



STATE OF LOUISIANA
Legislative Fiscal Office
BATON ROUGE

Post Office Box 44097
Capitol Station
Baton Rouge, Louisiana 70804
Phone: 225.342.7233

Christopher A. Keaton
Legislative Fiscal Officer

TO: The Honorable Clay Schexnayder, Speaker of the House of Representatives
Honorable Members of the House of Representatives

FROM: Christopher A. Keaton, Legislative Fiscal Officer *CAK*
Alan Boxberger, LFO Staff Director *AMB*

DATE: May 5, 2021

SUBJECT: House Rule 7.19, HB 1 Engrossed

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.

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 (REC) on January 19, 2021, for FY 22 of \$9,567 M and for FY 23 of \$9,987 M, which equates to an increase of \$420 M in SGF revenue. The amount of one-time funds, as defined by HR 7.19, allowed to be appropriated in HB 1 for FY 22 expenditure is \$420 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 23 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 23 relative to the current structure of the FY 22 proposed operating budget. Due to this issue, the LFO not only provides the HR 7.19 list to comply with the House Rule, but also provides details of significant potential FY 23 financing replacements that will have to be made as a result of the proposed FY 22 budget.

Approximately \$720 M in funds that may not be available in the future are proposed to support recurring expenditures in HB 1 for FY 22 and beyond. These funds include:

- o \$366.1 M FY 21 unused Medical Assistance Trust Fund means of finance swap;
- o \$241.9 M FY 22 projected emergency Federal Medical Assistance Percentage (FMAP) for Medicaid;
- o \$113.1 M Lottery Proceeds means of finance swap.

The current REC forecast for FY 23 is projected to grow by approximately \$420 M from FY 22. Therefore, this leaves \$300 M (\$720 M - \$420 M) in recurring expenditures that do not currently have a recurring revenue source.

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