

General Financing

Appropriations are in balance with projected revenues for the coming fiscal year. The \$13.7 billion state budget for FY 99-00, including spending in the General Appropriation Act and the Capital Budget, is supported by \$5.9 billion in State General Fund (Direct) monies, \$1 billion in Self-generated revenues, \$2.2 billion in Statutory Dedications (includes \$188 million in Tobacco Settlement Revenues), and \$4.6 billion in Federal Funds.

General Government

Increases in the Executive Department include \$3 million in Tobacco Settlement Revenues to the Office of Rural Development for Off-System Bridges and \$3.6 million for the Oil Spill Coordinator's Office to expand the GIS Mapping System to fund Phase II of the Statewide Color Infrared Digital Orthophoto Quarter Quadrangles (DOQQ) project.

Tobacco settlement revenues of \$332,000 are appropriated to the Attorney General for enforcement activities related to tobacco settlement.

In Corrections Services, a \$55.5 million increase is provided to cover, among other things, the operating expenses of 715 new beds in state correctional institutions, funding for an additional 2,444 inmates in local facilities, and an increase in Sheriff's per diem payments from \$22 to \$23.

Funding of \$1.2 million and 15 positions is provided to the Office of Motor Vehicles to implement Senate Bill No. 110 which establishes a toll free hotline to be answered by a person to assist citizens in obtaining driver's license and vehicle registration information.

Approximately, \$28.7 million in statutory dedications has been appropriated for the second year of the 5-year Boll Weevil Eradication program, an increase of \$14.6 million over FY 98-99. Of this \$28 million, \$7.5 million is paid by farmers through a \$15 per acre fee and \$21 million comes from a \$50 million loan the department secured from Hibernia Bank. (\$8 million in SGF is provided to support debt payments for the loan.) The expanded program will include areas outside of the Red River Eradication Zone. This will allow full eradication of the boll weevil statewide.

The legislature provided new funding of \$6 million for the Formosan Termite Initiative to help manage infestations and halt the rapid spread of the termite, bringing it to a controllable level.

An increase of \$2.2 million is provided for the implementation of the master plan for the Atchafalaya Basin Program. These funds will be in the Dept. of Wildlife and Fisheries, Dept. of Agriculture and Forestry, and State Lands Office for the implementation of the Atchafalaya Basin Floodway System for public access.

Close to \$15.4 million in general fund is provided to the Dept. of Economic Development to support the U.S. Naval Information Technology Center at UNO, representing an increase of \$3.1 million. The department also received \$7.1 million in state monies to support the UNO/Avondale Maritime Center of Excellence, and \$1.75 million in general fund for local economic development activities in different areas across the state.

Workforce development activities received a boost of \$71 million. A total of \$47 million in statutory dedication will be used to train incumbent workers, a small portion of which is allocated to administrative activities related to this and other programs. Nearly \$24 million is added to the Welfare-to-Work program, however, expenditure is subject to the approval of the Commissioner of Administration and the Joint Legislative Committee on the Budget.

New funding of \$750,000 was also provided to fund 25 new Assistant District Attorney positions state-wide.

Education

The FY 99-00 Tuition Opportunity Program for Students (TOPS) budget is \$81.3 million, a \$22.1 million increase compared with projected expenditures of \$59.2 million for FY 98-99. Some 34,018 awards are expected to be made in FY 99-00 compared with 25,058 awards in FY 98-99.

The K-3 Reading and Math Initiative is funded at \$20 million. Classroom-based Technology is funded at \$14 million in HB No. 2 (Capital Outlay).

The Minimum Foundation Program will receive a \$76.6 million increase which will fully fund the formula in accordance with the goal established at the beginning of this legislative term. The adopted formula includes recognition for FY 99-00 of a portion of school system savings from reduced retirement contributions. The FY 99-00 MFP appropriation totals \$2.264 billion. The average state MFP funds per pupil for FY 99-00 is \$3,011.

The Non-Public Educational Assistance budget totals \$27.9 million and has the following components: \$11.2 million for Required Services; \$5.5 million for School Lunch Salary Supplements; \$7.6 million for Transportation costs; and \$3.6 million for Textbooks.

In higher education, most funding increases for higher education initiatives were placed in the Board of Regents for allocation to post-secondary institutions and include:

\$16 million for faculty salary increases at post-secondary institutions. The amount represents 3% of salaries; however, actual faculty raises are not specified as a 3% across-the-board increase and will be determined by the management boards and their member institutions.

\$16.5 million in enhanced operational funding to institutions to be allocated by the Board of Regents on a pro-rata basis. Approximately a third will be allocated based on each institution's need as determined by the funding formula. A total of \$1,490,000 is appropriated to fund emerging community colleges and academic centers according to plan to be developed by the management boards and adopted by the Board of Regents.

In the area of economic development, \$375,000 is appropriated for the Louisiana Genetics Research Initiative, \$294,000 for the Louisiana Economic Development Foundation, \$100,000 for the Northwest Biomedical Foundation for the Consortium for Education, Research and Technology, \$10 million for endowed chairs and professorships and \$2 million for strategic faculty initiatives tied to state economic goals and strategies.

Other additional funding includes \$15 million in Tobacco Settlement Revenues for a program of research grants and projects in advanced health care sciences at Louisiana universities and research institutes, of

which \$1 million shall be used for programs related to the cessation and prevention of smoking.

Health and Welfare

The Medicaid Program should avoid major rate reductions or service restrictions in FY 1999-00. Through a combination of Tobacco Settlement Revenues and other funding sources, the Legislature funded 99% of DHH projected Medicaid spending. The total Medicaid budget is \$3.37 billion, plus administration costs of \$133.6 million. Some \$101.5 million in Tobacco Settlement Revenues are used as state match for Medicaid expenditures.

Medicaid has three important expansions for FY 99-00. Some 800 new MR/DD Waiver slots (\$13.0 million) and the TEFRA eligibility option for disabled children (\$ 9.8 million) will significantly improve care for disabled persons. Children will also benefit from the expansion of the LaCHIP to include children from families below 150% of Federal Poverty Level, or an income of \$26,052 for a family of four.

Nursing Home and ICF/MR homes will pay higher provider fees in order to receive inflationary increases. Rural hospitals are protected from rate reductions and will receive higher reimbursements for outpatient services.

In Public Health, \$1 million was added for an expansion of school-based health services, and \$3 million for additional smoking prevention programs. In Mental Health, \$3.7 million was added to prevent the closure of 14 community clinics, and \$2 million for Feliciana Forensic Facility will reduce the over-90 day waiting list in parish prisons. In Substance Abuse, the Drug Court Program was increased by \$1 million to a total of \$5.5 million, and \$550,000 was added to open a 20-bed inpatient treatment center in Lafayette.

A total of \$7.2 million was added to Metropolitan, Hammond, and Pinecrest Developmental Centers to address U.S. Dept. of Justice concerns, and \$600,000 was added to annualize 439 slots added in the Cash Subsidy Program last year. Also, OCDD institution budgets were increased by a total of approximately \$450,000 to adjust for inflation.

For the charity hospitals, \$10.5 million was added for a program to manage certain chronic diseases (asthma, diabetes, and congestive heart failure) among indigent patients, \$6.1 million for outpatient HIV/AIDS medications, and \$1 million for medical detoxification units in Shreveport and New Orleans.

The Dept. of Social Services received enhanced funding for the following items: \$5 million for the Starting Points early childhood education program; \$2.6 million in federal funds to upgrade the disability determinations unit computer system; \$2.1 million to annualize the costs of district attorney support enforcement costs; and \$2.8 million to increase funding for the Vocational Rehabilitation program.

Effective July 1, 1999.