reduced are as follows: information technology (22), human resources (8), contracts/grants/purchasing (6).	-$640,137	-$640,137	-36
11 431	Natural Resources	Office of Secretary	Reduces Federal funds from the American Recovery & Reinvestment Act (ARRA) to reflect anticipated expenditures. Reduced funding was utilized to provide for energy projects. The FY 14 recommendation includes $10 M in ARRA funding.	$0	-$3,695,037	0
11 432	Natural Resources	Conservation	Removes excess SGF budget authority. The funding was added to provide for rental expenses at the LaSalle Building, which is lower than originally anticipated.	-$59,224	-$59,224	0
11 434	Natural Resources	Mineral Resources	Reduces SGF providing for professional services contracts for computer programming and legal services. Instead of utilizing private contractors, the agency will handle the computer programming and legal services in-house.	-$452,581	-$452,581	0
11 435	Natural Resources	Coastal Management	Non-recurs IAT funds from Office of State Police for oil spill expenditures.	$0	-$121,000	0
			Major Reductions for Natural Resources	**-$1,151,942**	**-$5,130,501**	**-37**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
12 440	Revenue	Office of Revenue	SGR reduction eliminates 57 positions from the Dept. of Revenue with 42 in the Tax Collection Program (TCP) ($2,807,935) and 15 in the Alcohol & Tobacco Control (ATC) ($1,190,961). The 42 TCP positions being eliminated are the audit review panel (5 layoffs and 1 early retiree), graphic design (2 layoffs) and 34 additional early retirees who will not be replaced. Presumably, the functions of these positions will be spread over the remaining workforce. The ATC positions (15 or 21% of the ATC T.O.) are vacant field enforcement positions. After adjustments to deliverables for federal grant requirements, the number of anticipated compliance checks is expected to fall to 3,500 in FY 14 from actual checks of 8,735 in FY 12, but the number of inspections by ATC is expected to increase substantially allowing for a similar generation of SGR as fines. Additionally, since most SGR in ATC is related to permit fees, which are recurring, and the elimination of positions will decrease expenditures by about $1 M, ATC anticipates transferring these savings for use in other areas of the state's budget on a recurring and possibly increasing basis.	$0	-$3,998,896	-57
12 440	Revenue	Office of Revenue	This decrease in SGR is the result of the closure of 7 regional and district offices of the Dept. of Revenue in Dallas, Houston, Lake Charles, Alexandria, Monroe, Shreveport and Lafayette. The New Orleans and Baton Rouge offices will remain open. Savings are generated by foregone rent and associated state building costs, maintenance fees, capital leases, and are attributed to the Tax Collection Program ($833,212) and the Alcohol & Tobacco Control Program ($11,453). Presumably, no layoffs will result from these closures as the staff will work from home in these areas. This model is in place with auditors in other areas of the country and has been successful. As the plan unfolds, there may be further consolidation of administrative functions resulting in the elimination of positions.	$0	-$844,665	0
12 440	Revenue	Office of Revenue	This reduction in SGR of $1.5 M is the result of eliminating 11 of the agency's 17 non-T.O. positions. Two of the targeted positions are vacant and 9 are layoffs. These positions include a public information officer, 5 revenue tax analysts (1 vacant), 2 IT application programmers, 1 executive management officer in ATC, and 3 administrative positions (1 vacant). Presumably, the functions related to these positions will be spread over the remaining LDR workforce.	$0	-$1,520,559	0
12 440	Revenue	Office of Revenue	This reduction of SGR is related to general decreases across various expenditure categories. In the Tax Collection Program ($3,052,485), the agency will identify various areas within its operations to fulfill the remainder of the reduction, including travel, operating services, professional services, other charges and IAT. The reduction also includes $550,959 in the Charitable Gaming Program to non-recur software development in the video bingo audit software and mapper system, which is now in place and operating.	$0	-$3,603,444	0
			Major Reductions for Revenue	**$0**	**-$9,967,564**	**-57**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
13 855	Environmental Quality	Management & Finance	Reduces funding from the Environmental Trust Fund as a result of savings from the consolidation of IT, Human Resources, and Purchasing/Contracts services with the Dept. of Natural Resources (DNR). The Dept. of Environmental Quality (DEQ) will transfer funding and 55 positions to DNR to provide those services. However, DNR will reduce 16 of the 55 positions allowing DEQ to reduce funding ($1.157 M) associated with those 16 positions.	$0	-$1,157,096	0
			Major Reductions for Environmental Quality	**$0**	**-$1,157,096**	**0**
14 474	Workforce Commission	Workforce Support & Training	Non-recurring IAT funding for payments to vendors who provided 132,970 meals for those evacuated to shelters due to Hurricane Isaac under the Mass Feeding Program. The original source of the IAT funds is Federal Emergency Management Agency reimbursements ($1,277,872) from the Governor's Office of Homeland Security & Emergency Preparedness and the State Emergency Response Fund ($425,958) from the Division of Administration.	$0	-$1,703,830	0
14 474	Workforce Commission	Workforce Support & Training	Eliminates IAT funding from the Dept. of Children & Family Services (DCFS) for the LA Employment Assistance Program (LEAP). DCFS discontinued the LEAP, a 10-parish pilot within the LA Workforce Commission Office of Workforce Development after the loss of Supplemental Temporary Assistance for Needy Families (TANF) funds in FY 12. LEAP was designed to help FITAP recipients transition from cash assistance and/or nutrition assistance programs to self-sufficiency by providing intense job readiness activities and job search training with employee contacts. The 10 pilot parishes were Jefferson, Orleans, East Baton Rouge, St. Tammany, Terrebonne, Lafayette, Calcasieu, Rapides, Ouachita and Caddo.	$0	-$369,281	0
14 474	Workforce Commission	Workforce Support & Training	Reduces Statutory Dedications funding from the Employment Security Administration Account in the Office of Workforce Development to realign budget authority with actual revenue collections and expenditures. The anticipated revenue collection from the Employment Security Administration Account is $4 M for FY 14. Total budget authority for FY 13 is $7,875,274.	$0	-$3,890,282	0
			Major Reductions for Workforce Commission	**$0**	**-$5,963,393**	**0**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
16 511	Wildlife & Fisheries	Management & Finance	Due to the consolidation of the back office functions of the Dept. of Wildlife & Fisheries, Dept. of Natural Resources and Dept. of Environmental Quality, this adjustment transfers 28 positions to DNR. Positions include 15 IT positions, 9 human resource positions, 3 purchasing positions and 1 contract reviewer. Associated funding in the amount of $2.9 M will remain in the department budget and will be transferred to DNR via IAT.	$0	$0	-28
16 511	Wildlife & Fisheries	Management & Finance	Non-recurs IAT budget authority that allowed funds from the Office of State Police that were transferred for expenditures related to the Deepwater Horizon Oil Spill Event. The source of funding is the Oil Spill Contingency Fund.	$0	-$800,000	0
16 513	Wildlife & Fisheries	Office of Wildlife	Non-recurs IAT budget authority that allowed funds from the Office of State Police that were transferred for expenditures related to the Deepwater Horizon Oil Spill Event. The source of funding is the Oil Spill Contingency Fund.	$0	-$1,395,573	0
16 514	Wildlife & Fisheries	Office of Fisheries	Non-recurs IAT funding from the Office of State Police for oyster cultch reestablishment projects. These projects serve to augment natural cultch material to encourage spat settlement for support of this resource. The 4 cultch placements in FY 13 were done at 3-Mile Bay, Drum Bay, Lake Fortuna, and South Black Bay. The source of funding is the Oil Spill Contingency Fund.	$0	-$7,000,000	0
16 514	Wildlife & Fisheries	Office of Fisheries	Non-recurs IAT budget authority that allowed funds from the Office of State Police that were transferred for expenditures related to the Deepwater Horizon Oil Spill Event. The source of funding is the Oil Spill Contingency Fund.	$0	-$1,500,395	0
16 514	Wildlife & Fisheries	Office of Fisheries	Non-recurs IAT budget authority that allowed funding from the Office of Coastal Protection & Restoration to be transferred to the Office of Fisheries for oyster remote setting projects designed to assist with oyster reestablishment following the Deepwater Horizon Oil Spill Event. The original source of funding is from the 2009 surplus funds that were appropriated to OCPR via Act 20 of 2009.	$0	-$1,700,000	0
			Major Reductions for Wildlife & Fisheries	**$0**	**-$12,395,968**	**-28**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A 600	Higher Education	LSU System	Non-recurs one-time funding for fiber optic infrastructure at LSU-A.	-$100,000	-$100,000	0
19A 600	Higher Education	LSU System	Non-recurs one-time funding to the LSU HSC-S for operational expenses.	-$100,000	-$100,000	0
19A 600	Higher Education	LSU System	Non-recurs one-time funding for LSU HSC-S including $150,000 SGF and $5 M in Statutory Dedications out of the Shreveport Riverfront & Convention Center & Independence Stadium Fund. LSU HSC-S used these funds for general operating purposes.	-$150,000	-$5,150,000	0
19A 600	Higher Education	LSU System	Non-recurs one-time funding for the LSU Ag Center for operations. The funding was provided in FY 13 because the LSU Ag Center has no students and cannot increase tuition to offset reductions in SGF as most other higher education institutions have done. Loss of these funds will reduce funding for research and extension initiatives and will require program eliminations and layoffs. The LSU Ag Center is unable to identify the impacted programs and staff at this time.	-$5,000,000	-$5,000,000	0
19A 600	Higher Education	LSU System	Annualization of the decrease in IAT funding associated with the Federal Medical Assistance Percentage (FMAP) for LSU HSC-S ($85,684,680 in uncompensated care cost (UCC) payments and $3,944,449 in Medicaid claims payments).	$0	-$89,629,129	0
19A 600	Higher Education	LSU System	Annualization of the decrease associated with the Federal Medical Assistance Percentage (FMAP) at E. A. Conway Medical Center. This adjustment includes an IAT decrease of $1,615,160 in uncompensated care cost (UCC) payments and an IAT decrease of $1,222,092 in Medicaid claims payments.	$0	-$2,837,252	0
19A 600	Higher Education	LSU System	Annualization of the decrease associated with the Federal Medical Assistance Percentage (FMAP) for H. P. Long Medical Center. This adjustment includes an IAT decrease of $15,689,320 in uncompensated care cost (UCC) payments and an IAT decrease of $425,077 in Medicaid claims payments.	$0	-$16,114,397	0
19A 600	Higher Education	LSU System	Reduces IAT Upper Payment Limits (UPL) received from the Dept. of Health & Hospitals for LSU Medical Center - Shreveport.	$0	-$6,779,898	0
19A 600	Higher Education	LSU System	Elimination of funding ($9,635,049 SGF, $19,081,901 IAT, $4,563,703 SGR and $3,782,232 FED) due to public/private partnerships at H. P. Long Medical Center. The H. P. Long Medical Center will be leased and operated by a private, non-profit partner hospital beginning on 7/1/2013. As such, H. P. Long Medical Center will receive no operating funding as a public hospital in FY 14 and thereafter.	-$9,635,049	-$37,062,885	-499
19A 600	Higher Education	LSU System	Reduce IAT Upper Payment Limits (UPL) received from the Dept. of Health & Hospitals for H. P. Long Medical Center.	$0	-$202,744	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A 600	Higher Education	LSU System	Reduces IAT to eliminate uncompensated care cost (UCC) payments for E.A. Conway Medical Center which has opted out of the UCC Program.	$0	-$1,403,830	0
19A 600	Higher Education	LSU System	Reduces IAT from Upper Payment Limit (UPL) received by E. A. Conway Medical Center from the Dept. of Health & Hospitals.	$0	-$36,957,613	0
19A 600	Higher Education	LSU System	Reduces funding ($7,507,498 SGF, $26,451,649 IAT, $6,562,714 and $6,043,855 FED) due to a public/private partnership at E. A. Conway Medical Center (EACMC). The EACMC will be leased and operated by a private, non-profit partner hospital beginning on 10/1/2013. As such, EACMC will receive operational funding as a public hospital for the first 3 months of FY 14.	-$7,507,498	-$46,565,716	-864
19A 615	Higher Education	SU System	Non-recurs one-time funding for operational expenses at Southern University System campuses. This reduction includes the following amounts per campus: Southern A&M at Baton Rouge $3.65 M, Southern University at Shreveport ($250,000), and Southern University at New Orleans ($100,000).	-$4,000,000	-$4,000,000	0
19A 615	Higher Education	SU System	Non-recurs one-time funding provided to Southern University at New Orleans for operational expenses.	-$500,000	-$500,000	0
19A 615	Higher Education	SU System	Non-recurs one-time funding for the Southern Ag Center for operational expenses.	-$125,000	-$125,000	0
19A 620	Higher Education	UL System	Non-recurs one-time funding provided to UNO for the New Orleans Jazz Institute.	-$25,000	-$25,000	0
19A 671	Higher Education	Board of Regents	Annualizes FY 13 mid-year reductions.	-$22,000,000	-$22,000,000	0
19A 671	Higher Education	Board of Regents	Non-recurs one-time funding provided to the Board of Regents for non-profit organizations in Lafayette ($50,000) and for SUNO ($50,000).	-$100,000	-$100,000	0
			Major Reductions for Higher Education	**-$49,242,547**	**-$274,653,464**	**-1,363**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19B 666	Special Schools & Comm.	State Board of Elementary & Secondary Education	Decreases 8(g) statutory dedications in the Board of Elementary & Secondary Education (BESE) based on projections as determined by the State Treasurers Office. BESE allocates 8(g) funding for various statewide education initiatives. Approximately half of the reduction will likely be to the block grant allocation. The block grant allocation is competitive and school systems primarily use the funding in focus areas such as Pre-K and proven instructional strategies in English Language Arts, Math, Science, Social Studies and/or Technology. The other half of the reduction will be to various statewide allocations. These allocations include education initiatives such as LEAP for the 21st Century, the Early Childhood Literacy Program and Expanding High School Choice.	$0	-$1,011,941	0
			Major Reductions for Special Schools & Comm.	**$0**	**-$1,011,941**	**0**
19 678	Elem. & Secondary Educ.	State Activities	Eliminates 34 positions and the associated funding. As of 2/28/2013 there are 41 vacant positions in this agency. The Dept. of Education is in the process of analyzing their reduction plan, thus, the number of filled and vacant positions that will actually be reduced is not known at this time.	-$3,531,978	-$3,531,978	-34
19 678	Elem. & Secondary Educ.	State Activities	Reduces SGF funding by $2 M to achieve at least a $2 M savings in the total value of contracts. The total amount recommended for professional services for FY 14 is $42,527,124.	-$2,000,000	-$2,000,000	0
19 681	Elem. & Secondary Educ.	Subgrantee Assistance	Reduces funding for the Professional Improvement Program (PIP). The program provides salary increments to approved educators in the public school system. The reduction is a result of an estimated 842 fewer participants. $1 M of the reduction is attributed to the annualization of the mid-year reduction in FY 13. The total budget for FY 14 is $7.1 M.	-$2,000,000	-$2,000,000	0
19 682	Elem. & Secondary Educ.	Recovery School District	Eliminates funding for the Extended Day Program for students in the schools run directly by the Recovery School District (RSD). These funds were allocated for extended day and year programs to aid students 2 or more years behind grade level. Due to the decline in the number of schools directly operated by the RSD and an increase in charter schools operating in the RSD, the funding is being eliminated.	-$2,750,000	-$2,750,000	0
			Major Reductions for Elem. & Secondary Educ.	**-$10,281,978**	**-$10,281,978**	**-34**

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19E 610	LSU Health Care Services Division	LSU HSC-HCSD	Reduction in all revenues to 7 HCSD hospitals as a result of the FMAP reductions in FY 13, and additional reductions at 6 of the HCSD hospitals undertaking public/private partnerships. With the exception of Lallie Kemp, these hospitals will be leased and operated by their private, non-profit partner hospitals. In addition, HCSD's Central Office will be eliminated and HCSD will no longer manage or operate these 6 hospitals. Therefore, there will be no operational funding in HCSD's budget beginning in FY 14 for the Central Office or the 6 hospitals. Reductions by hospital and means of finance are detailed below.	-$59,968,419	-$792,054,315	-6,016

	SGF	IAT	SGR	FED	Total	T.O.
Central Office	$0	$0	($24,004,319)	$0	($24,004,319)	(189)
EKL	($16,353,557)	($84,212,673)	($12,153,527)	($8,330,988)	($121,050,745)	(964)
UMC	($5,483,965)	($71,166,114)	($12,479,972)	($12,093,611)	($101,223,662)	(863)
WOM	($7,551,609)	($24,647,537)	($7,259,328)	($3,175,001)	($42,633,475)	(361)
LAK	$0	($5,098,577)	($1,098,738)	($721,119)	($6,918,434)	(79)
BMC	($4,557,954)	($32,960,382)	($11,149,316)	($10,962,334)	($59,629,986)	(553)
LJC	($4,584,865)	($61,781,116)	($12,524,452)	($14,349,922)	($93,240,355)	(894)
ILH	($21,436,469)	($246,902,095)	($44,501,318)	($30,513,457)	($343,353,339)	(2,113)
Total	**($59,968,419)**	**($526,768,494)**	**($125,170,970)**	**($80,146,432)**	**($792,054,315)**	**(6,016)**

	SGF	Total	T. O.
Major Reductions for LSU Health Care Services Division	**-$59,968,419**	**-$792,054,315**	**-6,016**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 451	Other Requirements	Local Housing of State Adult Offenders	Net reduction in funding due to the following: A reduction in Local Housing of State Adult Offenders due to increased capacities at Winn and Allen Correctional Centers ($1.768 M); and an increase of 200 offenders being moved to these facilities at an additional cost of $584,000 per facility. The per diem for housing these offenders at the DOC facilities will range from $11.96 - $17.59, while the cost is $24.39 at the local level.	-$600,000	-$600,000	0

Other Adjustments	**SGF**
Winn Correctional Center	$584,000
Allen Correctional Center	$584,000
Total Other Adjustments	$1,168,000
Net Savings	-$1,768,000
Decreased Funding	**-$600,000**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 451	Other Requirements	Local Housing of State Adult Offenders	Reduction in funding due to a savings from the implementation of a program to divert certain offenders to mandatory substance abuse treatment as an alternative to incarceration. The cost to house an offender in a local facility for a year is approximately $8,902 ($24.39 per day x 365 days). The cost for the drug treatment facility is $3,500 per year. Approximately 500 offenders will be eligible for the program at a savings of approximately $5,402 per offender ($8,902 - $3,500). Savings to Local Housing of State Adult Offenders will be $2,701,175 (500 offenders x $5,402).	-$2,701,175	-$2,701,175	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 451	Other Requirements	Local Housing of State Adult Offenders	Reduces funding due to a savings from the early release of offenders who meet certain criteria to an intensive substance abuse treatment program. Approximately 520 offenders will be eligible for early release on 7/1/2013 and approximately 300 offenders will be eligible incrementally during FY 14.	-$3,432,598	-$3,432,598	0
20 451	Other Requirements	Local Housing of State Adult Offenders	Reduces funding in the amount of $2,771,660 based on projected occupancy rates at local parish jails. The re-opening of vacant dorms at Dixon, Wade, and Rayburn Correctional Centers enables an additional 536 offenders to be housed at these DOC facilities. The per diem for housing these offenders at the DOC facilities will range from $11.96 - $17.59, while the cost is $24.39 at the local level. Adjustments due to the re-opening of vacant dorms increased SGF funding levels and T.O. at these facilities by the following amounts: **Other Adjustments** / **SGF** / **T.O.** Dixon Correctional Center / $1,089,000 / 14 David Wade Correctional Center / $918,000 / 16 B.B. Sixty Rayburn Correctional Center / $538,000 / 8 Total Other Adjustments / $2,545,000 / 38 Net Savings / -$2,771,660 **Decreased Funding** / **-$226,660**	-$226,660	-$226,660	0
20 451	Other Requirements	Local Housing of State Adult Offenders	Annualizes mid-year reductions resulting from the centralization of pre-classification functions. Pre-classification functions are currently performed by each of the Department's state-operated prison facilities. There is a current backlog of prisoners awaiting release and this centralization will allow DOC to develop a procedure to process these prisoners more expeditiously which will result in on-time and immediate releases from local facilities. Pre-classification screening is the standard operating procedure of evaluating and classifying of newly convicted offenders housed at local jail facilities for initial reception and diagnostic processing.	-$2,000,000	-$2,000,000	0
20 451	Other Requirements	Local Housing of State Adult Offenders	Annualizes mid-year reductions resulting from a $1 per day decrease in the per diem for offenders participating in the Transitional Work Program (approximately 3,700 offenders x 365 days x $1 per day). DOC will contribute $1 less per day towards room and boarding expenditures for offenders housed at Transitional Work Programs and the offender's share will increase by a like amount. The state's share is $12.25 for contracted programs, and $16.39 for non-contracted programs currently. New per diem rates will be $11.25 and $15.39, respectively. Offenders currently pay up to 60% of their wages towards room and boarding expenses, and this rate will increase to 62%.	-$1,350,000	-$1,350,000	0
20 452	Other Requirements	Local Housing of State Juvenile Offenders	Reduces funding to actual expenditures based on census demand. The average daily census has declined from 184.4 in June 2012 to 144.8 in January 2013.	-$1,500,000	-$1,500,000	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 901	Other Requirements	State Sales Tax Dedications	This reduction in statutory dedications represents a decrease in the appropriation of 13 funds containing hotel/motel sales tax collections which are dedicated back to the locality in which it originated. The appropriation decreases include Ascension Parish Visitor Enterprise ($594,000), East Baton Rouge Enhancement Fund ($40,000), Jefferson Parish Convention Fund ($350,000), Lafourche Parish ARC Training and Development Fund ($60,000), Lafourche Parish Enterprise Fund ($25,000), Livingston Parish Tourism and Economic Development Fund ($50,000), Morehouse Parish Enterprise Fund ($7,982), Shreveport Riverfront Convention Center Indep. ($86,748), Shreveport-Bossier City Visitor Enterprise ($200,000), St. Charles Parish Enterprise Fund ($150,000), St. John the Baptist Convention Facility ($120,000), St. Mary Parish Visitor Enterprise Fund ($30,000), and the Vermilion Parish Visitor Enterprise Fund ($7,563). Some of these decreases are the result of anticipated declining collections but most are due to one-time access to a fund balance last year that is non-recurred for FY 14. Actual collections up to the appropriated amount will be sent to the parishes receiving the dedication.	$0	-$1,721,293	0
20 903	Other Requirements	Parish Transportation	OFF-SYSTEM ROADS AND BRIDGES MATCH PROGRAM - Removes all funding from Statutory Dedications - Transportation Trust Fund Regular, providing local match for off-system roads and bridges to match federal aid for off-system railroad crossings and bridges.	$0	-$3,000,000	0
20 924	Other Requirements	Video Draw Poker - Local Gov't Aid	Reduces Statutory Dedications funding from the Video Draw Poker Device Fund to match revenues based on REC projections.	$0	-$1,157,375	0
20 931	Other Requirements	LED Debt Service / State Commitments	Reduction in Statutory Dedications funding from the Rapid Response Fund for state economic development projects. The Rapid Response Fund has $6 M remaining for appropriation in FY 14 after this $10 M reduction.	$0	-$10,000,000	0
20 932	Other Requirements	2% Fire Insurance Fund	Reduces Statutory Dedications budget authority from the 2% Fire Insurance Fund to match revenues projected by the Revenue Estimating Conference. The 2% Fire Insurance Fund provides funding to local governmental entities to aid in fire protection. The total amount budgeted for FY 14 is $18.4 M.	$0	-$466,160	0

Major Reductions in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 945	Other Requirements	State Aid to Local Govt. Entities	Non-recurs $92,548 in SGF and $3,356,862 in Statutory Dedications for special legislative projects. The non-recurred SGF revenue went to the following local entities: Acadia Parish School Board ($5,889), City of Covington ($10,153), Town of Iota ($13,835), Town of Livingston ($9,223), Town of St. Francisville ($15,680), St. James Parish Sheriff ($18,446), Vermilion Parish School Board ($5,487), Town of Welsh ($13,835). Non-recurred Statutory Dedications include: the New Orleans Urban Tourism & Hospitality Training Fund ($28,059), the Overcollections Fund ($1,464,632), the Rehabilitation for the Blind & Visually Impaired Fund ($23,500) and the St. Landry Parish Excellence Fund ($1,840,671).	-$92,548	-$3,449,410	0
			Major Reductions for Other Requirements	**-$11,902,981**	**-$31,604,671**	**0**
			Major Reductions of FY 2014	**-$255,731,970**	**-$2,397,977,183**	**-8,540**

MOF Swaps

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 100	Executive	Executive Office	MOF swap that reduces SGF and increases funding from the Overcollections Fund. **Note:** Funding from the Overcollections Funds represents a portion of the $138,033,505 contained in HB 452 (Funds Bill) that is considered recurring and transferred into the Overcollections Fund for FY 14. HB 452 resources include: $93,250,000 - hospital lease payments, $28,284,500 - Go Zone bond repayments, and $16,499,005 - various statutorily dedicated funds sweeps (REC projected funds).	-$5,655,993	$0	0
01 107	Executive	Division of Administration	MOF swap replaces SGF with SGR by a like amount due to higher revenues anticipated from interchange fees collected by the Division of Administration (DOA) for using epayables. An epayble process allows the state agencies to pay vendors via a credit card and turn around vendor payments in a shorter time frame than the traditional paper check.	-$1,519,817	$0	0
01 107	Executive	Division of Administration	MOF swap that reduces SGF and increases funding from the Overcollections Fund. **Note:** Funding from the Overcollections Funds represents a portion of the $138,033,505 contained in HB 452 (Funds Bill) that is considered recurring and transferred into the Overcollections Fund for FY 14. HB 452 resources include: $93,250,000 - hospital lease payments, $28,284,500 - Go Zone bond repayments, and $16,499,005 - various statutorily dedicated funds sweeps (REC projected funds).	-$66,868,675	$0	0
01 111	Executive	Homeland Security & Emergency Prep	MOF swap reduces SGF and increases SGR by a like amount due to higher revenues to be generated per a new agreement between GOHSEP and 3 nuclear facilities it services. GOHSEP has updated the agreement with Waterford 3, Riverbend, and Grand Gulf to coordinate training, disaster exercises, response plans and calibrate radiation detection equipment. The total amount of anticipated SGR is approximately $186,000.	-$57,820	$0	0
01 111	Executive	Homeland Security & Emergency Prep	MOF swap reduces SGF and increases Federal funds by a like amount due to the state reducing the amount of federal Emergency Management Program Grant (EMPG) funds sent to local government entities by 20%. These Federal funds are currently utilized to support operations of local/state emergency preparedness offices. In FY 13, the state received approximately $5.4 M of which the locals were sent 62% of these funds ($3.3 M) and the state retained 38% ($2.1 M). The FY 14 budget reduces the local allocation from 62% to 50%. Thus, local governments will receive approximately $2.7 M, which equates to a decrease of $0.7 M (20% reduction in funds to the locals).	-$2,163,738	$0	0
01 111	Executive	Homeland Security & Emergency Prep	MOF swap reduces SGF and increases Federal funds by a like amount due to GOHSEP reorganizing the planning functions of hazard mitigation and emergency operations. The SGF being reduced is the SGF is currently supporting non-T.O. FTE positions within the planning function of emergency operations. The non-T.O. FTEs will be consolidated with the hazard mitigation planners and their related expenditures will be charged to hazard mitigation Federal funds. GOHSEP is currently in the process of the specific details of this consolidation and anticipates a final plan of action to be completed by 7/1/2013.	-$182,950	$0	0

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 124	Executive	LA Stadium & Exposition District	MOF swap reduces IAT ($6,699,223) and increases SGR ($6,549,223) and Statutory Dedications ($150,000). The original source of the IAT is federal hurricane disaster funds from the Community Development Block Program (CDBG)/Disaster Recovery Unit (DRU). The LSED originally received hurricanes Katrina/Rita CDBG grants fund in the amount of approximately $51 M that was spread over 4 fiscal years (FY 10, FY 11, FY 12, & FY 13). Due to the decrease in overall expenditures and the anticipated increase in SGR, there are no hurricane disaster dollars in the FY 14 budget. The district is projecting an 8% increase in its SGR for FY 14. The various fee generations come from the following sources: event rentals, concessions, merchandise, parking, box suite rentals, luxury seating, ticket incentives, Champions Square operations, hotel/motel tax collections. The additional $150,000 in statutorily dedicated revenues is from the New Orleans Sports Franchise Fund. The LSED is projecting collections within this fund to increase from $6.25 M to $6.4 M for FY 14.	$0	$0	0
			Major MOF Swaps for Executive	**-$76,448,993**	**$0**	**0**
04a 139	State	Secretary of State	MOF swap replacing SGF with a like amount of SGR. Since most of the elections scheduled in FY 14 are municipal/local elections, the agency is anticipating increased collections from SGR. Collections from local governments for local election expenses are classified as SGR.	-$1,000,000	$0	0
			Major MOF Swaps for State	**-$1,000,000**	**$0**	**0**

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b 141	Justice	Attorney General	MOF swap replaces SGF with non-recurring SGR derived from the mortgage settlement agreement funds. Revenue from the mortgage settlement agreement is derived from a joint state-federal settlement with 5 banks (Wells Fargo, Citigroup, Bank of America, JP Morgan Chase and Ally Financial) related to flawed and fraudulent foreclosure practices. LA received a one-time payment of $ 21,741,560. The FY 14 budget includes $4.9 M in revenue from the mortgage settlement agreement. **Note:** To the extent the FY 13 and FY 14 appropriated mortgage settlement funds are completely expended, there will be approximately $5.3 M remaining of the $21.7 M originally awarded. To date, these funds have been utilized as follows: $7,000,000 Act 597 of 2012 (Funds Bill) transferred to SGF for FY 13 General A ppropriations $477,804 Act 53 of 2012 (FY 12 Supplemental Appropriations Bill) $3,971,142 FY 13 Existing Operating Budget $4,976,705 FY 14 Proposed Budget	-$4,563,971	$0	0
			Major MOF Swaps for Justice	**-$4,563,971**	**$0**	**0**
04f 160	Agriculture & Forestry	Agriculture & Forestry	MOF swap replacing SGF with a like amount of Statutory Dedications funding from the Horticulture & Quarantine Fund for recurring operating expenses. This fund is comprised of fees collected for Apiary permits and various fees collected for the enforcement of different horticultural professions and occupations.	-$353,886	$0	0
			Major MOF Swaps for Agriculture & Forestry	**-$353,886**	**$0**	**0**

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
05 251	Economic Development	Office of Secretary	MOF swap replacing funding from the Rapid Response Fund with SGF for the FastStart Program as part of training commitments to Benteler Steel.	$2,000,000	$0	0
05 251	Economic Development	Office of Secretary	MOF swap that reduces SGF and increases funding from the Overcollections Fund. **Note:** Funding from the Overcollections Funds represents a portion of the $138,033,505 contained in HB 452 (Funds Bill) that is considered recurring and transferred into the Overcollections Fund for FY 14. HB 452 resources include: $93,250,000 - hospital lease payments, $28,284,500 - Go Zone bond repayments, and $16,499,005 - various statutory dedicated funds sweeps (REC projected funds).	-$5,125,933	$0	0
05 252	Economic Development	Business Development	MOF swap replacing SGF with SGR by a like amount to fund salaries and operating expenses with an anticipated increase in business incentive fees. The Dept. of Economic Development collects business development fees from persons and companies applying for business incentives granted by the department for various economic development activities.	-$101,064	$0	0
05 252	Economic Development	Business Development	MOF swap that reduces SGF and increases funding from the Overcollections Fund. **Note:** Funding from the Overcollections Funds represents a portion of the $138,033,505 contained in HB 452 (Funds Bill) that is considered recurring and transferred into the Overcollections Fund for FY 14. HB 452 resources include: $93,250,000 - hospital lease payments, $28,284,500 - Go Zone bond repayments, and $16,499,005 - various statutory dedicated funds sweeps (REC projected funds).	-$6,703,385	$0	0
			Major MOF Swaps for Economic Development	**-$9,930,382**	**$0**	**0**

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 261	Culture, Recreation & Tourism	Department Wide	MOF swap replacing SGF with a like amount of IAT funding for recurring operating costs. The source of funding is from the LA Tourism Promotion Fund. Act 1038 of 1990 created the LA Tourism Fund which receives three one hundreths of 1 cent of the sales and use tax for the purpose of assisting the state for out-of-state advertising and promoting tourism in LA. Department wide reductions follows: Office of the Secretary ($523,930); State Library ($401,349); State Museum ($562,779); and Cultural Development ($190,942).	-$1,679,000	$0	0
06 263	Culture, Recreation & Tourism	State Museum	MOF swap replacing SGF with a like amount of SGR for recurring operating costs. The funding is from sales of admission tickets to the museums, rentals of the museums, and sales at the museums.	-$100,000	$0	0
06 264	Culture, Recreation & Tourism	State Parks	MOF swap replacing SGF with a like amount of Statutory Dedication funding for recurring operating costs. The source of funding is from the State Parks Improvement & Repair Fund. There is approximately $9.3 M in the FY 14 budget. The LA State Parks Improvement & Repair Fund (Act 729 of 1989) is derived from SGR from the state parks. The fund is to be used exclusively for improvements and repairs at state parks, subject to annual legislative appropriation.	-$1,389,093	$0	0
			Major MOF Swaps for Culture, Recreation & Tourism	**-$3,168,093**	**$0**	**0**
07 273	Transportation & Development	Administration	MOF swap replacing Statutory Dedications (Transportation Trust Fund - Federal) with increased funding from Statutory Dedications (Transportation Trust Fund - Regular) in the amount of $973,872. Over the past several fiscal years, DOTD utilized higher than normal allocations of TTF - Federal excess cash collections due to administrative costs allowed for in the American Recovery & Reinvestment Act. Beginning in FY 14, the cash allowances are no longer available and the department must restore a more traditional balance of TTF - Regular funds in the operating budget as cash match for federal funding.	$0	$0	0
07 276	Transportation & Development	Engineering & Operations	MOF swap replacing Statutory Dedications (Transportation Trust Fund - Federal) with increased funding from Statutory Dedications (Transportation Trust Fund - Regular) in the amount of $64.8 M. Over the past several fiscal years, DOTD utilized higher than normal allocations of TTF - Federal excess cash collections due to administrative costs allowed for in the American Recovery & Reinvestment Act of 2009. Beginning in FY 14, the cash allowances are no longer available and the department must restore a more traditional balance of TTF - Regular funds in the operating budget as cash match for federal funding.	$0	$0	0
			Major MOF Swaps for Transportation & Development	**$0**	**$0**	**0**

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A -	Corrections	Department Wide	MOF swap replacing SGF with a like amount of IAT funding from the Dept. of Transportation & Development for Project Clean Up offender work crews. The source of funding is Transportation Trust Fund - Regular. Reductions in SGF were made by the following amounts: Avoyelles Correctional Center ($42,857) LA Correctional Institute for Women ($42,858) Winn Correctional Center ($21,429) Allen Correctional Center ($21,429) Dixon Correctional Center ($42,858) Elayn Hunt Correctional Center ($21,429) David Wade Correctional Center ($64,287) B.B. Sixty Rayburn Correctional Center ($42,858) **Total ($300,005)**	-$300,005	$0	0
			Major MOF Swaps for Corrections	**-$300,005**	**$0**	**0**
08B 419	Public Safety	State Police	GAMING PROGRAM - MOF swap replacing Statutory Dedications (Riverboat Gaming Enforcement Fund) with increased funding from SGR in the amount of $3,788,707. The SGR are associated with fees collected by the Office of Motor Vehicles associated with motor vehicle inspections and fees.	$0	$0	0
08B 420	Public Safety	Motor Vehicles	MOF swap replacing SGR with increased Statutory Dedications funding from the Office of Motor Vehicles Customer Service & Technology Fund in the amount of $2,045,707.	$0	$0	0
			Major MOF Swaps for Public Safety	**$0**	**$0**	**0**

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 305	Health & Hospitals	Medical Vendor Administration	MOF Swap replaces Statutory Dedications funding from the LA Health Redesign Fund with SGF. The funds are used for the Consumer Rights to Know and the LA Healthcare Quality Forum, and continuing costs associated with Healthcare Reform Transition.	$1,580,792	$0	0
09 305	Health & Hospitals	Medical Vendor Administration	MOF Swap replaces Statutory Dedications funding from the New Opportunities Waiver (NOW) Fund with SGF.	$1,618,318	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces Federal funds with a like amount of SGF due to the Federal Medical Assistance Percentage (FMAP) rate change. The blended Title 19 FMAP is decreasing from 66.58% in FY 13 to 62.96% in FY 14. In addition, the Disproportionate Share Hospital (DSH) payment FMAP is decreasing from 61.24% to 60.98%. The source of Federal funds reduced is federal financial participation. The adjustment reflected in HB 1 by program is reflected below.	$311,614,569	$0	0

	SGF	Federal	Total
Private Providers	$253,145,842	($253,145,842)	$0
Public Providers	$34,924,092	($34,924,092)	$0
Buy Ins	$148,158,531	($148,158,531)	$0
UCC	($124,613,896)	$124,613,896	$0
Total	$311,614,569	($311,614,569)	$0

Included in the Private Provider MOF swap is a $2 M swap (SGF increase) due to one-time funding in FY 13 as a result of moving expenditures between federal quarters to get an enhanced FMAP.

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces Federal funds with a like amount of SGF due to projected Federal Medical Assistance Percentage (FMAP) savings built into the FY 13 budget not materializing. As a result of the Centers for Medicare & Medicaid Services (CMS) not approving a 1915K waiver for Long Term Personal Care Services, (LT-PCS) there were no savings in the FY 13 base. This adjustment retains FY 13 expenditures for LT-PCS in FY 14. The source of the Federal funds ($4,217,256) is Title 19 federal financial participation.	$4,217,256	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces SGR with a like amount of SGF due to non-recurring SGR that were available in FY 13 and used as a state match source to draw federal financial participation for claims payments to private providers. The DHH does not anticipate generating these SGR in FY 14.	$11,513,883	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces Statutory Dedication funding with a like amount of SGF due to lowered projections for earnings in the Health Trust Fund by the Revenue Estimating Conference on 12/13/2012.	$253,979	$0	0

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces IAT from the LA Emergency Response Network (LERN) with a like amount of SGF for participation in the Low-Income & Needy Care Collaboration Agreement Program (LINCCA). This adjustment appropriates revenues from LERN that were used as a state match source in FY 13. The LERN call center operations will be covered under the LINCCA Program.	$900,000	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces Statutory Dedication funding from the Medical Assistance Trust Fund (MATF) with a like amount of SGF. The source of the Statutory Dedication is one-time revenue deposited into the MATF, which is used as a state match source to draw down Title 19 federal financial participation for claims payments in the Private Providers Program. The amount of the one-time revenue deposited into the MATF in FY 13 is $218,342,753. These revenues were transferred as a result of Act 597 of 2012 (Funds Bill) and Act 53 of 2012 (Supplemental Bill). This swap represents a partial replacement of the one-time revenues.	$191,626,947	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF replaces SGF with a like amount of Federal funds as the result of funding the state match source used to make Upper Payment Limit (UPL) supplemental payments to Rural Hospitals with non SGF revenues. The source of the Federal funds used for state match is certified public expenditures (federal portion only).	-$11,659,285	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces SGF with a like amount of Statutory Dedication funding. The source of Statutory Dedication funds is revenues from the Community Hospital Stabilization Fund (CHSF) and use as a state match source in FY 14 for payments to private providers (hospital providers). The CHSF receives federal revenue (Certified Public Expenditures) in excess of the amount of Certified Public Expenditures appropriated in Medicaid from certain hospitals for the baseline year (FY 11). Monies in the fund may be used for payments to these community hospitals (including DSH and Supplemental Medicaid payments).	-$900,000	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces SGF with a like amount of Statutory Dedication funding from the LA Fund due to the increased projections for the fund by the Revenue Estimating Conference on 12/13/2012. Revenue from the LA Fund is derived from the tobacco settlement based on a predetermined formula of earnings (projected to increase for FY 14). Revenue from the fund is appropriated as a state match source for the purpose of general Medicaid expenditures and LaChip expenditures.	-$7,016,174	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces Statutory Dedications funding from the Health Excellence Fund with a like amount of SGF due to lowered projections for the fund by the Revenue Estimating Conference on 12/13/2012. Revenues in the Health Excellence Fund are derived from earnings from earnings on LA's portion of the tobacco settlement based on a pre determined formula. Revenue from the fund is appropriated as a state match source for the purpose of general Medicaid expenditures and LaChip expenditures.	$1,919,106	$0	0

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces Federal funds ($22,431,258) with SGR ($8,262,558) and IAT ($14,168,700) due to a change in the Federal Medical Assistance Percentage (FMAP) from FY 13 budgeted (71.38%) to FY 14 (62.96%). Therefore, more matching funds are needed in FY 14 to maintain the same level of expenditure authority in the program. The FY 13 expenditure authority for LINCC (Low-Income & Needy Care Collaboration - Supplemental Payments) is $266,404,491. As a result of less federal match for supplemental payments to providers, other revenue sources will be increased by a like amount to maintain the same level of payments. The source of the SGR is revenue from private providers used as a state match source, and the source of IAT is revenue from various public providers used as a state match source in the program.	$0	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces SGF with a like amount of Statutory Dedications funding from the Medicaid Trust Fund for the Elderly (MTFE).	-$42,879,621	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF replaces Federal funds ($260,000) with SGR ($142,896) and IAT ($117,104) due to a change in the Disproportionate Share Hospital (DSH) payment Federal Medical Assistance Percentage (FMAP) from FY 13 budgeted (61.24%) to FY 14 (60.98%). Therefore, more matching funds are needed to maintain the same level of expenditure authority in the program. The FY 14 DSH expenditure authority in the LINCCA Program is $100 M. As a result of less federal match for these DSH payments to certain providers, other revenue sources will be increased by a like amount to maintain the same level of payments. The source of the SGR is revenue from private providers used as a state match source, and the source of IAT is revenue from various public providers used as a state match source in the program.	$0	$0	0
09 306	Health & Hospitals	Medical Vendor Payments	MOF swap replaces Federal funds with SGR in the amount of $9,828,930 due to a change in the Federal Medical Assistance Percentage (FMAP) from FY 13 (71.38%) to FY 14 (62.96%). Therefore, more matching funds are needed in FY 14 to maintain the same level of expenditure authority in the program. The FY 13 expenditure authority for UPL (Upper Payment Limit) payments is $116,733,130. As a result of less federal match for supplemental payments to certain providers, other revenue sources will be increased by a like amount to maintain the same level of payments. The source of SGR is additional revenue from hospital based physicians, ambulance providers, and non-state non-rural hospitals. These funds are used as a state match source in the program.	$0	$0	0
09 307	Health & Hospitals	Office of Secretary	MOF Swap replaces Statutory Dedications funding from the LA Healthcare Redesign Fund with SGF for Health Information Technology activities.	$551,794	$0	0
			Major MOF Swaps for Health & Hospitals	**$463,341,564**	**$0**	**0**

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
10 360	Children & Family Services	Children & Family Services	MOF swap in the Prevention & Intervention Services Program decreasing SGF and increasing Social Services Block Grant (SSBG) federal funding. The funds will be utilized for Child Welfare Program activities which includes services to foster children.	-$1,660,750	$0	0
10 360	Children & Family Services	Children & Family Services	MOF swap in the Prevention & Intervention Services Program decreasing Title 19 Medicaid federal funding and increasing SGF in the Child Welfare Section due to a change in the Federal Medical Assistance Percentage (FMAP) rate. The FMAP rate decreased from 69.35% to 62.96% in FY 14 on projected child welfare expenditures of $42,104,207. $42,104,207 x 69.35% = $29,199,268 $42,104,207 x 62.96% = $26,508,809 Difference = $ 2,690,459	$2,690,459	$0	0
10 360	Children & Family Services	Children & Family Services	MOF swap in the Field Services Program decreasing Title IV-D federal funding ($849,518) and increasing SGR by a like amount. The increase in SGR is due to the increased collection of parental contributions for child support payments. Through the efforts of Support Enforcement Services (SES) section, parental contributions have increased as a result of (1) receiving information from the Federal Parent Locator Service, which provides information on those receiving Social Security or Veterans pensions and those working or contracting with the Federal government, including military personnel; (2) membership in the Electronic Parent Locator Network (EPLN), a consortium of 18 states that combine information into one data base to locate absent noncustodial parents; (3) participation in Full Service Internal Revenue Service (IRS) Collection that allows the IRS to collect past due child support by withholding federal income tax refunds; (4) intercepting casino winnings from LA based gaming sites; (5) intercepting payments made by the Gulf Coast Claims Facility as a result of the BP oil spill; and (6) child support round-up, which arrest noncustodial parents that are delinquent.	$0	$0	0
10 360	Children & Family Services	Children & Family Services	MOF swap decreasing Title IV-E Federal funds ($4,215,710) and increasing Title 19 Medicaid IAT funding from the DHH Medicaid Vendor Payments Program by a like amount. The Dept. of Children & Family Services has determined certain Child Welfare Program expenditures to be Medicaid eligible. FY 13 $4,948,967 FY 14 $9,164,677 Increase $4,215,710	$0	$0	0
			Major MOF Swaps for Children & Family Services	**$1,029,709**	**$0**	**0**

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 434	Natural Resources	Mineral Resources	MOF swap replacing one-time non-recurring Statutory Dedications from the Mineral & Energy Operation Fund with SGF.	$3,719,267	$0	0
11 434	Natural Resources	Mineral Resources	MOF swap replacing SGF with a like amount of IAT funds from the Dept. of Environmental Quality. The MOF swap is possible due to the consolidation of certain management and finance functions between the departments of Natural Resources, Wildlife & Fisheries and Environmental Quality.	-$522,892	$0	0
			Major MOF Swaps for Natural Resources	**$3,196,375**	**$0**	**0**
16 513	Wildlife & Fisheries	Office of Wildlife	MOF swap replacing $1,001,938 Statutory Dedications (U.S. Fish & Wildlife Service) with a like amount of Federal funds. The increase is due to additional Sportfish & Wildlife Restoration Grant funding based on an excise tax on gun and ammunition sales.	$0	$0	0
			Major MOF Swaps for Wildlife & Fisheries	**$0**	**$0**	**0**
19A 600	Higher Education	LSU System	MOF swap for physician service contracts related to the proposed public/private partnership at the LSU HSC-NO. This adjustment replaces $38,169,464 in IAT funds with a like amount of SGR. The HCSD hospitals are closing in FY 14 and will no longer be able to fund these physician service contracts. In FY 14 the resident physicians will be trained in hospitals (including former HCSD hospitals) operated by the new private partner hospitals. As such, the corresponding increase in SGR is for payments from the private partner hospitals to LSU HSC-NO to fund physician service contracts for supervision of resident physicians treating patients at hospitals (including former HCSD hospitals) operated by the private partner hospitals.	$0	$0	0
19A 600	Higher Education	LSU System	MOF swap replacing SGF with SGR from FY 14 LaGrad Act tuition increases. The LaGrad Act allows higher education institutions to raise tuition up to 10% each year by meeting specific performance objectives.	-$34,068,903	$0	0
19A 600	Higher Education	LSU System	MOF swap decreasing SGF and increasing IAT from Uncompensated Care Payments (UCC) due to a public/private partnership at LSU HSC-S.	-$7,584,508	$0	0
19A 615	Higher Education	SU System	MOF swap replacing SGF with SGR from FY 14 LaGrad Act tuition increases. The LaGrad Act allows higher education institutions to raise tuition up to 10% each year by meeting specific performance objectives.	-$2,033,870	$0	0

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A 620	Higher Education	UL System	MOF swap replacing SGF with SGR from FY 14 LaGrad Act tuition increases. The LaGrad Act allows higher education institutions to raise tuition up to 10% each year by meeting specific performance objectives.	-$39,179,764	$0	0
19A 661	Higher Education	Student Financial Assistance	MOF swap replacing SGF with Federal funds based on excess revenue realized from outsourcing the Loan Operations.	-$3,613,258	$0	0
19A 661	Higher Education	Student Financial Assistance	MOF swap replacing SGF with Statutory Dedications funding from the TOPS Fund from the tobacco arbitration settlement ($60.3 M) and from tobacco restructure/refinance ($60 M).	-$120,300,000	$0	0
19A 661	Higher Education	Student Financial Assistance	MOF swap replacing Statutory Dedications funding from the TOPS Fund with SGF for TOPS awards. The decrease in statutorily dedicated funds is due to a decrease in the TOPS Fund from a one-time payment to the fund in FY 13 related to the dedication of tobacco settlement proceeds to the TOPS Fund.	$14,975,579	$0	0
19A 671	Higher Education	Board of Regents	MOF swap replacing SGF with Statutory Dedications funding from the Overcollections Fund. The funds from the Overcollections Funds for Higher Education include $464,840,279 in transfers from the Funds Bill (HB 452), $20 M in "Excess FEMA Reimbursements" authorized by Act 597 of 2012, $4.8 M anticipated from the sale of the former Department of Insurance site (authorized by Act 597) and $30 M anticipated from a Dept. of Revenue initiative to increase tax collections.	-$519,640,279	$0	0
			Major MOF Swaps for Higher Education	**-$711,445,003**	**$0**	**0**

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19 681	Elem. & Secondary Educ.	Subgrantee Assistance	MOF swap increases SGF and replaces IAT from the Division of Administration, Office of Community Development (CDBG)/Disaster Recovery Unit (DRU) for the LA4 Pre-K Program. The budget for the LA4 Pre-K Program for FY 14 is $74.6 M.	$33,100,000	$0	0
19 681	Elem. & Secondary Educ.	Subgrantee Assistance	MOF swap increases IAT and replaces SGF for the LA4 Pre-K Program. The source of the IAT is TANF funds (Temporary Assistance for Needy Families). The budget for the LA4 Pre-K Program for FY 14 is $74.6 M.	-$6,906,588	$0	0
19 695	Elem. & Secondary Educ.	Minimum Foundation Program (MFP)	MOF swap to increase SGF in the Minimum Foundation Program (MFP) due to a projected decrease in the Lottery Proceeds Fund ($6,101,076) and a projected decrease in the Support Education in LA First (SELF) Fund ($1,186,000) based on the 12/13/2012 REC forecast.	$7,287,076	$0	0
			Major MOF Swaps for Elem. & Secondary Educ.	**$33,480,488**	**$0**	**0**
19E 610	LSU Health Care Services Division	LSU HSC-HCSD	MOF swap decreasing SGF historically utilized for prisoner care at Lallie Kemp Regional Medical Center and replacing it with IAT from the Dept. of Corrections (DOC) for the same purpose. With the privatization of a majority of the LSU public hospitals due to the FMAP reductions in FY 13, prisoner care funding will be directly appropriated to DOC in FY 14. DOC will now transfer the funding to HCSD for reimbursement of prisoner care services provided at Lallie Kemp.	-$432,753	$0	
			Major MOF Swaps for LSU Health Care Services Division	**-$432,753**	**$0**	

Major MOF Swaps in the FY 14 Budget Compared to the FY 13 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 -	Other Requirements	Preamble	MOF swap that reduces SGF and increases funding from the Overcollections Fund. **Note:** Funding from the Overcollections Funds represents a portion of the $138,033,505 contained in HB 452 (Funds Bill) that is considered recurring and transferred into the Overcollections Fund for FY 14. HB 452 resources include: $93,250,000 - hospital lease payments, $28,284,500 - Go Zone bond repayments and $16,499,005 - various statutory dedicated funds sweeps (REC projected funds).	-$53,679,519	$0	0
			Major MOF Swaps for Other Requirements	**-$53,679,519**	**$0**	**0**
			Major MOF Swaps of FY 2014	**-$360,274,469**	**$0**	**0**

Budget Issues

FY 14 Major Budget Issues

DEPT/AGY: **Statewide**
ISSUE: **House Appropriations Committee (HAC) Amendments**

Overall, HAC proposed amendments adopted by the House to HB 1 reduced SGF appropriations in the amount of $168.3 M. This SGF decrease is the result of the following: $138 M MOF swap of SGF for Overcollections Fund and a $30 M MOF swap of SGF for Overcollections Fund. Below is a summarization of the significant changes to HB 1 as adopted by the HAC.

Overcollections Fund
Due to adopted HAC amendments to HB 452 (Funds Bill), there is Overcollections Fund budget authority in HB 1 Engrossed with no revenue flow into the fund. HB 1 Engrossed currently appropriates $657,673,784 from the Overcollections Fund, while HB 452 only provides funding flow of $367,508,441. If Act 597 Overcollections Fund resources, which equates to $24.8 M, are included, the Overcollections Fund in HB 1 Engrossed is currently over appropriated by approximately $265.4 M. See Table Below.

$489,640,279	HB 1 Original (Higher Education)
$30,000,000	HAC adopted MOF Swap for SGF (Higher Education)
<u>$138,033,505</u>	HAC adopted MOF Swap for SGF (Governor's Office, DOA, LED and Other Requirements)
$657,673,784	HB 1 Engrossed Overcollections Fund (Higher Education, Executive and Other Requirements)
$367,508,441	HB 452 Resource Transfers
<u>$24,800,000</u>	Act 597 of 2012 Overcollections Fund Resources
$392,308,441	Total Overcollections Fund Resources Available for FY 14 Expenditure
($265,365,343)	Total Amount of the Overcollections Fund Excess Authority Built into FY 14

<u>**To the extent this excess budget authority is not filled with an identified funding source, the FY 14 Higher Education budget, Governor's Office budget, Division of Administration, LED and Other Requirements will likely share in a $265.4 M cut**</u>.

Note: <u>Significant items removed/reduced from HB 452 Original, which have contributed to the imbalance discussed above include: $100 M from Ernest Morial Convention Center, $2 M from Wildlife & Fisheries property sales and $28.1 M from Riverboat Gaming Enforcement Fund (see below)</u>. Overall, HB 452 Engrossed has approximately $127.3 M less in resource transfers than HB 452 Original (HB 452 Original - $494,840,279 total resource transfers, HB 452 Engrossed - $367,508,441 total resource transfers).

$138,033,505 MOF Swap
HAC adopted amendments include an MOF swap in the amount of $138 M replacing SGF with Overcollections Fund in the following agencies: Governor's Office ($5.7 M), Division of Administration ($66.9 M), LA Economic Development ($11.8 M), and Other Requirements ($53.7 M). The original funding sources of the $138 M are resource transfers in HB 452 Engrossed that are considered recurring. Those resources include: $93.25 M - hospital lease payments, $16.5 M - REC forecasted funds sweeps and $28.25 M - Go Zone Bond Repayments.

$6.8 M SGF Restorations
HAC adopted amendments restores SGF to the following programs: Senior Rx Program ($1,139,631), Supplemental Senior Center funding ($1,021,928), immunizations parish health units ($88,917 SGF and $383,913 Federal), LA Assistive Technology Access Network (LATAN) ($250,000), Family Violence Program ($3,624,204) and LA Breast & Cervical Screening Program ($700,000).

These SGF restorations are offset by the following adopted SGF reductions: $2 M reduction in contracts within the Department of Education (DOE), $1,915,717 reduction in the Minimum Foundation Program (MFP), and $1,224,204 reduction in DOE (offset by receiving a like amount of SGF from the Governor's Office that originally funded the LA Youth for Excellence (LYFE) Program).

$28.1 M in Transportation Trust Fund (TTF) Funding Removed from State Police
HAC adopted amendments include an MOF swap that replaces $28.1 M of TTF funding within State Police with funding from the Riverboat Gaming Enforcement Fund by a like amount. This budget adjustment reduces the amount of TTF contained in State Police's FY 14 budget, but also ultimately reduces the Riverboat Gaming Enforcement Fund funds sweep in HB 452 from $36.7 M to $8.6 M, which has contributed to the Overcollections Fund imbalance discussed above.

$1,224,204 LA Youth for Excellence (LYFE) Program
HAC adopted amendments direct the Governor's Office to send $1,224,204 of SGF to the DOE for health and abstinence curriculum. Companion amendments in the DOE budget reduce SGF $1,224,204 and increase IAT by a like amount in order accept these general funds from the Governor's Office. The $1.2 M SGF reduction in DOE's budget frees-up SGF that is utilized to restore a portion of the Family Violence Program as discussed above.

After HAC adopted amendments, there is currently approximately <u>$137.648 M of unappropriated FY 14 SGF resources</u>.** See table below (in millions).

<u>FY 14 Revenue</u>	<u>Executive Budget</u>	<u>With HAC Amendments</u>
General Fund	$8,195.500	$8,195.500
Revenue Fraud Initiative	<u>$30.000</u>	<u>$0.000</u>
Total Available SGF	**<u>$8,225.500</u>**	**<u>$8,195.500</u>**
Non-Appropriated Requirements:		
Debt Service	$338.876	$338.876

FY 14 Major Budget Issues

Interim Emergency Board	$1.758	$1.758
Revenue Sharing	$90.000	$90.000
Total Non-Appropriated	**$430.634**	**$430.634**
Appropriations:		
General	$7,581.440	$7,413.115
Ancillary	$0.000	$0.000
Judicial*	$142.862	$144.839
Legislative	$69.264	$69.264
Capital Outlay*	$1.300	$0.000
Special Acts	$0.000	$0.000
Total Appropriations & Requirements	**$8,225.500**	**$8,057.852**
SGF Revenue Less Appropriations & Req.	**$0.000**	**$137.648****

**The total SGF roll-up in the table above is different than the LFO summary tables due to the following:*
1) *The Capital Outlay Bill (HB 2) was filed after the FY 14 Executive Budget was released. HB 2 no longer includes $1.3 M in SGF.*

*** Although it appears there are approximately $137.648 M of SGF resources still available for expenditure, there are other issues that need to be addressed in HB 1. Due to the elimination of proposed committee amendments 11, 72, 142, and 145 by House Floor action, the significant adjustments needed include:*

- *$8.6 M – The Division of Administration (DOA) currently has a negative $8,631,798 appropriated in SGF for FY 14. At a minimum, the DOA needs at least $8.6 M of these excess funds for FY 14.*
- *$265.4 M – As previously discussed, there is $265,365,343 of excess Overcollections Fund budget authority in Higher Education's FY 14 budget, which has to be resolved.*

Based upon the current amount of SGF available, these shortages cannot be fully resolved with current available SGF.

DEPT/AGY: Statewide
ISSUE: How the FY 14 Continuation Budget Problem ($1.3 B) Was Solved

At the January 2013 Joint Legislative Committee on the Budget (JLCB), the Division of Administration (DOA) presented the FY 14 Continuation Budget with a projected SGF imbalance of approximately $1.3 B ($1,278,096,671).

The Continuation Budget is a planning tool that compares projected SGF revenue with projected SGF expenditures necessary to sustain the current year's state operations and service delivery (FY 13 in this case) in subsequent fiscal years (FY 14 – FY 17 in this case). Projected SGF expenditures attempt to account for employee payroll growth, general and medical inflation, changes in program utilization, funding mandates and changes in federal financing availability. This is not the budget goal for the ensuing fiscal years, and not all of these adjustments are funded each year. However, the continuation budget exercise provides the SGF dollar equivalent of funding decisions the legislature must make to continue the current slate of state government operations, activities and services. The Executive Budget proposal is ultimately the budget goal and incorporates those portions of continuation costs that are supported by the administration as well as any number of administration budget initiatives not contained in the continuation budget exercise. Until an Executive Budget proposal is submitted, the ensuing year's budget is discussed in continuation budget terms.

The LFO compared various budgetary adjustments presented in the FY 14 Continuation Budget, presented in January 2013, and the FY 14 Executive Budget Recommendation, presented in February 2013. Below is a summarized list of SGF decisions that were included in the FY 13 Continuation Budget, but were ultimately not funded with SGF in the FY 14 Executive Budget Recommendation. The list includes SGF decisions made by the administration to close the projected $1.3 B imbalance of SGF.

SGF Adjustments	FY 14 Cont. Budget	FY 14 Exec. Budget	Difference
Merit Increases	$26,188,143	$0	($26,188,143)
Inflation/Medical Inflation	$97,931,500	$0	$97,931,500
Higher Ed Annualized Mid-Year Cut	$0	($22,000,000)	($22,000,000)
Attrition	$0	($14,993,743)	($14,993,743)
Personnel Reductions	$0	($14,679,046)	($14,679,046)
Total MOF Swaps for SGF	$665,405,901	($145,601,013)	($811,006,91)
Total Other SGF Adjustments	$441,111,712	$208,082,983	($233,028,72)
Miscellaneous SGF Decisions	($29,532,672)	($28,369,100)	$1,163,572
Other Annualized SGF Adjustments	($6,338,012)	($35,770,180)	($29,432,168)
Sub Total	**$1,194,766,572**	**($53,330,099)**	**($1,248,096,671)**
**Department of Revenue Fraud Initiative*			*($30,000,000)*
Total			**($1,278,096,671)**

**As previously discussed, the FY 14 Continuation SGF deficit equated to $1,278,096,671. The FY 14 Executive Budget only reduced SGF by $1,248,096,671. The $30 M difference is associated with anticipated SGF revenue collections in excess of current SGF forecast related to the Department of Revenue Fraud Initiative. Essentially, by "generating" $30 M in revenues, the DOA did not have to reduce SGF expenditures by $30 M. HB 452 Engrossed transfers these funds to the Overcollection Fund.*

FY 14 Major Budget Issues

DEPT/AGY: Executive/Division of Administration
ISSUE: Bond Premium Replacement

One of the major funding sources supporting the FY 13 budget is an approximately $68.2 M bond premium received at the end of FY 12. In its monthly Fiscal Status Statement presented to the Joint Legislative Committee on the Budget (JLCB), the Division of Administration (DOA) "nets" this revenue source against the FY 13 debt service payment. Thus, the current projected debt service payment (as presented in the Fiscal Status Statement) is approximately $235.4 M as opposed to the actual projected FY 13 payment of approximately $304 M. This bond premium resource will likely require additional SGF or another unidentified funding source in FY 14 in order to pay the projected FY 14 General Obligation (GO) debt service payment. According to the latest GO debt service payment schedule for FY 14, the anticipated payment is projected to be $324.7 M. This projection is subject to change as some of the debt instruments have variable interest rates.

Included within the FY 14 Continuation Budget, the DOA is assuming an additional SGF need of approximately $90.1 M for GO debt service payments in FY 14, which equates to a FY 14 payment of approximately $324.7 M. The additional $90.1 M is calculated as follows: $68.2 M – replacing bond premium revenue with SGF (discussed above); $21.9 M – additional SGF need to meet current projected FY 14 debt service payment, which is ultimately projected to increase from $304 M in FY 13 to $324 M in FY 14 (see table below).

FY 13 Funding Resources:	
FY 12 Bond Premium	$68.2 M
FY 13 SGF	$235.4 M
Total Projected GO Payment	$303.6 M

FY 14 Potential Funding Resource:	
FY 14 SGF	$324.7 M
FY 14 Projected GO Payment	$324.7 M

Note: Included within the FY 14 budget, the projected GO Debt Payment is approximately $338 M. The DOA anticipates an additional $14 M for a FY 14 bond sale. The additional $14 M equates to approximately $100 M to $125 M in bond proceeds.

DEPT/AGY: Executive/Division of Administration (DOA)
ISSUE: Office of Group Benefits (OGB) - TPA Agreement

On 11/12/2012 the House Appropriations Committee and Senate Finance Committee approved the Office of Group Benefits' third-party administrator (TPA) contract with Blue Cross Blue Shield. As testified in Joint Budget committee, the DOA anticipates total net savings of approximately $20 M, while the LFO calculates the savings to range from $11 M to $18.3 M. Although the anticipated result of this approved TPA contract is administrative savings, school boards, state agencies and employees will only realize a savings if the OGB Board/Commissioner of Administration actually reduces premiums.

As per March 2013 financials (third month of new TPA), OGB's fund balance is $452.2 M, which is $30.6 M less than the fund balance at the start of the state fiscal year (7/1/2012 fund balance $482.8 M). At this time last year (March 2012), OGB's fund balance was $498.5 M.

DEPT/AGY: Executive/Division of Administration (DOA)
ISSUE: Former Department of Insurance Building Parking Lot Sale and Other Property Sales that Support the FY 14 Budget.

Act 597 (HB 822 – Funds Bill) of 2012 provides for proceeds generated from the sale of the DOI's former building site be transferred into the Overcollections Fund. Although Act 597 does not specify an amount, the original version of HB 822 assumed approximately $5 M generated from the sale. These resources were not built into the FY 13 budget, thus if the state does not sell the property, there would be no FY 13 budgetary impact. However, the current version of HB 1 is utilizing approximately $45.24 M in various property sales to support the FY 14 budget of which $4.8 M is from the sale of the DOI Parking Lot.

Reflected below is a list of properties that equate to the approximately $45.24 M of sale revenues that support the FY 14 budget (as per DOA testimony).

Point Clair property (Carville)	$12 M
Baton Rouge State Office Building	$10.25 M
SE LA Hospital and 525 acre campus	$17.84 M
Former DOI Site	$4.8 M
Wooddale Towers	$350,000
TOTAL (Approximately)	**$45.24 M**

Note: The Division of Administration (DOA) has received 2 appraisals for the DOI Parking Lot with valuations ranging from $2.8 M to $4.9 M. (August 2012 – Cook Moore & Associates $2.825 M and January 2012 – Sharon Pruitt $4.865 M).

FY 14 Major Budget Issues

DEPT/AGY: Executive/Division of Administration (DOA)
ISSUE: LaGov

Due to FY 11, FY 12, FY 13 and FY 14 budget constraints, the DOA chose to pilot the implementation of the LaGov system for the Department of Transportation & Development (DOTD) in FY 11 and the Department of Environmental Quality (DEQ) in FY 13. However, included within the FY 14 budget is $950,000 to bring the Department of Natural Resources (DNR), Department of Wildlife & Fisheries (WLF) and the Office of Coastal Protection & Restoration (CPR) online with the state's new financial system (LaGov) with a go-live date of 7/1/2014. The original source of funds from these agencies is as follows: $500,000 - Conservation Fund (WLF), $388,000 - Coastal Protection & Restoration Fund (CPR), $62,000 - Coastal Protection & Restoration Fund (DNR). Original projections of the total cost of the new system were approximately $100 M. Due to the decision to incrementally bring on state agencies, the projected cost to bring the entire state online will increase to approximately $133 M, or an increase of $33 M.

The majority of the $950,000 funding will be utilized for salaries and related benefits for DNR, WLF and CPR staff that will be housed at the DOA during the year of implementation (FY 14) and any adjustments needed to existing system modules to meet the needs of DNR, WLF and CPR. Specific adjustments include: coding, setup of agency master data, user security, direction, monitoring and assistance in user testing.

The FY 14 budget provides for $12.1 M of total funding for the LaGov System, which consists of $9.9 M - SGF and$2.2 M - IAT. The $12.1 M expenditures will be budgeted in FY 14 for $3.9 M personal services, $3.3 M - operating services and $2.6 M professional services. The original source of the IAT is Transportation Trust Fund - Regular (from DOTD for Agile Assets), $500,000 - Conservation Fund (WLF), $388,000 - Coastal Protection & Restoration Fund (CPR) and $62,000 - Coastal Protection & Restoration Fund (DNR).

The hardware and software infrastructure are in place for a statewide rollout. The basic consulting service costs for converting the entire state include data conversion and training for a projected total cost of approximately $33 M. If additional funding is appropriated in FY 14, the statewide rollout costs would be as follows: $7.1 M - FY 14; $19.2 M - FY 15; and $6.7 M - FY 16. Approximately $30 M would be for professional service contracts for the full implementation statewide. However, <u>the further the rollout is delayed, the less relevant the LaGov system becomes and the increased risk that the current 17-year old legacy systems will crash beyond repair</u>. To the extent the DOA is appropriated the needed FY 14 level of funding for a statewide rollout, the earliest the system could go live statewide is 7/1/2016 (FY 17).

Note: In addition to DNR and WLF transferring to LaGov in FY 14, DNR, DEQ and WLF will consolidate back office functions with DNR. The DOA has indicated to the LFO that will be no issues at DNR concerning these changes. However, back office personnel within DNR will not only be learning the agency functions of WLF and DEQ in order to consolidate back office functions correctly, DNR will also be learning a new system (LaGov).

DEPT/AGY: Executive/Division of Administration (DOA)
ISSUE: LA eGovernment Portal

By June 2013, the DOA is attempting to have a private contractor in place to create the LA eGovernment Portal. The DOA anticipates releasing a RFP in March 2013 for a private contractor to create this portal. According to the Office of Information Technology (OIT), the LA eGovernment Portal is a statewide project utilizing a *self-funded business model*, which allows the contractor to charge *value-added charges* from users of the portal services. These charges would be paid by the constituents utilizing the online state services and would accrue to the private contractor and not the state. Thus, state services provided online would be provided to constituents at a greater cost to the constituent due to these value added charges.

Included within the RFP, the DOA will require the contractor to assume responsibility over the Office of Motor Vehicles (OMV) Express Lane as a pilot in FY 14, and if successful, will implement a statewide rollout of other online state services in FY 15.

This issue has been discussed previously during the 2011 Regular Legislative Session. SB 213 provided for the creation of the LA Enhanced Governmental Access Portal. In addition to creating the portal itself, the latest version of SB 213 (Engrossed) provided for legislative oversight by the Joint Legislative Committee on the Budget (JLCB) for theses value-added charges. This bill was not enacted nor was SB 541 from the 2010 Regular Legislative Session, which would have created this same portal.

DEPT/AGY: Executive/Division of Administration (DOA)
ISSUE: Consolidations

The FY 14 budget includes the back office consolidations within the DOA from various state agencies, as the DOA will now provide this service for 6 various state agencies. Those consolidations include reducing 63 positions within various DOA sections (including ancillary Administrative Services) and transferring a net 92 positions to the DOA. **Note:** The DOA did not provide any details concerning this FY 14 consolidation.

Even though the DOA has not provided any **detailed** information concerning this consolidation, based upon LFO analysis, it appears that of the 155 positions identified by the administration as transfers in the FY 14 budget, 63 will likely be eliminated through layoffs or through normal attrition (retirements or voluntarily leaving position). The overall net state impact of these FY 14 budgetary adjustments is a reduction of $3.9 M in SGF ($10.9 M Total MOF) and a reduction of 63 positions. Also included within the cut is the reduction of 40 non-T.O. positions, which are in addition to the 63 T.O. positions being reduced. Thus, the potential exists for 103 individuals to be impacted by these FY 14 budgetary adjustments through either layoffs or normal attrition (retirements or voluntarily leaving position). See position analysis by agency below for FY 14:

FY 14 Major Budget Issues

State Agency	T.O. Transferred
Office of Group Benefits (OGB)	(71)
Office of Risk Management (ORM)	(17)
Office of Telecommunications Management (OTM)	(8)
Office of Elderly Affairs (OEA)	(4)
Office of Financial Institutions (OFI)	(3)
Department of Revenue (Revenue)	(46)
Community Development Block Grant (CDBG)	(6)
Total Transfers	(155)

After the 155 positions are transferred to the DOA, it appears DOA's FY 14 budget reduces 63 positions.

State Agency	T.O. Cut
Division of Administration	(57)
Community Development Block Grant	(3)
DOA/Administrative Services	(3)
Total Position Cut	(63)

Thus, of the total transfers of 155 positions, based upon the FY 14 budget adjustments the DOA will likely only retain 92 of these positions.

DOA - Transfer in	155
Total Position Cut	(63)
Total Positions Remaining	92

Budgetary Impact?
The LFO assumes that although the DOA will be performing these back office services for these state agencies, the agencies receiving the service from the DOA will likely be paying for this function through their existing budget via IAT agreements with the DOA. Due to the lack of information from the DOA, the LFO is unable to provide the specific amounts each agency will be sending to the DOA in FY 14 to perform these services. Based upon the FY 14 budgetary adjustments, the overall net state impact of this consolidation is a reduction of SGF $3,881,908, IAT $5,640,394, SGR $327,299, and Federal $1,102,860 for a total reduction of $10,952,461.

Termination Pay/ Retiree Group Insurance Cost Impact?
In addition to the overall budgetary impact, there may be a termination pay impact incurred by the DOA, which includes unemployment costs and leave pay. If a state employee loses his/her job and claims unemployment benefits, the state agency from which the employee worked will be responsible for a portion of the unemployment benefit being paid by LA Workforce Commission. The LFO is uncertain as to which state agency will ultimately be responsible for these costs.

Pursuant to R.S. 42:851(E)(1.), state employees with 20+ years of participation within the OGB provides for the state to continue to pay 75% of their insurance while in retirement. The LFO is uncertain as to which state agency will ultimately be responsible for these costs. In FY 12 (latest actual information), the DOA paid $28,265 in unemployment benefits expenditures.

DOA Section Impact?
The DOA has approximately 30 different sections and the LFO cannot ascertain what the specific impact will be as a result of this back office consolidation. The broad areas that have been identified for consolidation include: fiscal, information technology, human resources, etc.

In addition, the Executive Budget presentation mentions other consolidations including: consolidation of statewide IT functions ($6.5 M savings); consolidation of State Purchasing & Contractual Review ($6.2 M); and DOA department-wide consolidation ($8.6 M). The total amount of DOA consolidations included within the FY 14 Budget equate to $21.3 M. Unless these consolidations are included within the 63 net position reduction or the 40 non-T.O. position reduction discussed above, the savings depicted in the presentation are not included within the FY 14 budget.

Statutory Changes Needed?
The LFO is attempting to determine whether any of these areas of consolidation proposed in the FY 14 budget require statutory changes.

DEPT/AGY: Executive/Office of Homeland Security & Emergency Preparedness (GOHSEP)
ISSUE: Hurricane Isaac - 25% State Match (State Emergency Response Fund - SERF)

The GOHSEP estimates the total (federal & state share) costs to be approximately $161.6 M of which the state will be responsible for 25% (state match), or approximately $40.4 M.

The federal resources associated with this event are paid on a reimbursable basis. At the time of the event, state agencies expend existing funding for emergency response expenditures and then submit a request for reimbursement to FEMA through GOHSEP for the federal portion. State agencies are currently completing the necessary project worksheets (PW) in order to receive the federal reimbursement.

The commissioner of administration approved an in-house BA-7 request in September 2012 that appropriated the remaining fund balance of the State Emergency Response Fund (SERF). Thus, the total SERF appropriated in the DOA's FY 13 budget is currently $17,491,175. These resources will likely be utilized to reimburse a portion of the state match requirement of Hurricane Isaac. To date, the DOA has transferred approximately $17.5 M of SERF resources to various state agencies as their state match reimbursement. The amounts transferred thus far are as follows:

FY 14 Major Budget Issues

Military Department	$4,355,114
Workforce Commission	$425,958
Agriculture & Forestry	$1,928,367
Children & Family Services	$10,780,000
TOTAL	**$17,489,439**

As of April 2013, the remaining unexpended balance within SERF within the DOA is approximately $1,736.

To the extent all $17.5 M in SERF resources currently appropriated in the DOA budget are utilized for the storm's state match, the state will still have to find an additional $23 M of resources or state agencies will likely have to absorb these costs.

DEPT/AGY: Executive/ Office of Homeland Security & Emergency Preparedness (GOHSEP)
ISSUE: FY 14 Budget Impact to Local Emergency Preparedness Offices

The FY 14 budget reduces GOHSEP's SGF support approximately $3.1 M of which a portion will have a direct impact to local governmental emergency preparedness offices. This reduction will result in the loss of approximately $800,000 to these local entities. See discussion below for more information:

($0.7 M) - Decrease in Local Share of Federal Emergency Management Program Grants (EMPG)
These Federal funds are currently utilized to support operations of local/state emergency preparedness offices. In the current FY 13 budget, the state received approximately $5.5 M of which the locals were sent 62% of these funds ($3.4 M) and the state retained 38% ($2.1 M). The FY 14 budget reduces the local allocation from 62% to 50%. Thus, local governments will receive $683,025 less, which equates to a 20% reduction in funds from FY 13. Local governments will have to either absorb this reduction or utilize another revenue source to replace the lost funds.

EMPG provides federal grants to states to assist state and local entities in preparing for all hazards and emergency situations. GOHSEP receives the annual LA allocation and historically has transferred a portion (70% to 60%) to local governmental entities. As mentioned above, this allocation to the locals will be reduced from 62% in FY 13 to 50% in FY 14. Essentially, the state will be using more of these Federal funds to reduce GOHSEP's dependence on SGF for FY 14. Below is past year's history and proposed allocation for FY 13 of total federal award amount and the state/local allocation. The FY award amounts are based upon a federal fiscal year.

FFY	Award Amount	State Allocation	State Percentage	Local Allocation	Local Percentage
2013	*$5,496,590*	*$2,748,295*	*50.00%*	*$2,748,295*	*50.00%*
2012	$5,496,590	$2,065,270	37.57%	$3,431,320	62.43%
2011	$5,322,640	$1,919,496	36.06%	$3,403,144	63.94%
2010	$5,302,012	$1,904,868	35.93%	$3,397,144	64.07%
2009	$4,869,872	$1,472,728	30.24%	$3,397,144	69.76%
2008	$4,636,968	$1,388,590	29.95%	$3,248,378	70.05%

Note: House Appropriations Committee (HAC) amendments provide that the amount allocated to the local government entities and the state be split equally. The FY 14 Executive Budget provided for the local allocation to be reduced approximately 68% from approximately 62% local to 20% local. HAC amendments increase the amount allocated to locals from $1.1 M to $2.7 M for FY 14, or an increase of $1,648,977. HAC did not address the Federal funds reduction to GOHSEP's budget by increasing local allocation. Thus, HAC amendments reduced GOHSEP's budget by $1.6 M.

($0.1 M) - Local Satellite Phones
The FY 14 budget decreases SGF funding for operating services expenditures by $70,000 due to the elimination of satellite radio communications support funded by GOHSEP for all 64 parishes. GOHSEP previously purchased 64 satellite radios ($3,600/radio) and paid the monthly fee for all parishes. The reduction represents the annual amount paid by GOHSEP on behalf of the parishes for the monthly radio fee. If local entities would like satellite radio communications, the entity will be required to provide the necessary funding.

In addition to not paying the monthly radio fee, GOHSEP will require the local entities to purchase their satellite radio from GOHSEP at a cost of $500/radio. These local entities already have these radios in their possession as they were originally purchased by the state. If the local entity would like to keep the radios, the local governmental entities will be required to pay $500 to GOHSEP. To the extent the local entity does not want to purchase the radio, the radio will be returned to GOHSEP and GOHSEP will sell the radios through Surplus Property (LPAA). To the extent these radios either are surplused or purchased by the locals for $500, these sales could generate approximately $32,000 in revenues ($500 x 64 = $32,000).

DEPT/AGY: Executive/ LA Stadium & Exposition District (LSED)
ISSUE: LA Stadium & Exposition District

Included in the FY 13 budget is $11,321,670 of CDBG funds from hurricanes Katrina and Rita. The LSED originally received hurricanes Katrina and Rita CDBG grant funding in the amount of approximately $51 M that was spread over 4 fiscal years (FY 10, FY 11, FY 12, & FY 13). Due to the decrease in overall expenditures and the anticipated increase in SGR, there are no hurricane disaster dollars in the FY 14 budget. The need for these funds was eliminated due to the following:

New Orleans Pelicans Arena Lease Extension
LSED's FY 14 budget has been reduced a total of approximately $5.5 M ($5,451,626). As previously mentioned, the majority of this reduction is due to the new 10-year lease agreement with the New Orleans Pelicans (formerly the Hornets) which became effective 7/1/2012. The new lease agreement eliminated all exit options, attendance benchmarks and all ticket revenue shortfall payments (financial inducements). Thus, the Pelicans costs for FY 14

have been reduced from approximately $14.6 M in FY 13 to approximately $10.2 M in FY 14. Of the $10.2 M budgeted for FY 14, approximately $2.9 M is team inducement payments. Under the old lease agreement, the Pelicans inducement payments were approximately $8 M and subject to attendance benchmarks.

Anticipated SGR Increase
In addition to reducing LSED's budget, the FY 14 Budget also increases the district's SGR by $6.5 M. The additional collections anticipated are due to an 8% increase in revenue projections from the 4-cent Hotel/Motel Tax. In addition, the district is utilizing approximately $3 M from its operating reserves. According to the district, after making the $5 M Saints Super Bowl Incentive payment (see below) and utilizing $3 M for FY 14, there is approximately $3 M remaining within its operating reserve account.

Note: According to the LSED's previous budget request documents, the last fiscal year the district utilized its operating reserves was FY 11 in the amount of approximately $1 M.

Upgrades to the New Orleans Arena
A major part of the new Pelicans lease extension includes $50 M in capital improvements to the New Orleans Arena. These improvements will be phased in over 2 NBA off-seasons, with the first phase beginning after the 2012-2013 season. The district anticipates phase I costing approximately $28 M and phase II (mostly exterior work) costing approximately $22 M. Some of the arena improvements include: new club locations, internal bandstand/bar area, suite renovations, interior club renovations, exterior club space, expansion of the existing Capital One Club and Hub Club, a new V-VIP area and entrance, building a main entrance to the arena and improvements to locker rooms. Phase I is anticipated to completed before the start of the 2013-2014 season (in time for the 2014 All-Star Game) with phase II anticipated to be finished by the start of the 2014-2015 season. The funding for these capital improvements is currently appropriated in Act 23 of 2012 (Capital Outlay Bill). **Note:** $50 M in Priority 1 is in HB 2 (Capital Outlay Bill).

Super Bowl Incentive Payment to the Saints
The New Orleans Saints and the state signed a new contract in April 2009 to keep the team in New Orleans through 2025. The agreement will ultimately save the state an estimated $280 M over the life of the new contract compared to the previous contract. However, the contract requires the state to make an incentive payment to the team if New Orleans hosts a Super Bowl. Pursuant to Section 4.6 (Super Bowl Incentive) of the contract, the state is required to pay the New Orleans Saints $5 M for each Super Bowl that is played in New Orleans. Pursuant to the contract, the $5 M incentive payment is due at the conclusion of the fiscal year in which the game is played. The 2013 Super Bowl was played in New Orleans Sunday 2/3/2013. Thus, based upon Section 4.6 of the contract, the state owes the New Orleans Saints $5 M by 6/30/2013 (last day of FY 13). According to the LA Stadium & Exposition District (LSED), the $5 M payment will be funded with the district's operating reserve account. This amount is included within the current version of HB 677 (FY 13 Supplemental Appropriations Bill).

DEPT/AGY: Executive/ LA Commission on Law Enforcement & Administration of Criminal Justice
ISSUE: Truancy Assessment & Service Center Program

The FY 14 budget includes a $491,163 reduction in the administrative cost for the Truancy and Assessment and Service Center (TASC) Program. This reduction represents the annualized cost of the mid-year reduction that resulted in termination of outcome evaluation and monitoring of local TASC sites by the LSU School of Social Welfare's Office of Social Service Research & Development (OSSRD). OSSRD was responsible for monitoring and evaluating 16 TASC sites operating in 25 parishes and reporting this information to the legislature. The TASC Program was created in statute in 1998 to prevent students from dropping out and diverting at-risk youths from crime.

The TASC Program's administrative budget of $571,163 is composed of $80,000 for the LA Commission on Law Enforcement and $491,163 for the LSU School of Social Welfare's Office of Social Service Research & Development. Effective 12/31/2012 OSSRD discontinued its reporting of outcome evaluation and monitoring of local TASC sites. LSU is working on the final TASC report to the legislature and working with TASC directors on a transitional plan. In addition, LSU is helping the TASC sites develop a data collection plan they can use, since the loss of LSU's services implies the loss of the existing data collection capability and database.

This reduction along with LSU's exit from the TASC Program will not effect the TASC funding going to local governmental entities. TASC funding to local governmental entities is not being reduced. Local entities receiving TASC funding will continue to provide the truancy services it is currently providing.

DEPT/AGY: Culture, Recreation & Tourism/ State Parks
ISSUE: LA Parks Improvement & Repair Fund (Act 729)

The LA State Parks Improvement & Repair Fund (Act 729 of 1989) is derived from SGR from the state parks. The fund is to be used exclusively for improvements and repairs at state parks, subject to annual legislative appropriation. Parks are allocated 50% of the SGR by each park, except for revenues generated through the operation of the wave pool at Bayou Segnett State Park. The remaining 50% of the funds are to be used on the following priority need basis: 1) protection of life and property at existing facilities; 2) general repairs and improvements at existing facilities; 3) addition of new facilities at existing parks; and 4) acquisition of property to expand existing parks.

Since FY 09, approximately $25 M has been diverted from the fund for either operations at a specific park or for statewide operations of the park system. The amounts that have been diverted from the fund are:

FY 09	$582,693	(Acts 19 & 226)
FY 10	$3,972,784	(Acts 10 & 633)
FY 11	$922,801	(Act 11)

FY 12	$7,615,924	(Act 12 & mid-year)
FY 13	$7,909,774	(Act 13)
FY 13	$4,000,000	(mid-year)
Total	**$25,003,956**	

Each year the Office of State Parks submits a list of over $10 M in projects for consideration and there are approximately 100 projects that have not been funded.

Note: $6.6 M from the fund is appropriated in Act 23 of 2012 (Capital Outlay Bill). According to the department, it is anticipated that none of the $6.6 M will be expended in FY 13 due to the projected year-end fund balance of $1.2 M. In FY 14 approximately $9,298,867 from the fund is appropriated in HB 1.

DEPT/AGY: Culture, Recreation & Tourism/ Tourism
ISSUE: LA Tourism Promotion District (LTPD)

Act 1038 of 1990 created the LTPD as a special statewide taxing district which receives three one hundredths of 1 cent of the sales and use tax for the purpose of assisting the state for out-of-state advertising and promoting tourism in LA. In FY 14, a number of initiatives that have historically been funded with SGF are to be funded from the Office of Tourism's SGR funds, which is the sales tax. The following pass-throughs are to be funded with SGR for FY 14:

Independence Bowl	$300,616
FORE! Kids Foundation	$314,108
N.O. Metropolitan CVB (Essence Festival)	$948,112
New Orleans Bowl	$280,577
Greater New Orleans Sports Foundation	$544,050
Jefferson Parish (Bayou de Famille Park)	$418,500
LA Special Olympics	$250,000
Senior Olympics (Office of Elderly Affairs)	$33,750
Total	**$3,089,713**

Additionally, funding for the following initiatives will be transferred to other agencies within the department via Interagency Transfer and LTPD Direct:

ENCORE Louisiana	$325,000
LA Book Festival	$25,000
World Cultural Economic Forum	$254,500
LA Sports Hall of Fame	$552,786
Kent House	$56,000
Arts Grants	$1,500,000
Office of the Management & Finance admin costs	$446,600
Decentralized and the Secretary admin costs	$523,930
Office of State Library for operating costs	$401,349
Office of State Museum	$562,779
Office of Cultural Development for Arts Grants	$190,942
Total	**$4,838,886**
Total Pass-throughs and Programs	**$7,928,599**

The recommended funding level for the LTPD (excluding the Administrative Program and Welcome Centers Program) for FY 14 is $17,819,025. After the pass-throughs and programs are absorbed by the LTPD, $9,890,426 remains for normal expenditures related to advertising and promoting tourism in LA.

DEPT/AGY: Transportation & Development (DOTD)
ISSUE: State Transportation Funding

State Gas Tax: The 16-cent per gallon state gasoline and special fuels (gas tax) tax was enacted as a flat, non-indexed tax. The state gas tax has a current day buying power of approximately 7 cents. Historically, gas tax revenues have grown approximately 2.5% per year since 1992 but the rate has slowed substantially over the past decade. Construction and operating inflation substantially exceed the growth rate of the gas tax. (Note: The rate was increased from 8 cents to 16 cents in 1984.)

In 1984 the average price per gallon was $0.94 and individuals paid approximately 17% per gallon for road infrastructure with the 16-cent state gas tax. The average price per gallon for regular gasoline in LA as of 5/3/2013 is $3.29. Due to the tax being flat, and not indexed to inflation, the current tax equates to individuals paying approximately 4.4% per gallon for road infrastructure.

Federal Highway Trust Fund (Federal Gas Tax): The federal program is currently funded by the Moving Ahead for Progress in the 21st Century Act (MAP-21). MAP-21 is the first comprehensive, long-term highway authorization plan enacted since 2005. The federal Highway Trust Fund (HTF) is funded with an 18.4-cent per gallon federal gasoline tax and 24.4-cent per gallon federal diesel tax. Like the state gas tax, it has lost ground to inflation since its last increase in 1993.

TIMED Program Bond Debt Service Payments - $143.7 M: The TIMED Program was established by Act 16 of 1989 1st Extraordinary Session and designated 16 specific road/bridge projects. The original plan called for a designated funding stream in the form of a 4-cent per gallon gas tax on top of the existing 16-cent per gallon state gas tax, providing for a pay-as-you-go construction program. By utilizing a pay-as-you-go-program, the projected completion date for the program was 2031. In 2002, the DOTD set out to accelerate the program by bonding out the remainder of the program in an effort to complete construction of all projects around FY 13. Due to rising construction costs and low cost estimates at the outset of the program, the program will only have sufficient funding to complete 14 of the original 16 road and bridge projects.

The projected FY 14 4-cent per gallon gas tax collections for the TIMED Program are not sufficient to cover the debt service payments of the 12 completed projects and the 2 currently under construction. A recent call modification on TIMED debt instruments resulted in a one-time refund of approximately $12 M. The refund will be used to make partial TIMED debt service payments in FY 14 of approximately $8 M to $9 M, with the balance being used for payments in FY 15. <u>Thus, approximately $15 M to $16 M of the 16-cent per gallon gas tax revenues will be needed to pay TIMED Program debt service payments in FY 14, the 4th consecutive year in which the state gas tax will be used to make the TIMED debt service schedule whole.</u>

The portion of the 16-cent gas tax necessary in future years to fund TIMED debt service payments will continue escalating. Based upon estimates by DOTD, the department will use approximately 4.1 cents of the 16-cent per gallon state gas tax at its peak usage in FY 43, which equates to $123 M, or approximately 24.7% of the current 16-cent per gallon tax receipts. The growing use of TTF - Regular funds to pay TIMED debt service will impact DOTD's ability to match federal transportation funds (generally required at 10-20%) in the capital outlay budget and will result in decreased funds available for the department's operating budget. Currently, the total projected TIMED Program costs are $5.24 B (includes LA 3241, Florida Avenue Bridge), while total revenues for the program will be $4.65 B. DOTD is in the process of determining the best financing mechanism for completing the final 2 constitutionally required road/bridge projects.

Vehicle Sales Tax: Act 11 of the 2008 2nd Extraordinary Session provided that vehicle sales taxes would begin to accrue to the TTF and be phased in over 7 years. A total of 10% was to be transferred to the TTF in FY 09. Due to the total SGF revenue projections decreasing for FY 09 and as provided by Act 11, these funds were not available to the TTF and will not be available in subsequent fiscal years until "… such time as the official forecast of the Revenue Estimating Conference equals or exceeds the official forecast in effect prior to the projected deficit, at which time the reduction shall cease." The SGF revenue forecast for FY 09 as of 5/9/2008 was $9.7 B. The latest adopted revenue forecast projects the following for SGF: FY 13 - $7.97 B; FY 14 - $8.2 B; FY 15 - $8.4 B; FY 16 - $8.7 B; and FY 17 - $9.13 B. Therefore, it is unlikely that these funds will be available to the TTF in the near future. The distribution to the TTF was originally projected to reach $335.6 M in FY 15 at 100% implementation.

DEPT/AGY: Transportation & Development (DOTD)
ISSUE: Crescent City Connection Bridge Tolls

On the November 6th election ballot, voters in Jefferson, Orleans and Plaquemines parishes were asked to determine whether toll collections should continue on the Crescent City Connection Bridge (CCCB) through 2033. The ballot measure apparently passed by a thin margin of 16 votes from a total of nearly 309,000 ballots. Act 865 of 2012 became effective 1/1/2013, extending toll collections, providing for policing of the bridge and surrounding arteries and creating new statutory dedications earmarked for specific purposes.

On 12/18/2012, opponents of the Crescent City Connection toll renewal filed a lawsuit at the 19th Judicial District Court challenging the results of the November 6th election. On 1/3/2013, Judge William Morvant ordered a partial recount of the election, which passed by a margin of 18 votes out of more than 308,000. The judge ordered the recount of certain ballots in Orleans Parish. The recount was conducted by the registrar of Terrebonne Parish on Saturday, 2/16/2013, and was limited to absentee by mail and early voting ballots in Orleans Parish. Voters in Jefferson and Plaquemines had rejected the renewal. The partial recount upheld the election result and expanded the approval margin by an additional 16 votes, or 32 total.

On 3/5/2013, Judge Morvant nullified the November 6th election and ordered that a new election shall take place on 5/4/2013. DOTD ceased collecting tolls at 6pm on the evening of the judgment. The election nullification impacted the funding source used to pay 22 Police Officers transferred to the Department of Public Safety on January 1.

Note: <u>Due to the toll renewal failing to pass (5/5/2013 election) the maintenance of the bridge will be handled through the state's highway priority program currently administered by DOTD. In addition, State Police will now handle all policing services for the bridge. These expenditures were formerly funded with toll revenues (approximately $20 M annually).</u>

DEPT/AGY: Public Safety & Corrections/Corrections Services
ISSUE: Healthcare Services for Offenders

Currently, all offenders and youths (40,000 adult and 446 juveniles) in custody are brought to the charity hospital system for health care needs that cannot be provided at a DOC/OJJ facility. Since the charity hospital system is undergoing a redesign, the Commissioner of Administration appointed a committee in October 2012, which consists of the representatives from LSU, Department of Corrections (DOC), Office of Juvenile Justice (OJJ), Office of Group Benefits (OGB) and Department of Health & Hospitals (DHH) to explore health care delivery system options for offenders and youths.

In addition to the approximately $46.8 M budgeted for on-site offender primary care, the FY 14 Executive Budget allocates $50 M in SGF to DOC for off-site non-primary health care services for offenders. This funding amount is based on historical utilization data from LSU-HCSD, DHH and several cost projections from insurance providers. These services include emergency, inpatient, outpatient/specialists, diagnostics, surgery, and cancer treatments. The goal of the new model is to track utilization by billable code, which will ensure a more cost conscious and efficiency driven health care delivery system for offenders.

The $50 M will be used to fund offender costs at LSU-Shreveport, E.A. Conway, and Lallie Kemp in FY 14 (approximately $11,712,921), in addition to contracting with LSU partner hospitals and other private hospitals for inpatient and outpatient specialist care (approximately $38,287,079). With the exception of Our Lady of the Lake, LSU is currently negotiating with its partner hospitals to continue the provision of prisoner care on campus and/or in dedicated prisoner wards where those are available and bill DOC for services rendered. The contractual costs by private provider are unknown at this time; however, these costs will be determined based on offender utilization, for which there were a total of 8,968 inpatient days at the LSU hospitals in FY 12. Lallie Kemp, which is not scheduled to move into a partnership model, will add 6 additional beds for prisoner care and will be utilized as the focus hospital for prisoner care for DOC facilities in the vicinity. DOC is also working with DHH to find hospitals that are willing to provide emergency care, inpatient hospitalization, intensive care, and any diagnostic or surgical procedure that cannot be done at prison facilities.

The other major component is to optimize services delivered at DOC facilities. This includes expanding clinical exam capacity, procuring third-party mobile services to serve prisoners on site, and continuing the use of the LSU Telemedicine Network. Renovations are underway at Elayn Hunt Correctional Center, LA Correctional Institute for Women, and LA State Penitentiary. These renovations include health care clinics and procedure rooms. This will potentially allow for more specialist services and procedures on site. DOC is determining the cost effectiveness of additional service provision at the facilities through portable diagnostics (CT scan, ultrasound, & MRI) and contracting with certain specialists based on high-volume utilization. DOC is currently working to identify providers that are willing to come to DOC facilities to see patients.

The Telemedicine Network allows patients to connect with doctors remotely on site with the use of video conferencing. All DOC prisons and 13 parishes are equipped for this purpose and DOC is looking to expand this network. According to HCSD, the FY 13 telemedicine budget is approximately $900,000, which includes the physician providers from the School of Medicine, the technical staff, and network that the telemedicine clinics require to operate, the clinical staff that supports the physician during the encounter and some review costs. Expenditure levels for the telemedicine program expansion with DOC are unknown at this time. A breakdown of the known budgeted FY 14 offender health care expenditures is itemized below.

DOC on-site primary care	$45,313,460
Local costs for on-site primary care	$1,500,000
OJJ health care contract costs	$6,727,994
Non-primary care at LSU hospitals	$17,712,921
Non-primary care via private providers	$38,287,079
Total SGF offender health care costs	$109,541,454

The LFO has requested the following information from the DOC: capacity of current DOC clinics, cost of renovations of DOC clinics, expanded capacity needed at the DOC clinics, construction timeframe, funding source for providing additional capacity, provider contracts needed and will these expanded clinics be ready 7/1/2013.

DEPT/AGY: Public Safety & Corrections/Public Safety Services
ISSUE: State Trooper Attrition

The most recent class of new state troopers graduated in February 2009. Due to funding levels insufficient to hold additional training classes and fill state trooper T.O. positions vacated through attrition, the statewide number of state troopers available to provide law enforcement activities on the state's highways has fallen by 133 since FY 10.

Total Filled Trooper Positions by Fiscal Year (July 1st filled position count)

FY 10	1,108
FY 11	1,062
FY 12	1,012
FY 13	975
FY 14 Recommended	1,045

Note: Of the 1,045 positions recommended/authorized in the executive budget for FY 14, 88 of the positions are unfunded vacancies.

The number of filled state trooper positions in each region is as of 2/28/2013 are as follows:

Troop A (Baton Rouge Region)	78
Troop B (Kenner/New Orleans Region)	80
Troop C (Terrebonne Region)	44
Troop D (Lake Charles/SW LA Region)	55
Troop E (Alexandria/Central LA Region)	76
Troop F (Monroe/NE LA Region)	56
Troop G (Bossier City/NW LA Region)	44
Troop I (Lafayette/South Central LA Region)	64
Troop L (St. Tammany Region)	64

In order to supplement reduced staffing levels and maintain adequate trooper coverage, the Office of State Police currently utilizes 26 WAE (Work As Employed) troopers statewide. These are generally retired State Troopers working on an as-needed basis for a set hourly wage.

DEPT/AGY: Public Safety & Corrections/Youth Services
ISSUE: Reductions in the Families In Need Services (FINS) Program

The FY 14 recommended budget for the Office of Juvenile Justice (OJJ) includes a reduction of $7.1 M in SGF revenue associated with the administration's proposed reforms for the Families in Need of Services (FINS) Program. Approximately $3.2 M in SGF and 54 positions were reduced from the Field Services Program for probation and parole activities and $3.9 M was reduced from the Contracted Services Program for community based activities. Most of the reductions in the Field Services Program were taken in the personal services line item (which includes salaries and related benefits) and operating services (which includes rent and utilities). The 54 eliminated positions include probation officers, supervisors and 9 administrative staffers. <u>As of 4/30/2013, the Field Services Program had 32 vacant positions. If there is no increase in the number of vacant positions, existing personnel will be laid-off.</u>

The impact of the reductions in the Contracted Services Program is as following:
• Prevention/diversion contracts that provide Medicaid eligible services are eliminated and the remaining contracts are reduced by 35%.
• Tracker/mentor contracts – approximately 135 slots, based on the average number of vacancies, will be eliminated leaving 359 remaining slots.
• Community reintegration contracts – 120 slots will be eliminated leaving 125 remaining slots (based on the average number of vacancies).
• Counseling/psychological evaluations contracts will be eliminated since this is a Medicaid eligible service.
• 34 residential contracts slots, based on the average number of vacancies, will be eliminated leaving 281 slots.

SB 227 prohibits children with non-criminal or non-delinquent offenses from being referred to formal FINS and potentially locked up in detention or a residential facility. The legislation would reduce the number of status offenders and non-delinquent youth by: dividing the formal and informal FINS Program into 2 separate categories; clarify in law that the informal FINS is voluntary; and transition non-delinquent status offenses from formal to informal FINS but adding new identification criteria to allow district attorneys to use FINS as a diversion program and in cases when the child poses a risk to him or herself. <u>If SB 227 fails to pass, the caseload for probation and officers will increase. Since the reduction in the Contract Services Program is based on historical data, failure of SB 227 is not anticipated to impact contracted services.</u>

DEPT/AGY: **Health & Hospitals (DHH)/Medical Vendor Payments (MVP)**
ISSUE: **Federal Medical Assistance Percentage (FMAP) Change for Title 19 Claims & DSH (Uncompensated Care Costs)**

Title 19 claims payments FMAP:

Title 19 History:
FY 11: 74.76% federal financial participation (25.24% state match)
FY 12: 69.34% federal financial participation (30.66% state match)
FY 13: 71.38% federal financial participation (28.62% state match)

Note: The FMAP was adjusted down to 66.58% (blended) federal match in FY 13 due to a federal change in the calculation of the Disaster Recovery Rate. Based on the new formula, DHH lost $859 M in federal support during FY 13.

<u>FY 14 Medicaid Budget FMAP</u>
FY 14: 62.96% budgeted federal financial participation (37.04% state match), blended match rate

The FY 14 budget for Title 19 claims in Medicaid is based on a federal medical assistance percentage (FMAP) of 62.96% federal match. This match rate still assumes the state qualifies under the federal law that results in a disaster adjusted (enhanced) FMAP. According to the Federal Register (issuing the 2013 FMAP rates), "Section 2006 of the Patient Protection & Affordable Care Act of 2010 amended Section 1905 of the Social Security Act to provide for an increase in the FMAP rate for qualifying States for Medicaid" for certain states that have experienced a statewide disaster as declared by the President. States that qualify receive an adjustment to their annual FMAP according to a formula reflected in federal law.

Disproportionate Share Hospital (DSH) payments Federal Medical Assistance Percentage (FMAP):

DSH FMAP History:
FY 11: 63.69% federal financial participation (36.31% state match)
FY 12: 61.09% federal financial participation (38.91% state match)
FY 13: 61.24% federal financial participation (38.76% state match)

FFY 14: 60.98% federal financial participation (39.02% state match)

The impact in of both the Title 19 and DSH FMAP change in FY 14 is an increase of approximately $309 M in SGF requirement, which is addressed in HB 1.

DEPT/AGY: **Health & Hospitals (DHH)/Medical Vendor Payments (MVP)**
ISSUE: **Medicaid DSH Allocation**

The Uncompensated Care Costs (UCC) Program in the MVP provides disproportionate share hospital (DSH) payments to qualifying hospitals for certain uncompensated care costs associated with serving uninsured and indigent patients. DSH payments consist of both state and federal matching funds. For FY 14, the federal match for DSH is 60.98% (39.02% state requirement), which is a reduction in federal assistance from FY 13 (61.24% federal match). The federal government restricts the amount of federal DSH funds annually through the implementation of a federal DSH cap per state. Any additional UCC payments the state may choose to reimburse over the federal cap would require 100% SGF (the state loses the ability to leverage state dollars). The LA federal

FY 14 Major Budget Issues

DSH cap for 2014 is $731.960 M and the total DSH cap (total allowed payments including state match) is approximately $1.2 B.

HB 1 appropriates $691,480,626 M in the UCC Program for various providers ($428,882,192 federal match), including LSU privatization partners. The UCC Program includes approximately $354.8 M in DSH funding for the LSU public private partnerships.

FY 14 DSH funds are allocated as follows:

$21,478,319	HCSD (Lallie Kemp only)
$9,332,139	E.A. Conway
$0	H.P. Long
$115,499,832	Shreveport
$0	Villa Feliciana Medical Complex*
$52,651,633	OMH public psyc free standing units
$475,791,625	Other hospitals (non-state, non-rural)**
$0	Rural hospitals and hospital-based health clinics
$2,000,000	Non-rural hospitals (High Medicaid DSH Pool)
$0	Community Hospital Pool***
$14,727,078	GNOCHC****
$691,480,626	**TOTAL DSH ALLOCATION**

***Note:** Villa Feliciana is not anticipated to earn DSH funds in FY 14 (HB 1 removes all DSH authority).

****Note:** DSH appropriations for "Other DSH hospitals" is allocated as follows:

$100,000,000	Low Income Needy Collaborative
$6,312,998	Mental Health Emergency Room Extensions (MHERE's)
$14,690,831	Office of Behavioral Health Cooperative Endeavor Agreement
$354,787,796	LSU Privatization Partners
$475,791,625	**Total**

*****Note:** UCC payments in the Community Hospital Pool (CHP)are paid to non-state and non-rural hospitals that historically did not qualify under the Medicaid state plan (before 2007). Funding for the CHP is not maintained for FY 14.

Community Hospital Pool Funding History

FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14
$120 M	**$87 M**	**$87 M**	**$35 M**	**$10 M**	**$2 M**	**$2 M**	**$0**

******Note:** DSH funding for the Greater New Orleans Community Health Connection (GNOCHC) Medicaid demonstration waiver allows DSH reimbursement to various waiver providers (over 90 clinics) in the greater New Orleans area. The program provides low income uninsured adults with coverage for certain primary care and behavioral health services. HB 1 reduces funding to the GNOCHC by $13,306,148 as the result the demonstration ending 12/31/2013.

DEPT/AGY: Health & Hospitals (DHH)/Medical Vendor Payments (MVP)
ISSUE: Bayou Health - Medicaid Managed Care

HB 1 contains $1.46 B in premium payments for Medicaid Managed Care statewide for approximately 900,000 Medicaid recipients (for Per Member Per Month payments for Prepaid Health Plans and the management fee for Shared Savings Health Plans (SSHP). *FY 14 represents the second full year of Bayou Health (BH) implementation.*

The BH Program is DHH's new program to manage the care of approximately 900,000 LA Medicaid and LaChip recipients. BH is Medicaid Managed Care, and includes both a prepaid, risk bearing MCO model (Prepaid Health Plan) and a primary care case management (PCCM) with shared savings model (Shared Savings Health Plan). The department implemented BH under the authority of Section 1932(a)1 State Plan Amendment and did not require waiver approval from the Center for Medicare & Medicaid Services (CMS).

The Shared Savings Health Plan (SSHP) delivery model reimburses providers fee-for-service. This enhanced PCCM model requires that participating primary care physicians (medical home) join with a 3rd party (administrative entity) to better coordinate care. According to the department, the network of primary care providers and the 3rd party will be able to ensure a full continuum of care that is coordinated for the individual. *Although the providers will continue to receive fee-for-service, the Administrative Entity will be reimbursed a monthly amount (administrative or management fee) for each member to ensure coordination of care.* The monthly reimbursement is $10.54 for children and parents and $15.74 for people with disabilities and pregnant women based on the current contracts. The Prepaid Health Plan (PHP) is a full risk bearing financial model. Provider networks have been assembled and receive monthly payments (per member per month (PMPM) for each individual enrolled, and in turn will provide a basic level of benefits and assume full financial risk of health plan enrollees. The PMPM is based on the current average contract rate of $246.50.

Some benefits are 'carved out' and continue to be provided through the legacy fee-for-service Medicaid Program under this model. The current list of carve out services include dental, behavioral health, targeted case management, nursing home services, ICF/MR, and personal care services. In addition, individuals that receive home and community-based services (waivers) are not currently included in BH. Based on the February 2011 Rule, projected eligible recipients were to be evenly enrolled between the 2 types of networks. However, with 3 PHP contracts and 2 SSHP contracts awarded, the latest projection reflects an enrollment pattern of approximately 52% of eligible recipients enrolled in a PHP. All previous CommunityCare recipients and Medicaid enrolled pregnant women and Medicaid eligibles over age 65 are required to enroll. In FY 14, the BH cost is based on enrollment of approximately 900,000 Medicaid eligibles in both plans (estimated 52%/48% plan enrollment allocation).

Contracts:
DHH has entered into contracts with 5 separate entities. Each health plan provides services statewide. The 3 PHP are Amerigroup, LaCare, and LA Healthcare Connections. Community Health Solutions and United Healthcare manage the 2 SSHP. Medicaid and LaChip recipients have an option to enroll in any of the 5 health plans. *The contracts are based on $928 M paid to each PHP over 3 years (3-year contract), and approximately $68 M to each SSHP over a 3-year period.*

BH Payment History:
FY 12 appropriation for BH is approximately $363.6 M, and includes both administrative cost and PMPM/management fee payments. These appropriations are reflected below. Due to claims lag (cost of beginning to reimburse for PMPM's up front expenses and paying prior claims within a given time frame), the FY 12 cost to implement is approximately $99 M.

$2,000,000	Funding in Medical Vendor Administration (MVA) for communication outreach
$476,250	Funding in MVA for CCN Network External Quality Review Organization
$361,187,145	Funding in Medicaid Buy-Ins Program for PMPM Payments for PHP and Management Fees for SSHP.

The FY 13 appropriation (payments) for BH is approximately $1,114,035,620. This appropriation is based on the following adjustments:

$361,187,145	Funding in the FY 12 base for BH (payments plus lag)
$921,722,843	Transfers of BH funding from Privates to Buy-Ins (FY 13)
$1,282,909,988	FY 13 total funding for BH that was removed from Private Providers
($106,551,345)	Removes (non-recur) lag payments appropriated in FY 12 in Buy-Ins for BH
($29,384,047)	FY 13 savings adjustment in the Buy-Ins Program
$1,146,974,596	FY 13 PMPM payments (includes $7,092,026 in bonus payments related to savings associated with the SSHP. Thus, FY 13 actual PMPM payments (less bonus) equal **$1,139,882,570** (include both PMPM's for PHP and management fees for SSHP.)
Less:	3.7% cut to BH (related to provider cuts) and cut related to shifting wrap around payments from the Medicaid Buy-Ins & Supplements to UCC Program (reflected below)
$1,146,974,596	Total payments in Buy-Ins for BH
($18,112,424)	Health Plan cut (other portion of entire 2% cut to Managed Care allocated to LBHP ($2,014,729)
($17,888,428)	Funding Health Plans in Buy-Ins moved to UCC Program for rural hospital wrap around payments
($15,803,719)	Cuts BH rates (other portion of 1.7% cut allocated to LBHP ($5,525,835)
Plus:	
$18,865,595	Funding from Community Hospital Stabilization Fund for non-state hospital funding for DRG's
$1,114,035,620	**Total Funding for BH in FY 13 (includes bonus payments for SSHP providers)**

As of 1/1/2013, *the projected expenditures in BH for FY 13 are $1,326,763,258.*

In August of 2012 (FY 13), the SSHP administrative fees were reduced approximately 10% as the result of the Disaster Recovery Rate FMAP adjustment.

Note: The FY 13 budget includes a reduction in Medicaid payments by $29,384,056 from FY 12 ($8,409,717 SGF) as a result of projected savings from BH implementation (based on Mercer projections). *In addition to the $29 M savings built into Medicaid for FY 13, the Private Providers Program was reduced by $14,675,052 as a result of moving acute services for all waiver participants under BH, and as a result of moving the case management function for NOW Waiver recipients under BH in FY 13.* Although the FY 13 budget reflects a savings from the transfer of acute services and case management under BH, the transfer was not implemented. In addition, the Private Provider Program was reduced by $42,483,300 in FY 13 in total funding as a result of including pharmacy as a benefit under 3 prepaid BH plans. Amerigroup, LaCare, and LA Healthcare Connections will manage this benefit in FY 13.

FY 14 appropriation for BH is approximately $1.463 M. This appropriation is based on several new adjustments to FY 13 allocated expenditures that is reflected in HB 1 for FY 14.

$1,114,035,620	FY 13 allocation for BH (As of 1/1/2013, projected expenditures in BH are $1,326,763,258)
$296,562,209	Inclusion of pharmacy benefits as covered services under the prepaid plans as of 11/1/2012
$61,320,332	Pharmacy Utilization
$3,775,531	Transfer of LaChip Affordable Plan enrollees from OGB PPO plan to BH
($12,166,777)	Reduction in ePCCM payments to BH shared services savings plans
$1,463,526,915	**FY 14 total Funding for BH in FY 14 (carve out services provided for in Private Providers Program)**

Based on the projected number of recipients in the FY 14 budget request (497,204 in the full risk plans and 445,631 in the shared plans) and the current rates, BH is projected to cost $1,658,235,044 B for FY 14.

Note: DHH is covering the majority of the cost of the additional managed care payments for FY 14 with dollars from the Medicaid base budget (as reflected in the transfer of $296,562,209 from Privates to Buy-Ins).

DEPT/AGY: Health & Hospitals (DHH)/Medical Vendor Payments (MVP)
ISSUE: Medicaid Outlook

A portion of the recurring Medicaid budget in FY 14 is financed with approximately $16.4 M in revenue sources that likely will need to be replaced with other means of financing in FY 14. This funding source is $16,434,518 related to Go Zone Payments deposited into the LA Medical Assistance Trust Fund (excludes provider fees and $18 M in revenues generated from R.S. 22:842 which is an annual insurance premium tax on health insurers).

FY 14 Major Budget Issues

LA Medical Assistance Trust Fund (MATF): The FY 14 level of funding in the MATF is approximately $157,857,988. This funding includes the following specific deposits:

$106,929,538	Annual deposits from provider fee charges (pharmacy scripts, ICF/DD beds, nursing home beds)
$16,434,518	FY 13 Go Zone Payments
$16,493,932	Nursing home provider bed fee increase
$18,000,000	Funding derived as a result of R.S. 22:842
$157,857,988	**Total**

Note: Funds collected annually in the MATF are from fees imposed on nursing home providers, ICF/MR providers, pharmacy scripts, and premium taxes on Medicaid managed care premiums written (beginning FY 13). In addition to these recurring revenue deposits, the fund has received one-time revenue deposits from various sources. All revenues deposited into the fund (less any balances) are used as a state match source to draw federal financial participation for general Medicaid expenditures. Reflected below are historical appropriations from FY 11 in the MATF:

FY 11	FY 12	FY 13	FY 14
$403,715,644	$451,471,418	$344,754,959	$157,857,988

Note: $18 M appropriated in the MATF: Currently, R.S. 22:842 imposes a tax on premiums written (collected) related to life, accident, and health (approximately 2.25% of premiums written). Any taxes assessed are collected by the Department of Insurance on behalf of the SGF. The current law does not exempt managed care entities. There is currently no revenue dedication to DHH in the insurance code (842) for Medicaid Managed Care. Tax revenues generated from managed care companies are appropriated in FY 14 and deposited in the MATF for general Medicaid expenditures (will be used as a state match source).

Note: The nursing home provider fee is increasing from $8.02 per bed to $10 per filled bed, resulting in an additional $16,493,932 to be deposited into the MATF for FY 14. These revenues will be used as a state match source to draw federal financial participation for claims expenditures.

DEPT/AGY: Health & Hospitals (DHH)/Medical Vendor Payments (MVP)
ISSUE: Payments to Partner Hospitals

For FY 14, total payments related to the public/private hospital partnership are approximately $580,561,989, which excludes $50 M for inmate health care and excludes $45.4 M in funding for operational expenses associated with the realignment of the public hospital central office. The $580,561,989 in partner payments is associated with payments for Title 19 claims, Upper Payment Limit (UPL) supplemental Medicaid payments, and Disproportionate Share Hospital (DSH) payments for uncompensated care costs (UCC). The allocation of payments is reflected below:

FY 14 Partner Payments from the MVP Program

TOTAL

$99,241,862	Title 19 Claims
$126,532,331	Supplemental Medicaid Payments
$354,787,796	DSH Payments for UCC Costs
$580,561,989	Total

BY SYSTEM

HCSD Hospitals

$92,409,512	Title 19 Claims to Partners
$126,532,331	Supplemental Medicaid Payments
$302,872,998	DSH Payments for UCC Costs
$521,814,841	Total Privatization Payments for HCSD Hospitals

Northern Public Hospital Partnerships

$6,832,350	Title 19 Claims to Private Partners
$51,914,798	DSH Payments for UCC Costs
$58,747,148	Total

Note: In HB 1, the DHH does not have any revenue built into the FY 14 budget related to public hospital lease payments. In addition to the partner payments, $45,397,808 has been added to MVP to fund the operations of the Health Care Services Division Central Office. This funding is comprised of both state match and federal financial participation at a Title 19 claims match rate. It is unclear if these costs represent allowable expenses that can be matched at such a rate (62.96% federal financial participation).

DEPT/AGY: Health & Hospitals (DHH)/Office of Aging & Adult Services (OAAS)
ISSUE: Community-Based Waivers & Other Community Service Programs Administered by the OAAS

The Community Choices Waiver (replaced the Elderly & Disabled Adult - EDA Waiver) allows for services to be provided in a home or community-based setting for a qualifying person who would otherwise require care in a nursing facility. In addition to personal care services, the waiver provides a variety of other services that assist people to remain in their homes and communities. Due to the increased demand for these services, there is a Request for Services Registry (waiting list).

FY 14 Funded Slots:	*5,303 (200 slots for Pitts vs. Greenstein settlement)*
FY 13 Funded Slots:	*4,803*
Slots Filled as of 12/31/2012:	*4,335*
Slots Funded but not Filled:	*468*
*Registry and/or Waiting List: **	*36,826*
Average Cost/Capped Cost:	*$25,946 ($39,445 cap)*
Expenditure Forecast as of 12/31/2012:	*$112,609,275*
Population Served:	*Ages 21 +, Medicaid eligibility, and meet nursing facility level of care criteria*

Note: *350 slots are unfilled as part of the FY 13 July FMAP reduction. In FY 13, 150 will be filled and annualized in FY 14.*

The Adult Day Health Care (ADHC) Waiver provides certain services for 5 or more hours per day in a licensed and Medicaid enrolled ADHC facility. Services offered include assistance with activities of daily living, health and nutrition counseling, social services, and exercise programs. There is an ADHC Request for Services Registry that lists the people who requested these services along with the request date.

FY 14 Funded Slots:	*825*
FY 13 Funded Slots:	*825*
Slots Filled as of 12/31/2012:	*671*
Slots Funded but not Filled:	*154*
*Registry and/or Waiting List: **	*3,258*
Average Cost/Capped Cost:	*$22,225 ($46,292 cap)*
Expenditure Forecast as of 12/31/2012:	*$9,342,717*
Population Served:	*Ages 22 +, Medicaid eligibility, and meet nursing facility level of care criteria*

The Long Term Personal Care Services (LT-PCS) Program** provides help with activities of daily living for people who qualify for assistance under the program guidelines. The program also provides personal care workers to help people in their homes. Care provided includes help with bathing, toileting and grooming activities; eating and food preparation; performance of incidental household chores; assistance getting to medical appointments; and grocery shopping.

Slots Filled as of 12/31/2012:	*16,823*
Average Cost/Capped Cost:	*$14,448*
Expenditure Forecast as of 12/31/2012:	*$216,771,879*
Population Served:	*Ages 21 + who receive Medicaid benefits, nursing facility level of care and imminent risk criteria of nursing home admission*

Program for All Inclusive Care for the Elderly (PACE) Program** coordinates and provides all needed preventive, primary, acute and long-term care services so that older people can continue living in the community. The emphasis is on enabling senior citizens to remain in their communities while enhancing their quality of life.

Slots Filled as of 12/31/2012:	*284*
Average Cost/Capped Cost:	*$38,554*
Expenditure Forecast as of 12/31/2012:	*$10,896,111*
Population Served:	*Ages 55 +, live in PACE provider service area, nursing facility level of care, and meet Medicaid financial eligibility*

The Community & Family Support (CFS) Program** provides goods and/or services in a flexible manner to eligible people with severe physical and/or cognitive disabilities in order to help them live independently. Consumers represent a wide range of diversity in terms of disability, including acquired brain injury, spinal cord injury, stroke, visual impairment, muscular dystrophy, and individuals with multiple disabilities. The Office of Aging & Adult Services has contracted with the ARC of Louisiana to administer both the Community & Family Support Program and the State Personal Assistance Services Program for a total of $633,229.

Slots Filled as of 12/31/2012:	*17*
*Registry and/or Waiting List: **	*123*
Average Cost/Capped Cost:	*$16,083*
Expenditure Forecast as of 12/31/2012:	*$273,578*
Population Served:	*Ages 22 + with a severe physical and/or cognitive disability that manifested after attainment of age 22 but prior to age 55*

The State Personal Assistance Services (SPAS) Program** provides personal assistance services to people with significant disabilities to assist them with activities of daily living. The primary service provided with SPAS funding is Personal Assistance Services. *The Office of Aging & Adult Services has contracted with the ARC of Louisiana to administer both the Community & Family Support program and the State Personal Assistance Services program for a total of $633,229.*

Slots Filled as of 12/31/2012:	*14*
*Registry and/or Waiting List: **	*112*
Average Cost/Capped Cost:	*$20,678*
Expenditure Forecast as of 12/31/2012:	*$289,489*
Population Served:	*Ages 18 - 60, a significant disability, capable of hiring, firing, and supervising the persons who provide personal assistance services*

The LA's Traumatic Head & Spinal Cord Injury (TH/SCI) Trust Fund Program** provides services in a flexible, individualized manner to LA citizens with traumatic head or spinal cord injuries. The program enables individuals to return to a reasonable level of functioning and independent living in their communities. Services are provided on a first-come, first-served basis. Expenditures shall not exceed $15,000 for any 12-month period or $50,000 in total lifetime expenditures per individual.

Slots Filled as of 12/31/2012:	*635*
*Registry and/or Waiting List: **	*286*
Average Cost/Capped Cost:	*$9,676*

Expenditure Forecast as of 12/31/2012:	*$2,767,336*
Population Served:	*An individual must meet the definition of traumatic head injury or spinal cord injury.*

Note: Although the agency fills waiver slots as quickly as possible, not all waiver slots are filled at the beginning of the fiscal year.

*Registry and/or Waiting List as of 12/31/2012
**Programs without designated slots the reported data represent the number of participants.

DEPT/AGY: Health & Hospitals (DHH)/Office of Public Health (OPH)
ISSUE: School-Based Health Clinics

School-Based Health Clinics (SBHCs) provide convenient access to comprehensive, primary and preventive physical and mental health services for public school students at the school site. Information from DHH indicates that approximately 70% of the students receiving services in SBHCs are Medicaid eligible. As such, the SBHCs may either bill Medicaid for certain services, or students may access medical services in the community through Medicaid. Currently, SBHCs may bill Medicaid for:

- Sick or injury visits
- Nurse only visits
- Hearing and vision screenings
- Comprehensive & interperiodic physical screenings through the Kid Med Program
- Behavioral Health
- Immunizations (limited; most covered under Vaccines for Children)
- Laboratory (specimen collection performed in-house during medical screening visit)

In HB 1, the OPH is appropriated $6,735,058 in Statutory Dedications from the LA Fund for 62 school-based health clinics (53 full-time sites and 9 part-time sites) with 2 positions in the Office of Public Health. This represents an overall reduction of $2,073,624 and 4 positions from FY 13 Appropriated. These cuts are annualizing the mid-year reduction from operating services expenditures including state match funding for planning grants to establish new SBHCs and to provide an electronic medical records system in the SBHCs ($1,273,624). Information provided by OPH indicates that these cuts had no impact on SBHC services since the state match funding for new SBHCs was not eliminated from the base funding for current SBHCs. In addition, all SBHCs will convert to an electronic records system utilizing other available revenue from sponsor funding by August of 2013. In addition to the mid-year cuts, another $800,000 and 4 positions are reduced in HB 1 from administrative costs and staff at the OPH central office that monitor the program and provide technical assistance and capacity building activities. This reduction is not anticipated to have any impact on service provision since it is administrative in nature. Currently, the following parishes have school-based health clinics: Allen, Avoyelles, Caddo, Calcasieu, Cameron, East Baton Rouge, E. Feliciana, Grant, Jackson, Jefferson, Lafayette, LaSalle, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Point Coupee, Rapides, Richland, St. Bernard, St. Charles, St. Helena, St. Martin, St. Mary, Washington, and W. Feliciana.

DEPT/AGY: Health & Hospitals (DHH)/Office of Public Health (OPH)
ISSUE: Parish Health Units (PHUs)

PHUs provide childhood immunizations, mental health counseling, vital records access, supplemental nutritional programs for mothers and their children, sexually transmitted disease (STD) treatment services, and family planning. Currently, 61 parishes have PHUs funded by OPH (versus local government or by a Federally Qualified Health Center or Rural Health Center). As such, some PHUs operate on a 2-3 days per week work schedule, and staff has a rotating schedule among multiple PHUs. There is an overall net increase of $82,676 in FY 14. This increase results from a $498,766 increase to PHUs from salary base adjustments, acquisitions, and rental expenditures within OPH that were distributed amongst its various programs, which is netted against a $416,090 and 11 T.O. reduction due to the consolidation of STD treatments and services into PHUs with the highest service volume and elimination in parishes with low volume. Patients in these parishes will retain access to services, but will have to travel longer distances in order to receive continued care. A comparison of funding and positions is given below.

	FY 12	FY 13	FY 14	Difference
SGF	$20,004,649	$18,273,640	$18,203,763	($69,877)
IAT	$4,345,866	$3,951,057	$3,916,724	($34,333)
SGR	$7,490,781	$6,824,553	$7,149,163	$324,610
Federal	$17,341,962	$15,849,127	$15,711,403	($137,724)
Total	**$49,183,258**	**$44,898,377**	**$44,981,053**	**$82,676**
T.O.	**618**	**623**	**601**	**(22)**

Note: The 22 T.O. reduction is due to a technical error after funding for the Vaccines for Children Program was restored through an Appropriation Committee amendment without the necessary 11 T.O. added back in FY 14. T.O. for FY 14 should be 612 once the technical correction is made to HB 1.

DEPT/AGY: Health & Hospitals (DHH)/Office of Public Health (OPH)
ISSUE: Nurse Family Partnership Program

The Nurse Family Partnership (NFP) Program is a prenatal and early childhood intervention program designed to improve the health and social functioning of low-income first time mothers and their babies. Home visits by specially trained public health nurses begin before the 28th week of pregnancy and continue through the child's second birthday. The FY 14 budget allocates $20,315,240 ($2.6 M in SGF, $3.2 M in IAT, and $14.5 M in Federal) and 33 positions for the NFP Program, which represents a $1,476,790 decrease from FY 13 Appropriated. Due to this reduction, 12 positions will be eliminated from the program including 11 nurse home visitors and 1 clerical position. Due to these personnel reductions, services will be reduced in Jefferson, Orleans, East Baton Rouge, Pointe Coupee, Rapides, Caddo, St. Tammany, Lafourche, Beauregard, Webster, and Calcasieu parishes and eliminated in St. Bernard, Plaquemines, St. Martin, Allen, and Evangeline parishes. This will result in 385 fewer families being served. In addition, funding for case management services will transfer to Medicaid since a majority of the women in the program are enrolled in a Bayou Health plan, and as such, are eligible for case management services through their health plans. OPH anticipates 3,064 individuals will be served through this program in FY 14.

DEPT/AGY: Health & Hospitals (DHH)/Office of Behavioral Health (OBH)
ISSUE: New Human Services Districts

In the FY 14 Executive Budget, there is a direct appropriation of $20,636,538 ($15,382,395 SGF, $3,023,861 IAT, $2,206,681 SGR and $23,601 Federal) for the Acadiana Area Human Services District (AAHSD), which was created as a Local Governing Entity (LGE) independent of the OBH in FY 13. In FY 13, AAHSD's budget consisted solely of IAT from OBH, the Office for Citizens with Developmental Disabilities (OCDD) and the Office of the Secretary (OS) within DHH, and it will receive its first direct appropriation in FY 14 in order to continue operations as an independent agency under schedule 09-325. AAHSD services the parishes of DHH Region 4 including: Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermillion. In addition to AAHSD, 4 other human service districts/LGEs will begin operations independent from OBH in FY 14 including the Northeast Delta Human Services Authority (NEDHSA), the Imperial Calcasieu Human Services Authority (ICHSA), the Central LA Human Services District (CLHSD), and the Northwest LA Human Services District (NWLHSD). Like AAHSD in FY 13, these 4 new LGEs will receive their own schedule numbers along with IAT funding from OBH, OCDD, and OS in order to manage their own operations. Each new LGE's source of funding and personnel levels is detailed below.

Sch. #	Agency	IAT Source	IAT Amount	Personnel
09-310	NEDHSA	OBH	$8,607,657	94
		OCDD	$2,638,508	23
		OS	$297,000	0
		TOTAL:	**$11,543,165**	**117**
09-375	ICHSA	OBH	$5,810,419	55
		OCDD	$2,505,729	24
		OS	$297,000	0
		TOTAL:	**$8,613,148**	**79**
09-376	CLHSD	OBH	$6,609,806	64
		OCDD	$2,364,873	22
		OS	$297,000	0
		TOTAL:	**$9,271,679**	**86**
09-377	OBH	NWLHSD	$8,375,297	86
		OCDD	$2,839,527	26
		OS	$297,000	0
		TOTAL:	**$11,511,824**	**112**

Note: Personnel will be reclassified as non-T.O. and not reflected within each budget's Table of Organization since they are funded through the Other Charges expenditure category.

The mission of human service districts is to provide and coordinate, directly and through community collaboration, a range of services to address mental health, addictive disorders, and developmental disability needs among its citizens. The funding from OBH will provide for mental health and addictive disorders services; OCDD funding will provide for the developmental disabilities and waiver supports needs; and the Office of the Secretary will fund the Executive, Human Resources, and Fiscal directors' salaries. The funds being transferred from the Office of the Secretary, OBH and OCDD are what is currently expended on those services in Region 4. The operational plan for this agency is currently in development.

DEPT/AGY: Health & Hospitals (DHH)/Office of Behavioral Health (OBH)
ISSUE: LA Behavioral Health Partnership (LBHP)

The LA Behavioral Health Partnership (LBHP) is a cross-departmental project between the Office of Juvenile Justice (OJJ), the Department of Children & Family Services (DCFS), the DHH, and the Department of Education (DOE) to organize a coordinated, managed care network for LA's behavioral health populations. Services will be managed and coordinated by a single managed care entity known as the State Management Organization (SMO). The contract for the SMO was awarded to Magellan Health Services, Inc. for which there is $50.1 M allocated in Medical Vendor Administration (MVA). Magellan will be responsible for providing behavioral health services to an estimated 100,000 adults and 50,000 children, including 2,400 with significant behavioral health challenges or co-occurring disorders that are in, or at, imminent risk of out-of-home placement. The OBH will be responsible for supervising Magellan's compliance with the contract and state policy. Under the terms of the contract, the SMO will enroll members in need of services, enroll Medicaid providers to deliver services, and manage all services for providers. In addition, the SMO will be responsible for overseeing and managing the behavioral health services for Medicaid and non-Medicaid participants, including adults and youth. The LBHP launched

March 2012.

The SMO reimburses providers on a fee-for-service model for children and a per member/per month capitated rate for adult behavioral health services to providers. For state agencies, this is reflected as an increase of SGR to be received from the SMO for services provided. Services and treatments covered under the LBHP include Early Periodic Screening, Diagnosis, & Treatment (EPSDT) for medically necessary mental health and addiction treatments for children, Psychiatric Residential Treatment Facilities (PRTF) & Therapeutic Group Homes (TGH) for youth under 21, school-based behavioral health services, and adult behavioral health services including major mental disorders and addiction services. Excluded adult populations include: refugee cash and medical assistance programs, tuberculosis populations, Qualified Disabled Working Individuals, alien emergency room services, public and private ICF/MR services, low income subsidies (welfare), family planning, public or private ICF/DD services, or Greater New Orleans Community Health Connection (GNOCHC) services and certain other populations. The same exclusions apply for children's populations with the exception of ICF/MR and ICF/DD services for children, which are covered under the LBHP.

In FY 13, there is $384,845,287 allocated in the Medicaid Medical Vendor Payments (MVP) Buy-Ins Program via a selective services 1915(b) Medicaid waiver for the LBHP. However, according to the Medicaid forecast as of 2/28/2013, only $322,981,609 in FY 13 total expenditures is anticipated. As a result, there is an estimated $61,863,678 surplus in the allocated funding to the LBHP for FY 13. Information provided by DHH indicates that the reasons for the surplus are a 2-month delay in the start-up of the LBHP and slower than anticipated enrollment of residential providers including therapeutic group homes and psychiatric residential treatment facilities. Additionally, the CSoC has not yet been implemented in half of the planned service regions since DHH is reworking eligibility and enrollment processes as well as revamping the way family support organization services are made available. Allocations in Medicaid (MVP and MVA) for the LBHP are listed below.

	FY 12 Actual	FY 13 Allocated	FY 14 Allocated
State Funds	$25,548,303	$117,606,171	$149,117,151
Federal	$52,805,686	$322,901,429	$289,194,811
TOTAL	**$78,353,989**	**$440,507,600**	**$438,311,962**
MVA	$9,452,616	$50,728,067	$50,728,067
MVP	$68,901,373	$389,779,533	$387,583,895
TOTAL	**$78,353,989**	**$440,507,600**	**$438,311,962**

The projected non-Medicaid administrative costs for OBH, DCFS, and OJJ are based on 8% of expenditures within these agencies for the non-Medicaid service populations they service and are estimated at $10.9 M in FY 14. This includes a $3.2 M increase over FY 13 EOB due to delay in the approval by the Centers for Medicare & Medicaid Services (CMS) of the 1915i waiver, which raises the Medicaid eligibility for all mental health adult populations to 150% of the FPL.

Note: Magellan will also manage services for non-Medicaid children currently served through OBH, OJJ, the LEAs and DCFS, but their services will continue to be funded by the requisite state agency. Non-Medicaid adult services will continue to be funded with federal grants and SGF from OBH.

Coordinated System of Care (CSoC)

Within the LBHP, the Coordinated System of Care (CSoC) will serve LA's at-risk children with significant behavioral health challenges who are at imminent risk of out-of-home placement. On 11/3/2011, CMS approved a 1915(c) waiver to allow a specific benefit package that will provide wraparound planning, peer support and other specialty services for the CSoC population including individual living/skills building, short term respite care, and crisis stabilization. The CSoC was established to reduce the state's cost of providing services by using existing SGF to leverage Medicaid and reducing the high cost of institutionalization (e.g., residential treatment, psychiatric hospitals, long-term day treatment, foster care) by providing family driven services in homes, schools, and the community through Family Support Organizations (FSOs). These services will be coordinated through a Wraparound Agency (WAA) in each OJJ service region. By FY 14, DHH anticipates available capacity for up to 2,400 youth in the program at any given time.

DEPT/AGY: Health & Hospitals (DHH)/Office of Behavioral Health (OBH)
ISSUE: Privatization of Southeast LA Hospital (SELH)

On 12/3/2012, a cooperative endeavor agreement (CEA) was signed between DHH and Meridian Behavioral Health Services for the continuing operation of SELH in Mandeville beginning 1/2/2013 through 1/1/2016. SELH was originally scheduled to close in FY 13 due to an allocated cut as a result of the federally mandated FMAP reduction. In anticipation of closure, 60 intermediate adult beds transferred to Central LA State Hospital (CLSH), 34 to Eastern LA Mental Health System (ELMHS), 8 to River Oaks Hospital, 8 to Community Care Hospital, and 8 to the Bogalusa Medical Center in October of 2012 (118 beds total). DHH estimated an initial SGF savings of $555,893 ($1.6 M total MOF) as a result of personnel reductions from closure in FY 13, which was also allocated to OBH in the FMAP reductions from DHH in FY 13. As a result of privatization, SELH's budget will be reduced by $44,970,289 in FY 14, which is a combination of the 'State FY 14 Reduction' & 'Transferred to ELMHS/CLSH' columns reflected below.

	FY 13 SELH Appropriated	FY 14 State Reduction	Transferred to ELMHS/CLSH	FY 14 SELH Recommended
SGF	$9,088,467	($3,513,745)	$0	$5,574,722
IAT	$38,066,523	($15,236,728)	($22,829,795)	$0

SGR	$3,146,893	$0	($3,146,893)	$0
Federal	$681,247	($243,128)	$0	$438,119
TOTAL	**$50,983,130**	**($18,993,601)**	**($25,976,688)**	**$6,012,841**

Note: The $6 M allocated to SELH in FY 14 is to make continued payments on ORM premiums, OGB retiree insurance, and maintenance under state liability as the landowner (e.g. underground storage tanks for water, fuel & diesel) and for 6 positions that are performing continuing maintenance and administrative functions.

Under the CEA, Meridian operates the remaining 58 beds on the SELH campus including: 16 acute adult beds, 22 acute adolescent beds, and 20 adolescent DNP (Developmental Neuropsychiatric Program) beds at SELH. As a result of privatization, out of the 563 positions at SELH, 395 were eliminated from state employment as of 1/2/2013 and another 168 were transferred to ELMHS & CLSH. According to DHH, Meridian rehired 125 former SELH employees who were laid off. Under the CEA, Meridian receives payments for Medicaid services via the Statewide Management Organization (SMO) under the LA Behavioral Health Partnership. The state will also pay Meridian a per diem rate of $581.11 for uninsured patients not covered under Medicaid, Medicare, or a commercial payor and for service costs not fully covered by the SMO for which there is $14,690,831 budgeted in the Uncompensated Care Costs Program in FY 14. This $14.6 M is being transferred from public providers (SELH) to private providers (Meridian) and is not new funding in FY 14.

Note: The average cost per day at SELH before privatization was approximately $826, which generates a savings of $244.89 per patient/per day.

Note: There is $17.84 M transferred into the Overcollections Fund proposed in HB 452 (Funds Bill) for the sale of the SELH property to the parish governing authority of St. Tammany as authorized by SB 170.

DEPT/AGY: Health & Hospitals (DHH)/Office for Citizens with Developmental Disabilities (OCDD)
ISSUE: Community-Based Waivers

The New Opportunities Waiver (NOW) is offered on a first-come, first-served basis. There is a Developmental Disability Request for Services Registry (RFSR) that lists individuals who meet the LA definition for developmental disability and their request date.

FY 14 Funded Slots:	*8,907 ** *
FY 13 Funded Slots:	*8,832*
Slots Filled as of 12/31/2012:	*8,513*
Slots Funded but not Filled:	*319*
*Registry and/or Waiting List:**	*10,166*
Average Cost/Capped Cost:	*$53,336*
Expenditure Forecast as of 12/31/2012:	*$418,319,888*
Population Served:	*Ages 3 + who have a developmental disability that manifested prior to age 22*

The Children's Choice Waiver offers supplemental support to children with developmental disabilities who currently live at home with their families, or who will leave an institution to return home. Children's Choice is an option offered to children on the Request for Services Registry (RFSR) for the New Opportunities Waiver (NOW) as funding permits. Families choose to either apply for Children's Choice, or remain on the RFSR for the NOW.

FY 14 Funded Slots:	*1,475*
FY 13 Funded Slots:	*1,475*
Slots Filled as of 12/31/2012:	*1,314*
Slots Funded but not Filled:	*161*
*Registry and/or Waiting List:**	*5,239*
Average Cost/Capped Cost:	*$11,994 ($16,410 waiver cap only)*
Expenditure Forecast as of 12/31/2012:	*$15,394,032*
Population Served:	*Ages Birth - 18 who meet the federal definition for a developmental disability*

*Also subset of individuals under 19 from the NOW waiver and the number is included in the NOW registry.

The Support Services Waiver has reserved capacity for people who were receiving state general funded vocational and rehabilitation services as of 3/31/2006 or who were listed as waiting for those services prior to 5/31/2006. The Supports Waiver is intended to provide specific, activity focused services rather than continuous custodial care.

FY 14 Funded Slots:	*2,050*
FY 13 Funded Slots:	*2,050*
Slots Filled as of 12/31/2012:	*1,725*
Slots Funded but not Filled:	*325*
*Registry and/or Waiting List:**	*854*
Average Cost/Capped Cost:	*$8,156*
Expenditure Forecast as of 12/31/2012:	*$13,105,172*
Population Served:	*Ages 18 +*

The Residential Options Waiver (ROW) offers people of all ages services designed to support them to move from ICFs/DD and nursing facilities to community-based settings, and to serve as an alternative to being institutionalized. ROW was approved by CMS on 10/1/2009.

FY 14 Funded Slots:	*210*
FY 13 Funded Slots:	*210*
Slots Filled as of 12/31/2012:	*28*
Slots Funded but not Filled:	*182*
*Registry and/or Waiting List:**	*0*
Average Cost/Capped Cost:	*$21,425*

Expenditure Forecast as of 12/31/2012:	*$700,455*
Population Served:	*Ages Birth to end of life who have a developmental disability which manifested prior to the age of 22*

*Registry and/or Waiting List as of 12/31/2012
**75 NOW slots added in Appropriations Committee

Note: Although the agency fills waiver slots as quickly as possible, not all waiver slots are filled at the beginning of the fiscal year.

DEPT/AGY: Health & Hospitals (DHH)/Office for Citizens with Developmental Disabilities (OCDD)
ISSUE: Update on Privatization of the Supports & Services Centers

Beginning in FY 10, the OCDD has consolidated, closed or privatized a number of public operated supports and services centers (formerly known as developmental centers) as well as significantly reduced the number of residents in the centers. In FY 13, OCDD privatized North Lake Supports & Services Center and Northwest Supports & Services Center that resulted in Pinecrest Supports & Services Center being the only remaining publicly operated ICF/DD.

Facility	Location	Status	Date
North Lake Supports & Services Center	Hammond	Privatized	10/01/2012
Northwest Supports & Services Center	Bossier City	Privatized	10/01/2012
Acadiana Region Supports & Services Center	Iota	Privatized	07/01/2011
Pinecrest Supports & Services Center	Pineville	Operating	--
Leesville Residential & Employment Services	Leesville	Privatized	06/30/2011
Bayou Region Supports & Services Center	Thibodaux	Closed	12/31/2010
Northeast Supports & Services Center	Ruston	Closed	06/30/2010
Columbia Community Residential & Employment Services	Columbia	Closed	06/30/2010
Greater New Orleans Supports & Services Center	New Orleans	Consolidated	07/01/2012

<u>The following centers have privatized:</u>
North Lake Supports & Services Center - OCDD privatized North Lake SSC (Tangipahoa Parish) on 10/01/2012. OCDD entered into a 5-year cooperative endeavor agreement (CEA) with Evergreen Presbyterian Ministries. In FY 12, OCDD reduced $28,928,373 in Title 19 Medicaid IAT funds and eliminated 620 positions in its budget due to the privatization. Cost savings from the privatization of North Lake SSC are based on the difference between the Medicaid public reimbursement rate for the state-operated North Lake SSC ($687.26) versus the negotiated Medicaid private reimbursement rate with Evergreen ($302.08). The CEA authorized the use of 214 of North Lake's existing licensed beds.

Northwest Supports & Services Center - OCDD privatized Northwest SSC (Bossier Parish) on 10/01/2012. OCDD entered into a 5-year cooperative endeavor agreement (CEA) with the Arc of Acadiana. In FY 12, OCDD reduced $14,937,349 in Title 19 Medicaid IAT funds and the eliminated of 360 positions in its budget due to the privatization. Cost savings from the privatization of Northwest SSC are based on the difference between the Medicaid public reimbursement rate for the state-operated Northwest SSC ($543.27) versus the negotiated Medicaid private reimbursement rate with the Arc of Acadiana ($208.49). The CEA authorized the use of 220 of Northwest's existing licensed beds.

Acadiana Region Supports & Services Center - Act 11 of 2010 authorized the privatization of Acadiana Region Supports & Services Center (Acadia Parish). In FY 11, OCDD eliminated 250 positions and only 10 positions remained at Acadiana Region SSC as part of community support teams that provided training and technical assistance to caregivers, families and schools that serve people with disabilities. Act 12 of 2011 transferred the remaining funding for ARSSC and 10 positions to Pinecrest Supports & Services Center (Rapides Parish). The FY 12 budget reduced $10,208,725 ($9,639,125 IAT and $569,600 SGR) from OCDD due to the privatization of Acadiana. OCDD privatized Acadiana on 7/01/2012. OCDD entered into a 5-year cooperative endeavor agreement (CEA) with the Arc of Acadiana. The CEA authorized the use of 70 of Acadiana's existing licensed beds.

DEPT/AGY: Children & Family Services (DCFS)
ISSUE: Temporary Assistance to Needy Families (TANF) Initiatives

The FY 14 budget includes funding of $100.4 M for TANF initiatives, which is an increase of $1.85 M from the FY 13 appropriation.

Federal Initiatives		FY 13	FY 14	Difference
Literacy:	Jobs for America's Graduates	$3,950,000	$3,950,000	$0
	LA4	$34,205,913	$36,456,588	$2,250,675
Family Stability:	CASA	$4,436,500	$4,436,500	$0
	Drug Courts	$6,000,000	$6,000,000	$0
	Child Welfare	$34,219,534	$38,203,204	$3,983,670
	Family Violence	$3,791,095	$2,350,000	($1,441,095)
	Homeless	$637,500	$637,500	$0
	Nurse Family Partnership	$3,365,000	$3,196,750	($168,250)
	Substance Abuse	$3,059,458	$3,059,458	$0
	Early Childhood Supports	$2,775,000	$0	($2,775,000)

Abortion Alternatives	$1,260,000	$1,260,000	$0
Community Supervision (OJJ)	$900,000	$900,000	$0
Totals	**$98,600,000**	**$100,450,000**	**$1,850,000**

DEPT/AGY: Children & Family Services (DCFS)
ISSUE: Consolidation of Parish and Regional Offices

Beginning in FY 11, the reorganization of the DCFS, authorized by Act 877 of 2010, closed and consolidated 20 parish offices decreasing the number of DCFS offices from 148 to 128 and resulting in savings from rent payments of approximately $2 M ($778,000 SGF and $1.2 M in Federal). In FY 12, the closure and consolidation continued with another 17 parish offices resulting in savings of $3.5 M in rent and lease costs. In FY 13, DCFS continued the consolidation and closure of an additional 41 parish offices and utilized the savings within the department. In FY 14, savings from rent and lease payments is $2,941,176 ($1 M in SGF and $1,941,176 Federal). Presently, the department operates 70 parish offices listed below.

Also, in FY 11, DCFS began implementation of the Modernization Project. The goal of the Modernization Project is to transform the service delivery of DCFS to allow clients multiple ways to apply for services as well as access services. As a result, clients will no longer have to visit physical DCFS office locations or travel to multiple locations to do business with DCFS. The Modernization Project launched the Common Access Front End (CAFÉ) website that allows clients to create an online account, check the status of their application, complete a "smart" application and submit redeterminations for continued support all from a single point of entry. Clients can call the new Customer Service Center Helpline to access DCFS services. In addition, clients may visit another DCFS office either in the same or adjacent parishes or visit one of the over 500 community partners. Community partners are regional and community organizations that already serve the public. Community partners vary from school health centers and food pantries to councils on aging and churches. Community partners assist DCFS clients with varying levels of support, from providing information about DCFS services to guiding clients through the application process.

DCFS Offices*

Acadia	CW/ES	Many Neighborhood Place	ES
Allen	CW/ES	Monroe	CSE/ES
Ascension	CW/ES	Monroe Regional	CW
Avoyelles	CW/ES	Morehouse	CW/ES
Beauregard	CW/ES	Natchitoches	CSE/CW/ES
Baton Rouge	CSE/DDS	NO-Jefferson Area/Hearings	DDS
Baton Rouge Reg	CW	Orleans	CW
Caddo	CW/ES/CSE	Orleans Midtown	ES/CSE
Calcasieu	CW/ES	Ouachita	CW
Catahoula	CW/ES	Point Coupee	CW
Claiborne	ES	Rapides	CW/ES/CSE
Concordia	CW	Red River	ES
DeSoto	CW	Richland	CW
E. Jefferson	CW/ES	Sabine	CW
East/West Carroll	ES	Shreveport	DDS
East/West Feliciana	CW/ES	St. Mary	CW
East Baton Rouge	CW/ES	St. John	CW/ES
Evangeline	CW/CSE	St. Landry	CW/ES
Franklin	CW/ES	St. Martin	CW
Iberia	CW/ES	St. Tammany	CW/ES
Iberville	CW/ES	Tallulah	CSE
Jefferson Davis	CW	Tangipahoa	CW/CSE/ES
Lafayette	CW/ES/CSE	Terrebonne	CW/ES
Lafourche	CSE/CW	Vermillion	CW
Lake Charles	CSE/CW	Vernon	CW/ES
Lake Charles Reg	CW	W. Jefferson	CW/ES
Lincoln	CW/ES	Washington	CW/ES
Livingston	CW/ES	Webster	CW/ES
Madison	CW/ES	Winn	CW/ES
Mahalia Jackson	ES	Zwolle Neighborhood Place	ES

*As of February 2013
ES - Economic Stability (formerly Food Stamp) office
CW - Child Welfare office
CSE - Child Support Enforcement office
DDS - Disability Determination Services

Parish with no DCFS offices: Assumption, Bienville, Bossier, Caldwell, Cameron, East Carroll, Grant, Jackson, LaSalle, Plaquemines, St. Bernard, St. Charles, St. Helena, St. James, Tensas, Union, West Baton Rouge, and West Feliciana.

DEPT/AGY: Natural Resources (DNR)
ISSUE: Consolidation of Certain Management & Finance Functions With Departments of Environmental Quality (DEQ) and Wildlife & Fisheries (WLF)

Based on information in the FY 14 budget, the consolidation of certain management and finance activities between the departments of DNR, WLF and DEQ is projected to result in a savings of $1.8 M and the elimination of 36 positions. The management and finance functions being consolidated include information technology, human resources, contracts, grants and purchasing activities. The $1.8 M savings comes from a $640,137 reduction in SGF in the DNR's budget and a $1,157,096 reduction in Statutory Dedications funding from the Environmental Trust Fund in DEQ's budget. WLF had no revenue reductions associated with the consolidated.

It is anticipated that an adjustment may be made to DEQ's budget for FY 14, which would reduce the amount of savings from the proposed consolidation. According to DEQ, the amount reduced from it's budget, $1,157,096, will need to be correctly aligned with the actual salaries of the personnel being transferred because the salary information used to estimate the potential savings was too high. If there is an adjustment to correctly align the salary information, the estimated savings will be reduced.

All 3 agencies' T.O. is reduced as a result of the consolidation. All positions associated with the consolidation at DEQ and WLF are being transferred to DNR's budget, where the T.O. reductions are taken. A total of 83 positions were transferred to DNR from DEQ (55) and WLF (28). DNR's executive budget recommendation reduces 25 (16 from DEQ and 9 from WLF) of the 83 positions transferred for a net increase of 58 positions. An incumbent currently occupies 73 of the 83 transferred positions. DNR intends to implement a layoff to achieve the savings associated with the consolidation. DNR cannot start the layoff procedure before 7/11/2013, which is when the consolidation becomes effective. The layoffs are anticipated to be effective 8/5/2013. Since the layoffs will not occur until after the start of the upcoming fiscal year, DNR will probably exceed its budgeted T.O. for 3 pay periods or until the layoffs are effective.

An additional $7.6 M in IAT revenue was also added to DNR's budget to provide for the consolidation. Approximately $4.7 M will come from DEQ and $2.9 M will come from WLF.

DEPT/AGY: Revenue (LDR)
ISSUE: SGR & Workforce Reductions

The FY 14 budget proposes a 15% decrease for the LDR to $74.1 M, nearly all as a result of smaller SGR, which consists mostly of penalties on delinquent payments. Since the last amnesty program was implemented in 2009, the agency has relied on a significant carry-forward of revenue either from amnesty proceeds or departmental surpluses. Unlike most agencies, LDR is allowed by statute to retain all excess SGR at the end of the year - it does not revert to the SGF. In FY 14, LDR will require about $20 M in carry-forward revenue to meet its appropriation, which is the full balance expected from FY 13. With a goal of using no SGF, LDR anticipates relying solely on current SGR collections once the carry-forward balance is depleted. The FY 14 budget essentially depletes the carry-forward balance; however, savings from unexpended funds may still provide some revenue for FY 15 but is not expected to reach the $20 M in place for FY 14.

Without a significant increase in SGR either through enforcement or increased fees, the LDR budget for FY 15 could face a 25% cut to roughly $55 M because only fees collected within that fiscal year will be available for appropriation. Further, fraud detection and debt collection initiatives are heavily promoted in the FY 14 budget as revenue generating measures above and beyond those currently undertaken by the agency. The FY 14 budget contains no funding for administrative costs of these programs, estimated to be near $10 M. A budgetary reduction of this magnitude could impact LDR's ability to collect taxes and, at a minimum, should lead to a discussion about its impact on the revenue estimate.

There are 4 main LDR workforce impacts that are related to the decrease in SGR funding: employee transfers to the Division of Administration (46), position elimination (68 including 15 layoffs), office closures (no employee reductions) and other general operating reductions. According to LDR, the duties of the eliminated positions will be spread among the remaining workforce. In preparation for FY 14 budget reductions, LDR offered an early retirement incentive payment of a half-year of salary if the employee retired by 7/1/2013. Department-wide, 68 employees took advantage of the incentive, and 36 of the positions will not be refilled. With the early retirement incentive, LDR will be without a significant share of seasoned personnel with expertise in areas that may be critical if the income/sales tax swap is instituted. It is not clear how the shifting in work functions and the implementation of complicated systemic changes will impact collections over time. The LDR collects 75% of the state's recognized revenues that become the SGF and Statutory Dedications that are appropriated in the budget.

LDR indicates a desire to increase SGR by implementing certain enforcement practices to boost penalty collections, though there are no plans to change the penalty rates. However, even using the most advantageous assumptions, the SGR cannot be raised enough to avoid significant cuts in FY 15 and possibly beyond.

DEPT/AGY: Revenue (LDR)
ISSUE: Fraud Detection/Debt Collection

General Appropriations Bill
$30 M Fraud Initiative in additional appropriated revenue which include:

1) **LexisNexis Fraudulent ID contract**
2) **SAS state database connectivity contract**
3) **2 investigators detailed from Revenue to the Attorney General to assist in collections**

The FY 14 Funds Bill (HB 452) provides that any amount over $3 M in recurring SGF revenue that is generated as a result of a fraud initiative within the Department of Revenue (LDR) is deposited in the Overcollections Fund.

Presumably, these funds may be generated due to the implementation of 3 efforts, 2 of which involve electronic verifications against existing public records and certain other corroborating data (LexisNexis and SAS) and one which provides 2 investigators to the Attorney General to assist with enforcement efforts in collecting delinquent debt. HB 452 includes a provision that retains the first $3 M from this 3-prong effort in the SGF as proxy for the expected amount that is already considered in the official revenue forecast, according to the Division of Administration (DOA). Any amount collected by the effort over $3 M is budgeted through the Overcollections Fund (see House Appropriations Committee (HAC) Amendments write-up). In the Executive Budget, the administrative cost is to be paid by LDR, presumably through SGR since there is no appropriation from other means of finance for this initiative. The DOA has indicated that it anticipates capturing the amount needed for administration of these contracts in a statutory dedication from the proceeds of the efforts to be appropriated to LDR. Thus, the anticipated proceeds are disbursed as follows:

$30 M Budgeted to Higher Education (though two other efforts may contribute)
$3 M Retained in SGF to account for efforts already in the forecast
$5 M LexisNexis administrative costs originally were projected to be $9.9 M. The DOA and LDR indicated that this is now capped at $5 M.
$1.5 M SAS Tax Enforcement Module administrative costs (effort is included in the justification of the $30 M)*

$39.5 M Total Anticipated Budgeted Proceeds from the Fraud Initiative

* Implementation costs are not yet appropriated but are the obligation of LDR using SGR; these costs are expected to be funded through the Overcollections Fund within LDR by amendment.

Funds Bill / HB 452 (Section 3(A))
$29.2 M from the Department of Revenue (LDR) deposited to the Overcollections Fund which include:

1) **Excess SGR from LDR ($13.1 M)**
2) **$10 M from Centralized Debt Collection (HB 629)**
3) **$6 M from federal vendor payment offset (also included as a component of HB 629)**

Note: HB 629, Centralized Debt Collection, does not send collections to the Overcollections Fund; collections from this effort are sent back to the originating agency in the bill

No administrative expenses related to these efforts, estimated to be about $10 M, are currently budgeted, except the two positions detailed to the AG. It is not clear whether an amount from Overcollections Funds will be redirected to LDR for administration expenses by amendment or the agency will be expected to absorb these costs, which amount to about 15% of its current budget recommendation.

The state budget currently contains $49 M from fraud/debt collection initiatives with implied administrative costs of about $10 M, though the administrative cost estimates are informal and not finalized. Currently, the administrative costs are the liability of the LDR through SGR. Most of the revenue ($46 M) expected to be generated by these projects was appropriated to Higher Education with $3 M remaining in the SGF in the original bill but left unappropriated in the engrossed version. Note: some provisions appear to be counted twice in the revenue estimate of HB 629 because it appears as a stand alone impact of $6 M in the funds bill (a component and in HB 629). The "SAS initiative", which allows a cross-reference of multiple state databases is included in HB 1 as part of a $30 M effort and in HB 629 as part of a $10 M centralized debt collection impact. In addition, a reciprocal arrangement with the federal government wherein vendor payments due to the state or the federal government are offset by reported liabilities of either is accounted for in HB 452 as $6 M and is also a component of the $10 M impact of centralized debt within HB 629.

The Funds Bill includes $13.1 M in excess SGR that is anticipated to be available from 2 programs within the LDR: Tax Collection ($5.9 M), Office of Charitable Gaming ($4.9 M) and Alcohol & Tobacco Control ($2.4 M). LDR will be able to accommodate this portion of the Funds Bill transfer.

DEPT/AGY: Revenue (LDR)
ISSUE: Tobacco Master Settlement

The Tobacco Settlement consists of payments resulting from the Master Settlement Agreement (MSA) between the states and the major tobacco companies. Each year in April, the state receives its allotted share of the settlement (2.2%) as a regular payment. The state securitized 60% of the settlement and that amount of the MSA payment is currently dedicated to the payment of the bonds. The remaining 40% is split between the LA Fund (25%) and the Millennium Trust Fund (75%). An inflationary adjustment remains in the Trust; otherwise the remainder is used to fund TOPS.

The following are other budget issues related to tobacco this year:

Proposed Non-Participating Manufacturers Settlement
The FY 14 Executive Budget included $60 M in the TOPS Program that the State anticipated from a proposed settlement of the Tobacco Settlement Arbitration concerning the disposition of the withheld payments for the Non-Participating Manufacturers (NPMs) adjustments that have been deducted from Tobacco Settlement Proceeds between 2003 and 2012. The payments were withheld due to several factors, including the position maintained by the Original Participating Manufacturers (OPMs) that the state did not enforce the MSA by allowing NPMs, who are not subject to the MSA payments, to gain market share. The settlement has been signed by 19 states, including LA, out of 46 total states and has been finalized by the arbitration panel.

The agreement as proposed stipulates that the state will receive 100% of escrow funds and will repay 46% of the amount paid to the state under the regular payment that could qualify as retractable. The repayment will occur as a credit to the regular MSA payment over the following 5 years (50% in year 1 and 12.5% in the remaining 4).

The settlement paid out on April 15, 17 and 25 and, after deducting the first year credit, the state's portion (or

40%) of the MSA payment, including the regular payment and the settlement, was about $27.8 M larger than the FY 12 payment of $56.5. However, of the $27.8M excess, 25% or about $7 M will be deposited to the LA Fund. The distribution of the remaining $20.8 M is under question since it is not clear whether it will be distributed under current law to TOPS or under the law that was in place when the funds were placed in escrow, which was primarily contributing to the corpus of the Millennium Trust Fund. It is of note that regular MSA payments between FY 14-17 will be subject to a 12.5% credit due to arbitration (estimated to be $5 M to 7 M per year or $30 M to 35 M in total), which will be deducted from the MSA payment. The credit amount may be offset by a reduced NPM adjustment but there is no certainty.

The remaining portion of the payment or 60% will be used to pay down the securitized debt, which is subject to a turbo requirement unless refunding takes place. Under the turbo requirement, 60% of all MSA proceeds must be paid toward the securitized debt until it is paid, which means a portion of the settlement funds may be dedicated to bondholders and not available for use in the budget unless the tobacco bonds are refunded without the turbo payment requirement by 5/15/ 2013.

Exact amounts of known MSA payments thus far this year are:

	4/15/2013	4/17/2013	4/25/2013	To Date 2013
Bonds	$69,756,592	$44,521,388	$12,097,414	$126,375,394
State	$46,504,395	$29,680,925	$8,064,943	$84,250,263
Total	$116,260,987	$74,202,313	$20,162,357	$210,625,657

FY 12 MSA Payment	$56,500,000
FY 13 MSA Payment	$84,250,263
EXCESS	$27,750,263
Available after 25% to LA Fund	$20,812,697

The law governing the distribution is in question. This amount will be available for TOPS if the Treasurer determines that the distribution of the payment should fall under current law. However, the funds were aggregated over a time during which the distribution included corpus growth in all 3 Millennium Trust Funds.

Refunding of the Securitized Tobacco Settlement
The FY 14 Executive Budget also included $60 M resulting from the refunding of the securitized Tobacco Settlement proceeds, which is 60% of the state's MSA payment. However, this amount was amended out of the engrossed version. Presumably, the savings will be the result of lower interest rates and the delay of principle payments over the first few years of the amortization with those payments being made at the end of the payment period instead. The structure has not been finalized. Front-loading the savings is the only way to achieve an amount close to the $60 M that is included in the FY 14 Executive Budget (though not in the engrossed version).
The current structure of the debt contains automatic turbo payments, which means that the entire revenue stream is dedicated to the bonds, even if the revenue is in excess of the scheduled payment. Historically, the state has made turbo payments each year, which has shortened the life of the bonds. Since the arbitration settlement was received by the state under the current securitization structure, 60% of the anticipated settlement will automatically be used to pay the debt without a refunding in place by 5/5/13. However, the settlement could be made available for other uses if the securitized Tobacco Settlement bonds are refunded without the turbo payment requirement. According to the State Bond Commission, *the refunding must close before 5/15/2013, in order to capture the benefits of the 2013 payment. The amount of available savings from this transaction is under review as proposals are currently being submitted. The refunding plan must get approval from The Tobacco Settlement Financing Corporation Board, the State Bond Commission and the Joint Legislative Committee on the Budget.*

Note: The Tobacco Settlement Financing Corporation met on 5/6/2013 and selected Citibank as the underwriter for the Tobacco Bond Refunding.

DEPT/AGY: **Retirement Systems**
ISSUE: **Cash Balance Plan Structure**

Act 483 of 2012 enacted the State's Cash Balance Plan (CBP) for new state employees effective 7/1/2013. A CBP is a Defined Benefit Plan (DBP), but with some elements of a 401(k) plan. Like a DBP, members do not direct the investments or investment choices. However, as a member of a CBP, an individual does have his or her own account and has some portability features. In cash balance plans, new employees are automatically enrolled in the plan with some percentage of salary deposited annually into a separate "notional" account for each worker. Unlike employee accounts under the defined contribution plans, notional accounts are used for record keeping purposes only; the pension funds are not invested through these separate accounts, but are instead invested as a whole. The state (employer) contributes a percent of salary to the employee's account. In addition, the notional account is credited with interest at a rate determined by the employer; this interest credit is the "return" for the assets in the account. The CBP is required for all new employees (excluding hazardous duty service plan members) within the LA State Employee Retirement System (LASERS), LA School Employees Retirement System (LSERS) and higher education individuals within the Teachers Retirement System of LA (TRSL).

Act 483 of 2012 Cash Balance Plan: LA's CBP, as stated in Act 483, has the following components:

Pay Credits - Employee's notional account is credited with 12% of salary (employee contribution - 8%, retirement system funded - 4%). Act 483 clearly states the employee contribution is 8%. However, also mentioned in the bill is language that indicates that the CBP's pay credit shall be 12% of pay monthly. Because the CBP is still a DBP, the employer contribution calculation must be calculated in the same fashion as the traditional DBP, which is calculated through actuarial science based upon a number of assumptions. This 12% pay credit language indicates that one of the assumptions utilized by the systems' actuary is that a 4% pay credit will be applied to all CBP members to be paid by the systems' trust fund. For example, utilizing LASERS' updated 2012 actuarial valuation (January 2013), the actuary calculated normal cost percent for FY 13 for the CBP to be 10.3% of which the employer share is 2.3% (employee share is statutorily set at 8%). One of the actuarial assumptions utilized by the actuary to calculate this normal cost rate is that the trust will provide a 4% of pay credit for each participant.

Although Act 483 provides for a pay credit of 12%, which insinuates 8% is the employee portion and 4% may be the state portion, based upon discussions with the retirement systems' actuary the 4% contribution is merely one of many actuarial assumptions utilized to calculate the normal cost of the cash balance, which for LASERS in FY 14 is 10.3% (8% employee and 2.3% employer). Thus, based upon the amended actuary valuation, the state contribution for FY 14 is actually less than 4%. The specifics of the 12% pay credit for each individual in the CBP for FY 14 could be calculated as follows below:

Employee contribution	8%
Employer contribution *	2.3%
System Funded	1.7%
Total	12%

** Employer contribution includes normal cost only and does not include the UAL portion.*

Based upon the FY 14 illustration above, from an employer perspective (state) the CBP is less costly. However, significant fiscal impacts will likely not materialize until much later in time as more and more newly hired state employees enroll in this plan and current traditional defined benefit employees retire and decease.

Interest Credits - Employee's notional account earn interest at the systems' actuarial rate of return, less 1%. Employee's accounts are never debited for investment losses. If this plan would have been in affect in FY 13, the interest credit for LASERS' CBP participants would be 4.28% because LASERS' actuarial rate of return in 2012 was 5.28%.

Note: On 1/24/2013, the 19th JDC (Judge William Morvant) ruled that Act 483 of 2012 was unconstitutional because it failed to receive the two-thirds vote requirement on the House floor (LA Constitution, Article X, Section 29(F)). The lawsuit is now pending at the LA State Supreme Court.

Note: SCR 1 and HCR 2 of 2013 as proposed would suspend the provisions of the Cash Balance Plan until 6/30/2014.

DEPT/AGY: Retirement Systems
ISSUE: Unfunded Accrued Liability (UAL)

Many years of insufficient contributions from the State resulted in a large initial UAL, or IUAL (prior to 1987). However, in 1987 a constitutional amendment was passed that required all state retirement systems be funded on an actuarially sound basis, which requires that the IUAL be eliminated by FY 29. The UAL equates to the difference between the total amounts of benefit obligations minus the current actuarial value of the assets of the retirement systems. Any benefit obligations not met by actuarial value calculate to the UAL. In order to meet the constitutional mandate, the legislature established a 40-year amortization schedule with increasing annual payments beginning on 7/1/1988, which were ultimately back-loaded. Of the 4 state retirement systems, LASERS and TRSL still have an IUAL balance not yet paid, which must be paid in full by 2029.

The current statewide UAL (state retirement systems) is approximately \$19.3 B (\$7.1 B – LASERS, \$11 B – TRSL, \$0.3 B – State Police Retirement, and \$0.9 B – School Employees). In FY 14, the total UAL payment is anticipated to be \$1.57 B with escalating payments in subsequent fiscal years, which are projected to peak at \$1.99 B in FY 29. Act 81 of 1988 provides for amortization of the initial UAL plus subsequent changes in benefits, methods or gain/loss experience. Act 497 of 2009 revised the amortization of the initial UAL (IUAL) and other schedules for LASERS and TRSL. Under the revised amortization schedule, the IUAL will be paid in full by 6/30/2029. However, paying the IUAL in full will not completely eliminate the entire UAL. Depending upon actuarial assumptions utilized in calculating the percent of payroll needed by the employer for the UAL payment and other actuarial activities of the systems, the UAL could grow or be reduced every year. *Thus, the actual difference between system liabilities and system assets change every year.*

As of 6/30/2012 the UAL for each system is as follows:

Teachers	\$10,955,670,908
LASERS	\$7,131,481,688
School Employees	\$875,008,244
State Police	\$343,686,976
Total	\$19,305,847,816

Note: Funded percentages of the 4 state retirement systems as of 6/30/2012 are as follows: State Police - 54.76% (54.19% last year), School Employees - 61.6% (59.9% last year), LASERS - 55.9% (57.6% last year), and TRSL - 55.4% (55.1% last year). The funding percentages represent the percentage of UAL for which assets are on hand.

The LASERS UAL, which represents approximately 37% of the total debt, began making principle payments in FY 12, which decreases the amount of the UAL balance. According to the existing debt payment schedule, in 10 years the debt balance will have decreased by approximately \$1.5 B and in 20 years the debt balance will have decreased by approximately \$4.4 B.

FY 14 Major Budget Issues

Cash Balance Plan's Impact to UAL: Offering a Cash Balance Plan (CBP) for new hires only going forward does not eliminate or reduce the current UAL that the state is constitutionally required to pay. The CBP only addresses pension costs going forward and does not assist in closing the gap between current defined benefit assets and future defined benefit liabilities that currently exist. Because the CBP is a Defined Benefit Plan (DBP), it can create additional future UAL. However, the creation of such UAL will not be at the same pace at which the traditional DBP creates UAL.

For example, if the actuarial rate of return of the system is less than 8% (assumed rate of return), but greater than 1%, within the traditional DBP a UAL would likely be created. However utilizing the same assumptions, due to the structure of the CBP, additional UAL would not be created. If the actuarial rate of return is less than 0%, then the CBP will create additional UAL. In fact, Nebraska, which has had a CBP in place since 2003, reported UAL for its CBP in the amount of $48.5 M as of May 2011 (Buck Consultant Valuation).

DEPT/AGY: **Retirement Systems**
ISSUE: **Cash Balance Plan - Social Security Equivalency Test**

In the Fall of 2012, the Division of Administration (DOA) (through its contract attorney Baker Donelson) submitted a request to the Internal Revenue Service (IRS) for a ruling whether the Cash Balance Plan (CBP) as it was enacted in Act 483 of 2012 is an equivalent retirement program to Social Security. The current Defined Benefit Plan (DBP) is considered a social security equivalent plan. Thus, all state employees participating in the traditional state pension plan do not pay the Federal Insurance Contributions Act (FICA) tax nor does the state pay the employer portion of the FICA tax (6.2% employee portion/6.2% employee portion, 12.4% total).

In its letter to the IRS, Baker Donelson argues that the CBP meets the equivalency test under the defined contribution components. One of the test components requires that allocations to the employee's account (exclusive of earnings) must equal at least 7.5% of the employee's compensation. The DOA contract attorney argues the CBP meets this requirement due to the fact that member's account will be credited with an amount equal to 12%. However, the CBP could be considered a type of DBP with some defined compensation plan components. Nebraska is the only other state in the country with an existing CBP (since 2003) and its participating members pay into social security. In addition, Kansas enacted legislation creating a CBP, which becomes effective in 2015. All of the Kansas participating CBP members will contribute to FICA as do its current DBP members.

If the plan is not considered a social security equivalent plan, then the state and its CBP participants will be required to pay the FICA tax. Due to this plan rolling out to newly hired employees on 7/1/2013, the DOA has requested an expedited ruling from the IRS. Although IRS has not ruled on the social security equivalency test for the CBP to date, the DOA anticipates the plan going into effect on 7/1/2013 regardless if a ruling has been issued. The DOA anticipates a Spring/Summer 2013 ruling. <u>However, there may be an indeterminable fiscal impact if the IRS rules that the CBP is not a social security equivalent retirement plan</u>. For example, if the plan goes into effect on 7/1/2013 without a ruling, CBP participating individuals and the state will be paying as follows:

State Share (LASERS)	
Normal Cost	2.3%
UAL Portion	25.5%
Total	27.8%
Employee Share	
Statutory Contribution Rate	8%

If the IRS rules that the CBP is not a social security equivalent plan, then the state and employee will be required to pay the social security tax. Thus, the cost of the CBP is higher than originally anticipated for the employee and the employer. See table below that illustrates the additional cost of the state and employee of paying the 6.2% FICA tax.

State Share (LASERS) with FICA	
Normal Cost	2.3%
UAL Portion	25.5%
FICA	6.2%
Total	34%
Employee Share with FICA	
Statutory Contribution Rate	8%
FICA	6.2%
Total	14.2%

For context, the total employer contribution projected in FY 14 for the traditional rank & file defined benefit participants as projected in Fall 2012 by their actuary is 31.3% for LASERS (25.5% UAL/5.8% employer normal cost). <u>Essentially, if the IRS ruled against social security equivalency for the CBP, it will cost the state more on an aggregate basis than the existing traditional rank & file LASERS DBP.</u>

Note: If the CBP begins in July 2013 and the IRS issues an unfavorable ruling after the plan has begun, the retirement systems believe the 12.4% will be retroactively due from the time at which the ruling is made back to 7/1/2013 (enactment date of CBP). For example, if employee John Doe starts an entry level job making $2,500/month ($30,000/year) and the ruling is issued in January 2013, the systems believe the employee and state will be required to contribute $930 each to SS for back FICA tax due from July 2013 to December 2013. The DOA believes this will not be an issue as they anticipate a ruling prior to 7/1/2013.

FY 14 Major Budget Issues

Note: SCR 1 and HCR 2 of 2013 as proposed would suspend the provisions of the Cash Balance Plan until 6/30/2014.

DEPT/AGY: Higher Education
ISSUE: Loss of funding from the LSU Shreveport Hospital to the School of Medicine

LSU Health Sciences Center Shreveport is an academic medical center with a linked public university teaching hospital and School of Medicine. The School of Medicine clinical faculty members who teach medical students also teach Residents and Fellows, and provide patient care in the hospital and outpatient centers. The annual operating expense for the medical schools (School of Medicine, School of Allied Health Professions and School of Graduate Studies) is approximately $100 M. Due to small class sizes necessary for clinical training, the medical schools do not generate enough revenue through tuition to cover expenses. As such, LSU Health Sciences Center Shreveport teaching hospital has historically transferred $26 - $30 M of patient-generated revenue to the medical school as a supplement to meet medical school expenses.

In 2008, legislation was passed (Act 562) to established a $30 M cap on the annual supplemental transfer from the Shreveport teaching hospital to the School of Medicine, allowing the hospital to retain a portion of its patient-generated revenue for routine hospital maintenance or the purchase of critical patient care equipment. However, FY 13 state and federal reductions of $89.6 M in uncompensated care cost (UCC) payments and Medicaid claims payments has significantly decreased the earning capacity of the hospital, thereby negating its ability to transfer any supplemental funds to the medical school in FY 13 and thereafter. LSU Health Sciences Center Shreveport is using the following $33.4 M in one-time funding from the medical school and hospital to address FY 13 budget cuts to both: research savings from the School of Medicine ($5 M), Dean's allocation of earned physician revenue ($15 M), carry-forward collections from FY 12 ($6.3 M), deferral of hospital improvement projects ($3 M), and patient care changes ($4.1 M). These one-time funding sources will not be available in FY 14 and thereafter.

The proposed FY 14 budget for LSU Health Sciences Center Shreveport includes the funding reduction of $89.6 M mentioned above that was initiated in FY 13 and the elimination of $6.8 M from Upper Payment Limit (UPL) funding. HB 1 also does not include an FY 13 appropriation transferring $5 M from sales taxes collected on hotels/motels in the Shreveport area to LSU Health Shreveport.
The School of Medicine has a relatively fixed teaching program with related costs where all departments are needed in order to fulfill the curriculum requirements of the accrediting bodies. A significant decrease in funding will pose risks to accreditation of the medical school, allied health programs, and GME programs; as viable long term funding has previously been sighted in the accreditation process. LSU Health Sciences Center Shreveport School of Medicine is limited on its funding options to replace patient generated revenue from the hospital in FY 14 and thereafter. Statutory authority limits the medical schools ability to increase tuition revenue; however, small class sizes will ultimately limit this revenue stream.

DEPT/AGY: Higher Education
ISSUE: Impacts on Graduate Medical Education (GME) from Redesign of LA's Public Health Care System

The LSU Board of Supervisors (BOS) is overseeing a redesign of LA's Public Health Care System. This redesign is being driven by significant reductions in state and federal funding for public health care services for uninsured and indigent patients. Most of the state hospitals in the Health Care Services Division (HCSD) in south LA are participating with nearby private hospitals to operate HCSD hospitals, provide care to uninsured/indigent patients and provide training to resident physicians. Similarly, the 3 northern state hospitals under LSU Health Sciences Center Shreveport (LSUHSC-S) are in discussions with potential partners to ensure continued medical education and patient access to care. It is unclear how LSU's health care redesign will affect Graduate Medical Education (GME).

GME refers to formal medical education pursued by individuals who have earned a medical doctor (M.D.) degree. The medical school in New Orleans is accredited to contract its residency program with multiple teaching hospitals to garner access to sufficient volumes and varieties of patients. Historically, the New Orleans medical school has contracted with HCSD's 7 public hospitals, related clinics, and some affiliated private hospitals. Through this structure, 813 total resident physicians receive GME training with 433 in the HCSD hospitals. LSUHSC-S residency training programs are accredited within its university teaching hospitals and some targeted, approved partner training programs. Through this structure, LSUHSC-S is currently training 536 residents.

According to LSU, the proposed partnerships between HCSD hospitals and private hospitals will continue the current New Orleans residency structure with their new partners. LSU has indicated that the partnerships will ensure access to a greater number of patients than the HCSD hospitals provide and strengthen their GME residency experience.

The details of the residency transition for 5 of the 7 HCSD hospitals are still in development through Memorandums of Understandings outlining the parameters of Cooperative Endeavor Agreements (CEAs) between the following 5 HCSD hospitals and proposed private partners: Interim LSU Hospital - University Medical Center in New Orleans, Leonard J. Chabert, University Medical Center in Lafayette, Walter O. Moss Medical Center and Bogalusa Medical Center. Negotiations between LSU and proposed private hospital partners are ongoing, and LSU will not release specific information on proposed CEAs between LSU and potential private hospital partners. As such, many factors affecting the proposed health care redesign and GME remain unanswered without access to proposed CEAs.

The following issues and factors will not be known until the CEAs are finalized between LSU and proposed private hospital partners:

Ownership of Residency Slots: The state and LSU currently own and control residency slots. Without access to proposed CEAs, it is unclear who will own and control residency slots under the proposed health care redesign. There is a risk that LA could lose residency slots to other states if LSU and private hospital partners do not meet CEA requirements or either party chooses to end CEAs.

Payment of Residency Stipends and Resident Supervision Costs: LSU currently pays residency stipends and resident supervisory costs with funds mostly derived from operation of state hospitals. LSU will continue to pay residency stipends and resident supervisory costs under the proposed health care redesign. However, LSU will contract with private partner hospitals for payment of residency stipends and supervision costs for patient care in the proposed health care redesign. If the proposed public private/partnership fail, and LSU is unable to find alternative private hospital partners, LSU will have no funding source for residency stipends and resident supervisory costs. LSU must pay these costs even if private hospitals cannot or will not reimburse LSU.

Patient Care Costs: Private partner hospitals will incur additional patient care costs because resident physicians will likely see a large number of uninsured and indigent patients. Without access to proposed CEAs, it is unclear how private partner hospitals will fund additional treatment costs incurred for uninsured and indigent patients under the care of resident physicians practicing in private partner hospitals.

Accreditation Issues: Residency training programs require that resident physicians treat a certain volume of patients. In the state's current system, much of this resident patient volume consists of uninsured and indigent patients. As mentioned above, private hospitals will incur additional costs to treat these uninsured and indigent patients. As such, private hospitals may face economic incentives to provide less care to uninsured and indigent patients. Residency programs may risk loss of accreditation if resident physicians do not treat enough patients in their medical training.

DEPT/AGY: Higher Education
ISSUE: Historical Overview of SGF Support for Higher Education

SGF for higher education has decreased by $1.298 B (83.6%) from a high of $1.553 B in FY 09 to $255 M in HB 1. SGF for higher education represented approximately 17.6% of all actual SGF revenues in FY 09. This percentage has fallen to 3.4% in HB 1. If SGF for higher education were to represent 17.6% of the total SGF budget for FY 14, higher education would receive $1.05 B more in SGF in FY 14.

The decline in SGF for higher education in FY 14 is offset by the use of one-time funding of $640 M in HB 1. This $640 M includes $520 M from the Overcollections Fund and $120 M for the TOPS Program from the TOPS Fund from potential tobacco settlement payments and savings from refinancing tobacco financed bonds. See the LFO budget issue entitled "Tobacco Master Settlement" for more details on the $120 M in one-time funding for the TOPS Program in the FY 14 Executive Budget.

Higher Education Funding Sources	FY 09 Actuals	FY 10 Actuals	FY 11 Actuals	FY 12 Actuals	FY 13 EOB.	FY 14 HB 1
State General Fund	$1.553 B	$1.153 B	$1.146 B	$938 M	$938 M	$255 M
Statewide Funding *						
State General Fund	$8.799 B	$7.144 B	$7,026 B	$7.000 B	$7.735 B	$7.413 B
Higher Education Funding as a % of SGF Funding						
State General Fund	17.6%	16.1%	16.4%	12.3%	12.9%	3.4%

* Through Schedule 20, excluding the following schedules: Ancillary (Schedule 21), Non-appropriated (Schedule 22), Judicial (Schedule 23), Legislative (Schedule 24), and Capital Outlay (Schedule 26).

HB 1 Original replaced $489,640,279 in SGF in FY 13 for higher education with a like amount in Statutory Dediations from the Overcollections Fund for FY 14. The $489,640,279 in the Overcollections Fund for higher education in FY 14 in HB 1 Original included $464,840,279 in transfers from the funds bill (HB 452), $20 M in "Excess FEMA Reimbursements" authorized by Act 597 of 2012, and $4.8 M anticipated from the sale of the former Department of Insurance site also authorized by Act 597.

House Appropriations Committee (HAC) amendments increased appropriations to higher education from the Overcollections Fund by $30 M ($519,640,279 new higher education total in HB 1 Engrossed from the Overcollections Fund, with a corresponding decrease of $30 M in SGF) in anticipation of receiving the $30 M from a Department of Revenue fraud initiative to increase tax collections. The HAC adopted other amendments to HB 1 and HB 452 that result in a $265.4 M shortage in overall funding in HB 1 Engrossed from the Overcollections Fund. A specific portion of the $265.4 M shortage in funding from the Overcollections fund in HB 1 Engrossed cannot be directly allocated to higher education specifically based on amendments adopted by the HAC.

DEPT/AGY: Elementary & Secondary Education/Minimum Foundation Program
ISSUE: Minimum Foundation Program (MFP)

HB 1 provides $3,459,349,488 for the MFP, which is an increase of $37.1 M over the Existing Operating Budget as of 12/1/2012. The increase is provided due to an estimated increase in student enrollment from 2/1/2012 to 2/1/2013. According to the proposed FY 14 MFP that was adopted by BESE on March 8th the total increase in students funded through the MFP is 8,430.

FY 14 Major Budget Issues

The proposed FY 14 MFP continues to allocate funds to the local school system public schools, and students in the following schools and programs: Lab Schools, Charter Schools, Office of Juvenile Justice, LA School for the Math, Science & Arts, New Orleans Center for Creative Arts (full-day students), LA School for the Deaf & Visually Impaired, Special School District and the Scholarship Program (also sometimes referred to as the Voucher Program). Refer to Budget Issues, *"Student Scholarship and Course Choice Program Funding for FY 14"*, for additional information on the Scholarship Program.

The MFP formula has historically applied additional weights to particular students in an effort to recognize the additional costs necessary to educate such students, such as special education or at-risk students. Included in the MFP is a pilot to change the method of applying weights to students identified with disabilities and gifted and talented students. There is also a new high standards weight included in the pilot.

In previous years, a weight of 150% was applied to each special education student identified in the formula. The pilot attempts to apply a different weight to each of 3 categories. The following are the 3 separate weight categories: 1) the needs of the child; 2) how the child is educated; and 3) how well the child is educated. Within each of the 3 weight categories are subcategories with differing weights that attempt to capture the difference in costs for educating the children for things, such as the severity of the disability, the different environments/placements associated with each student and student performance and graduation rate of each student.

Instead of every gifted and talented student receiving an additional weight of 60%, the 60% weight will continue for students in grades preschool through 8 and change to 30% for students in grades 9 through 12. The new weight named the high standards weight will recognize the cost of providing advanced coursework. A 30% weight is added to students in grades 8 through 11 that meet certain criteria on exams. According to language detailing the formula, revisions to the weights and the addition of the new weight which cause an increase or decrease to a district's allocation will be implemented at a rate of 10% of the revision's true impact.

Another change in the proposed FY 14 MFP is the reallocation of the remaining Hold Harmless amount. The Hold Harmless amount being reduced each year was reallocated to other school districts on a per pupil basis. The funds will not be allocated on a per pupil basis, but will be provided as a reward to the "Top Gains" Schools in FY 14. The Board of Elementary & Secondary Education will determine which schools meet the Top Gains definition, but will include schools that achieve significant student progress.

DEPT/AGY: Elementary & Secondary Education
ISSUE: Student Scholarship Program and Course Choice Program Funding for FY 14

There are no changes in the funding mechanism for the statewide Student Scholarships for Educational Excellence Program and Course Choice Program in HB 1 for FY 14. A 19th Judicial District Judge ruled that Act 2 and the Minimum Foundation Program (MFP) resolution (SCR 99) unconstitutionally divert MFP and local funds that are mandated to be allocated to public elementary and secondary schools to nonpublic entities. The state Supreme Court began hearing arguments on the appeal on 3/19/2013. However, HB 1 assumes the funding for the programs will be provided through the MFP. There is no contingent plan for funding the programs if the ruling is upheld.

Act 2 of 2012 provides for the expansion of the Student Scholarship for Educational Excellence Program, sometimes referred to as the scholarship program or voucher program and creates the Course Choice Program. The MFP resolution (SCR 99) provides funding for those programs. The Student Scholarships for Educational Excellence Program was created in the 2008 Regular Session to offer "a quality education for all LA children, particularly for those children in school systems that have been declared to be in academic crisis". The program provides eligible students with state funded scholarships to attend participating nonpublic schools or public schools that meet the program requirements. The Student Scholarship for Educational Excellence Program was previously funded by a state appropriation. The program is now funded through the MFP. In FY 13, the average scholarship amount is approximately $5,300, and the total tuition amount to be paid on all of the student's behalf is approximately $25,342,680. March 15th was the deadline for parents to apply for a scholarship for the 2013-2014 school year.

The Course Choice Program will begin in the 2013-14 school year. The program allows entities such as LA public school districts, online education providers, postsecondary education institutions, and corporations that offer vocational or technical course work to provide courses to eligible K-12 students. The program is to be funded using MFP funds allocated to the eligible student's school district to pay the course providers for educational courses provided to students.

DEPT/AGY: LSU Health Care Services Division/ LSU HSC-HCSD
ISSUE: New Orleans Adolescent Hospital (NOAH) Lease & Funding

In the FY 13 budget, there was $35 M in Statutory Dedications funding from the Overcollections Fund, which was contingent upon the sale or lease of the New Orleans Adolescent Hospital (NOAH). Without this contingency funding, HCSD would have to implement further service reductions in FY 13. Act 867 of 2012 authorized LSU to transfer NOAH to the Division of Administration for the sale or lease of the facility to Children's Hospital. On 1/25/2013, a lease for the NOAH property was executed between Children's Hospital and the Division for a term of 99 years. Lease payments are to be made by Children's Hospital in the amount of $652,362 each year with an annual inflation increase of 3.23%. However, if Children's Hospital opts to prepay the rent, the total amount of the lease would be $29 M, with $4 M as an advance payment due upon signing of the lease and the remaining $25 M to be held in escrow. The $25 M shall continue to be held in escrow until one of the following conditions is met:

FY 14 Major Budget Issues

1) An act of sale of the property to Children's Hospital is executed upon authorization by an act of the 2013 Legislative Session;
2) The lease is terminated by Children's or the Division before 6/20/2013; or
3) On the first business day after 6/20/2013 if neither party elects to terminate the lease before then.

Information from the Treasury reflects that Children's Hospital has opted to prepay the lease and has already deposited the $4 M into the Treasury. As of 3/1/2013, the remaining $25 M had not been received.

There is no known source of funding to eliminate the remaining $6 M deficit from the $35 M appropriated in Statutory Dedications funding to HCSD in FY 13. The LFO is investigating agency action regarding this issue and its impact on service provision.

Note: In the FY 14 Executive Budget, the $35 M in Statutory Dedications funding is being swapped for SGF in HCSD's budget. *In addition, HB 720 Engrossed of 2013 authorizes and empowers the commissioner of administration to convey, transfer, assign or deliver any interest (excluding mineral rights) to the Children's Hospital.*

DEPT/AGY: LSU Health Care Services Division/ LSU HSC-HCSD
ISSUE: LSU Public/Private Partnerships

LSU intends to partner with community and private providers to eliminate the need for hospital bed and service reductions. Currently, there is a Cooperative Endeavor Agreement (CEA) in place with the following private non-profit hospitals (the "lessees") for the HCSD hospitals listed below:

- University Medical Center (UMC) - Lafayette General (Lafayette)
- Interim LA Hospital/University Medical Center (ILH) - LA Children's Medical Center (New Orleans)
- Earl K. Long (EKL) - Our Lady of the Lake (Baton Rouge)

There are also Memorandums of Understanding (MOUs) in place for the following hospitals:

- L. J. Chabert (LJC) - Ochsner Health System & Terrebonne General Medical Center (Houma)
- W.O. Moss (WOM) - Lake Charles Memorial (Lake Charles).

According to the CEAs & MOUs, each private organization will lease and operate the state facilities and attached clinics. There are currently no MOUs developed between private partners and Lallie Kemp Regional Medical Center (LAK) or Washington/St. Tammany-Bogalusa Medical Center (BMC), though LSU anticipates a public/private partnership will be finalized for BMC before the end of FY 13. According to testimony by LSU before the Joint Legislative Committee on the Budget (JLCB), it is LSU's intention to retain LAK as a safety net hospital and not lease it to a private partner. LSU-Shreveport (LSU-S) will not enter into a public/private partnership until FY 15, therefore, it will retain 12 months of funding in FY 14. Funding for 3 months is proposed for E. A. Conway (EAC) in FY 14 for operations until its public/private partnership goes into effect. In summation, HCSD will only consist of Lallie Kemp Regional Medical Center, and LSU-HSC will only consist of LSU-S and EAC medical centers in FY 14.

Along with the public/private partnerships and requisite LSU funding decreases, the private partners will receive supplemental Upper Payment Limit (UPL) funding from DHH for the provision of services at the leased hospitals. Other associated costs with the partnerships include $50 M in SGF that has been budgeted within the Department of Public Safety & Corrections, Corrections Services (DOC) for prisoner care costs at the remaining LSU hospitals ($11,712,921) and for payments to private providers ($38,287,079). The DOC is currently negotiating with the LSU private partners and other private providers for the continuation of prisoner care outside of LSU. In addition, the HCSD Central Office Program has been eliminated and transferred to DHH Medical Vendor Payments/Payments to Private Providers Program with $45,397,808 budgeted for FY 14. Of this $45.4 M, approximately $12.6 M is budgeted for business operations, $6.4 M for an Accountable Care Organization to monitor the partnership for quality assurance, and $26.4 M for retiree insurance premiums. The chart below reflects the net state impact as a result of the LSU public/private partnerships within the FY 14 budget as proposed for the LSU systems. The LFO will continue to monitor current and future partnerships as they develop.

HCSD	FY 13 EOB	FY 14 Hospital Budget	FY 14 Private Partner Payments	FY 13 vs. FY 14 Comparison
(6 Southern hospitals)*				
SGF/Statutory Ded.	$59,968,419	$0	$0	($59,968,419)
IAT				
Medicaid	$92,409,512	$0	$92,409,512	$0
UCC	$397,937,621	$0	$302,872,998	($95,064,623)
UPL	$29,534,063	$0	$126,532,331	$96,998,268
DOC (offenders)	$0	$0	*See DOC on-site below*	$0
Subtotal	**$579,849,615**	**$0**	**$521,814,841**	**($58,034,774)**
Positions	5,748	0	N/A	(5,748)
Lallie Kemp				
SGF/Statutory Ded.	$4,293,412	$3,860,659	$0	($432,753)
IAT				
Medicaid	$5,494,569	$7,194,653	$0	$1,700,084
UCC	$20,409,142	$21,478,319	$0	$1,069,177
UPL	$820,303	$0	$0	($820,303)
DOC (offenders)	$0	$3,216,696	$0	$3,216,696
Subtotal	**$31,017,426**	**$35,750,327**	$0	**$4,732,901**
Positions	392	331	N/A	(61)

FY 14 Major Budget Issues

Central Office				
SGF	$24,004,319	$0	N/A	$24,004,319)
Medicaid*	$0	$0	$45,397,808	$45,397,808
Subtotal	**$24,004,319**	**$0**	**$45,397,808**	**$21,393,489**
Positions	189	0	304	115
HCSD Total	***$634,871,360***	***$35,750,327***	***$567,212,649***	***($31,908,384)***
Positions	***6,329***	***331***	***304***	***(5,694)***
LSU-HSC				
LSU-S				
SGF	$9,504,246	$0	$0	($9,504,246)
IAT				
Medicaid	$52,592,638	$21,381,691	$0	($31,210,947)
Off-budget physician claims	$40,930,380	$40,930,380	$0	$0
UCC	$160,158,279	$115,499,832	$0	($44,658,447)
UPL	$13,559,796	$0	$0	($13,559,796)
DOC (offenders)	$0	$7,584,508	*See DOC: on-site below*	$7,584,508
Subtotal	**$276,745,339**	**$185,396,411**	**$0**	**($91,348,928)**
Positions	3,684	3,684	N/A	0
EAC				
SGF	$8,794,375	$0	$0	($8,794,375)
IAT				
Medicaid	$16,294,560	$1,369,291	$4,107,873	($10,817,396)
UCC	$3,018,990	$9,332,139	$27,996,415	$34,309,564
UPL	$59,949,941	$0	$0	($59,949,941)
DOC (offenders)	*$0*	*$911,717*	*See DOC: on-site below*	*$911,717*
UPL (IAT to HCSD)	*($30,354,366)*	*$0*	N/A	*$30,354,366*
Subtotal	***$57,703,500***	***$11,613,147***	***$32,104,288***	**($13,986,065)**
Positions	864	864	N/A	0
HPL				
SGF	$9,635,049	$0	$0	($9,635,049)
IAT				
Medicaid	$5,667,722	$0	$2,724,477	($2,943,245)
UCC	$29,325,831	$0	$23,918,383	$5,407,448
UPL	$405,489	$0	$0	($405,489)
DOC (offenders)	*$0*	*$0*	*See DOC: on-site below*	*$0*
Subtotal	***$45,034,091***	***$0***	***$26,642,860***	**($18,391,231)**
Positions	499	0	N/A	0
LSU-HSC Total	***$379,482,930***	***$197,009,558***	***$58,747,148***	***($123,726,224)***
Positions	***5,047***	***4,548***	N/A	***(499)***
DOC On-site Offenders Care *				
SGF	$0	See IAT DOC above	$38,287,079	$38,287,079
NET STATE IMPACT	***$1,014,354,290***	***$232,759,885***	***$664,246,876***	***($117,347,529)***
	10,013	***4,015***	***304***	***(6,193)***

** 6 Southern hospitals in HCSD, with exclusion of Lallie Kemp, include Earl K. Long, University Medical Center, W.O. Moss, Bogalusa Medical Center, L.J. Chabert, and Interim LA Hospital.*
*** In FY 14, HCSD-Central Office expenditures are budgeted in Medicaid with $16,815,348 in state match and $28,582,460 in FFP for 304 off-budget positions to manage continuing business operations, an accountable care organization to monitor the CEAs for quality assurance, and physicians that will remain employed by LSU under the CEAs. The $45 M is reflected under FY 14 Private Partner Payments because it is reflected under the Private Providers Program in Medicaid. This funding includes approximately $26 M for retiree legacy costs (insurance premiums and pensions). It is unclear how this would represent a cost to the private partner as it is a historical expense incurred by the public hospital system. The LFO assumes this represents a liability to the state and not the private partner; however, the $45 M is matched at a claims rate. The LFO is unclear regarding the mechanism DHH intends to use to cover the legacy costs from claims payments.*
**** $30,354,366 of the UPL represented in LSU-HSC's FY 13 budget is a pass-through to HCSD. In order to accurately reflect the net state impact of the partnerships and avoid a double-count in the LSU systems, it has been deducted from LSU-HSC since the funds are represented in HCSD's budget.*
***** DOC on-site prisoner care reflects payments to both the LSU private partners and other private providers statewide. The specific payment amounts to each provider are currently unknown as the DOC is still negotiating these contracts for the provision of care. For further information, see issue titled Healthcare Services for Offenders.*
******There is an additional $5,392,175 in LINCCA payments to private providers for certain physician services at Lallie Kemp that is not reflected in the chart above since it is not a payment to a partner under the public/private partnerships.*
******* The 3,684 positions within LSU-S are being transferred to the Board of Regents for FY 14, and the 864 positions at EAC will be eliminated after the first quarter in FY 14 once EAC enters its public/private partnership. The 864 positions will be laid off in FY 14.*

FY 14 Major Budget Issues

DEPT/AGY: LSU Health Care Services Division/ LSU HSC-HCSD
ISSUE: Earl K. Long Medical Center (EKL) Closure

Transition & Financing
In February 2010, LSU entered into a cooperative endeavor agreement (CEA) with Our Lady of the Lake (OLOL) for operation of EKL's inpatient indigent populations with the exclusion of OB/GYN services and prisoner care. OLOL is adding 100-140 new inpatient beds and plans to expand Graduate Medical Education. Under this arrangement, in addition to quarterly advance UPL payments for the upfront care costs of servicing LA's indigent populations, DHH has agreed to reimburse OLOL for 100% of UCC costs and 95% of Medicaid costs for inpatient services.

Closure of EKL and the transition of inpatient services was originally scheduled to take place in November of 2013 (FY 14); however, with the reduction in FMAP rates in FY 13, HCSD negotiated with OLOL to advance this transition date to take place in FY 13 by 4/15/2013. This allowed HCSD to close EKL ahead of schedule and save on labor and operational costs. In addition to amending the CEA in order to advance the transition date, HCSD also negotiated with OLOL to take over operation and management of EKL's outpatient clinics DHH has also agreed to reimburse OLOL at 95% of Medicaid costs and 100% of UCC costs for the outpatient clinics. These financing arrangements will require approval by the Centers for Medicare & Medicaid Services (CMS).

Personnel Layoffs
There are 964 positions allocated for EKL in FY 13, of which 666 are reduced as a result of the public/private partnership with OLOL and 298 are reduced as a result of the FMAP reductions in FY 14. These 964 T.O. were laid off from state employment on 4/14/2013 as approved the state Civil Service Commission on 4/2/2013. OLOL is obligated under the CEA to give EKL's current employees first consideration for employment. *According to HCSD, due to destabilization from the FMAP reductions, there are only 777 positions submitted in its layoff plan and the other 187 are vacant positions.*

Prisoner Care
Prisoner care is not contemplated under the existing CEA with OLOL. As a result, HCSD currently plans to work with the Department of Corrections (DOC) to increase utilization of on-site prison clinics and telemedicine, and transport prisoners to Lallie Kemp Regional Medical Center if deemed medically necessary. In FY 12, EKL had 2,130 prisoner visits and expended approximately $11.7 M ($8.5 M budgeted for FY 13). Prisoner care is reimbursed with 100% SGF as these costs are generally unallowable for Federal match. The FY 14 budget reflects no funding at EKL for prisoner care. However, there is $50 M budgeted to DOC for statewide prisoner care costs in FY 14 including $3.2 M budgeted for IAT to Lallie Kemp. See *Healthcare Services for Offenders* issue for further details regarding prisoner care continuation through the Department of Corrections.

Mental Health Emergency Room Extension (MHERE) Unit
Previously at EKL, the Capital Area Human Services District (CAHSD) owned and operated a 10-bed MHERE unit attached to the Emergency Department. This unit redirected critical behavioral health patients that enter the ER to a more stable environment so that they do not immobilize needed ER beds that are necessary for other emergency health issues. Once the patients were stabilized, CAHSD arranged for follow-up care in the community or residential treatment as necessary. Based on information provided by CAHSD, the MHERE unit served more than 3,400 patients and saved the state approximately $20.6 M by avoiding hospitalizations for 68% of the patients admitted to the emergency department at EKL. With the closure of EKL, the MHERE unit ceased operations.

Closing Costs
Liabilities for which the state will still be responsible after EKL closes include retirees' life insurance premiums & health insurance (estimated at $3,607,610 for all current and eligible retirees as of 6/30/2013) and termination pay (estimated at approximately $9 M in FY 13 under Civil Service rule 11.10). There is no termination pay funding requested in the FY 13 Supplemental Bill (HB 677). Currently, retiree insurance is funded through various payor mixes such as Medicaid and UCC, which have a Federal match component to mitigate state expenditures. In FY 14, these insurance expenditures are transferred solely to Medicaid in an adjustment for HCSD Central Office costs. In addition, until the state is able to sell or lease the property, certain costs associated with security, maintenance, and insurance with the Office of Risk Management (ORM) are estimated to be approximately $1,062,000 annually and will be funded through Medicaid under HCSD Central Office costs in FY 14. The market value of EKL is currently unknown; however, to increase sale potential, the state could choose to demolish the hospital in order to capitalize on land value. According the Office of Facility Planning & Control, it would cost the state an estimated $3,791,552 to demolish EKL's 18 buildings (236,972 square feet), which sits on 14.27 acres of land.

Land Sale Procedure
The LFO has requested confirmation from the Division of Administration's Office of State Lands (OSL) whether the LSU Board of Supervisors has the statutory authority under R.S. 17:3351 to buy, sell or lease its properties without going through OSL. Under this authority, the proceeds of any sales or leases would go to LSU as self-generated revenues and not be deposited directly to the SGF. Outside of R.S. 17:3351, if the state decides to deposit the sale proceeds into the SGF, LSU would have to surplus EKL to the Division of Administration as nonessential immovable property (R.S. 41:140). Nonessential property is defined as "land and immovable structures thereon, the use of which is not indispensable to fulfillment of an agency's legally established functions," including if the "property has been closed, abandoned or neglected by the agency" (LAC 43:XXVII.3101). After the property has been determined nonessential, LSU and the OSL will have to adhere to the following procedures detailed under LAC 43:XXVII.3101-3102:

- OSL and LSU shall execute an agreement transferring EKL to OSL. Copies of this agreement shall be filed with the clerk of court for the East Baton Rouge Parish.
- OSL must prepare a land management evaluation report giving recommendations for the best use or disposition of the property containing the following: property appraisal by public lands appraiser, a minimum acceptable bid (must be 90% of the appraisal), timber appraisal (if applicable), map & legal

description of the property, recommendations for best use or disposition, and method & reasons for possible sale.
- The report must be filed with the House and Senate Natural Resources Committees and the representative and senator in whose district the property is located.
- In order to sell EKL, OSL must receive the written approval of both House and Senate Natural Resources Committee within 90 days of the committees receiving the report.

DEPT/AGY: Other Requirements/ IEB Board
ISSUE: Interim Emergency Board (IEB) Funding

For the past 2 fiscal years (FY 12 & FY 13) and in the FY 14 budget, a material funding source supporting the budget has been a SGF portion that would otherwise be allocated to the Interim Emergency Board (IEB) in schedule 22-920 Non-Appropriated Requirements (Interim Emergency Fund). Pursuant to Article VII, Section 7(C.) of the LA Constitution, the amount of SGF set aside for IEB allocations shall not exceed one-tenth of 1% of total state revenue receipts for the previous fiscal year. This calculation is completed by the State Treasury every October/November.

Prior to FY 12, the Executive Budget Recommendation always included the total projected constitutional IEB allocation. However, since the FY 12 budget, the Division of Administration (DOA) now only includes an amount equivalent to prior year expenditures from the Interim Emergency Fund (average board approved expenditures). Due to the provision that the IEB cannot meet during legislative session, in prior years any unexpended IEB allocated funds were utilized by the legislature in that year's supplemental appropriation bill to cover current year needs. By not setting aside the full amount at the beginning of the fiscal year, the operating budget is being supported at the outset before knowing emergency needs for the upcoming fiscal year.

For example, the FY 13 constitutional IEB SGF allocation as calculated by State Treasury is $21,770,940, but as of the latest fiscal status statement the DOA has set aside only $4,651,624. To the extent there were approved IEB requests in excess of the current allocation of $4.7 M, the legislature and/or governor may have to reduce current year SGF expenditures to fund such emergencies or borrow on the full faith and credit of the state to meet an emergency if funds are not available or if the emergency cost exceed available funds (Article VII, Section 7(B)).

For FY 14, the DOA has allocated $1,758,021 SGF for the Interim Emergency Fund, which represents a $2,893,603 reduction over the FY 13 allocation of $4,651,624. As previously mentioned, the calculated constitutional allocation for FY 13 is $21,770,940. To the extent the FY 14 constitutional IEB allocation remains constant ($21.8 M), the FY 14 Executive Budget Recommendation is recommending SGF in the amount of $20,012,919 be used to fund other SGF needs in FY 14 as opposed to being constitutionally set aside in the Interim Emergency Fund.

FY	Constitutional Allocation	Amount in Budget	Board Approved Expenditures
2008	$24,840,228	$24,742,843	$7,134,427
2009	$26,969,993	$24,840,228	$5,464,226
2010	$24,335,654	$24,882,639	$839,482
2011	$23,201,112	$24,882,639	$0
2012	$22,618,245	$4,651,624	$1,544,275
2013	$21,770,940	$4,651,624	$746,684
2014*	$22,700,000	$1,758,021	TBD

*As previously mentioned, the FY 14 constitutional allocation is an assumption that it will remain constant.
