



STATE OF LOUISIANA
LEGISLATIVE FISCAL OFFICE
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TO: The Honorable Clay Schexnayder, Speaker of the House of Representatives
Honorable Members of the House of Representatives

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

DATE: June 9, 2020

SUBJECT: House Rule 7.19, HB 1 Engrossed, FY 22 Financing Replacement

Pursuant to House Rule 7.19, the Legislative Fiscal Office (LFO) is required to submit a report to the House of Representatives, which indicates whether the appropriation bill appropriates one-time money within the Engrossed version of House Bill 1 (HB 1). The LFO is providing this information for HB 1 Engrossed and a discussion of the FY 22 financing decisions that will have to be made as a result of the current structure of the FY 21 proposed operating budget.

HR 7.19 One-Time Money List

Pursuant to HR 7.19(C)(2), appropriations from one-time money for ordinary recurring expenses may not exceed the projected growth of the state general fund from the fiscal year for which the appropriation is proposed and the subsequent fiscal year according to the most recent official forecast. The threshold calculation is the difference between the official SGF revenue forecast adopted by the Revenue Estimating Conference on May 11, 2020, for FY 21 of \$9,139.2 B and for FY 22 of \$9,812.9 B, which equates to \$673.7 M of SGF revenue growth. The amount of one-time funds, as defined by HR 7.19, allowed to be appropriated in HB 1 for FY 21 expenditure is approximately \$673.7 M. After Adopted House Appropriations Committee amendments to HB 1, there is no (\$0) one-time money as defined in House Rule 7.19 in HB 1 Engrossed.

FY 22 Replacement Financing Decision List

Although HR 7.19 contains a definition of "one-time money", the rule itself is not indicative of the financing decisions that will have to be made in FY 22 relative to the current structure of the FY 21 proposed operating budget. Due to this issue, the LFO not only provides the HR 7.19 list to comply with the House Rule, it also provides details of significant potential FY 22 financing replacements that will have to be made as a result of the proposed FY 21 budget.

CARES: Title V of Division A of the third coronavirus relief package created the Coronavirus Relief Fund which provides funding to state, local, territorial, and tribal governments. Louisiana's allocation is \$1,802,619,000. Funds can be used for costs that are necessary expenditures incurred due to COVID-19 during the period from March 1, 2020 to December 30, 2020. The funds cannot be used to fill revenue gaps created by the slowed economy. Pursuant to multiple discussions with federal representatives from the U.S. Treasury, and other federal and state governmental representatives, the state received guidance and clarification on the use of such funds. A total of \$921,546,368 was utilized in both the FY 20 Supplemental Bill (HB 307) (\$421,138,344) in the FY 21 GAB (HB 1) (\$500,408,024) to solve for shortfalls in both years by maximizing the use of state general fund, statutory dedications and self-generated revenues. The allocation of these funds in FY 21 is as follows:

Dept of Corrections	\$	190,110,889
Local Housing	\$	88,590,185
Office of Juvenile Justice	\$	35,923,198
LA Dept of Health	\$	153,884,287
Office of Public Health	\$	28,649,465
Higher Ed*	\$	3,250,000

**A total of \$96,921,118 was appropriated to Management Boards in FY 20 Supplemental Bill (HB307) and a like amount of SGF was reduced in FY 21*

Rainy Day: There is a total of \$90,062,911 from the Budget Stabilization Fund.

Medicaid: There is \$291,977,316 replacement revenues in Medicaid associated with the enhanced FMAP (6.2%).

There is \$24,105,951 out of the Medical Trust Fund for the Elderly (MTFE) which will not be available in FY 22.

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