Louisiana Legislative Fiscal Office

FISCAL HIGHLIGHTS

Fiscal Year 2012-2013

Presented to:

The Honorable John A. Alario,
President of the State Senate
The Honorable Chuck Kleckley,
Speaker of the House of Representatives
and Honorable Members of the Louisiana Legislature

Presented by:

Legislative Fiscal Office
John D. Carpenter, Legislative Fiscal Officer
Evan Brasseaux, LFO Staff Director

September 2012

This public document was published at a cost of $4.25 per book. 225 copies of this public document were published in this first printing for a total cost of $956.25. This document was published for the LA Legislative Fiscal Office, Post Office Box 44097, Baton Rouge, LA 70804 by the LA House of Representatives, Post Office Box 44486, Baton Rouge, LA 70804 in an effort to provide legislators, staff and the general public with an accurate summary of the 2012 Regular Session. This material was printed in accordance with the standard for printing by state agencies established pursuant to R.S. 43.31.

LEGISLATIVE FISCAL OFFICE STAFF

John D. Carpenter, Legislative Fiscal Officer
Evan Brasseaux, Staff Director
Debbie Roussel, Executive Assistant

Economic Section
Gregory V. Albrecht, Chief Economist
Deborah Vivien, Economist/Fiscal Analyst

Education Section
Mary Kathryn Drago, Section Director
Charley Rome, Fiscal Analyst

General Government Section
J. Travis McIlwain, Section Director
Alan Boxberger, Fiscal Analyst
Stephanie C. Blanchard, Fiscal Analyst
Evelyn McWilliams, Fiscal Analyst

Health & Hospitals and Social Services Section
Shawn Hotstream, Section Director
Patrice Thomas, Fiscal Analyst
Jennifer Katzman, Fiscal Analyst

Information Services Section
Willie Marie Scott, Section Director

Administration
Rachael Feigley
Jean M. Pedersen

Phone:	(225) 342-7233
Fax:	(225) 342-7243
Address:	Post Office Box 44097; Baton Rouge, LA 70804 or 900 North Third Street; State Capitol Building, 18th Floor Baton Rouge, LA 70802
Web Site:	lfo.louisiana.gov

OVERVIEW OF THE LEGISLATIVE FISCAL OFFICE

The Legislative Fiscal Office is an independent agency created by statute to provide factual and unbiased information to both the House of Representatives and the State Senate. The Office provides assistance to individual legislators, committees of the Legislature and the entire Legislature. Legislators' individual requests are considered confidential and will remain confidential unless otherwise requested.

The Legislative Fiscal Officer is elected by a favorable vote of a majority of the elected members of both houses of the Legislature. He may be removed by a majority vote of the elected members of both houses of the Legislature.

The Legislative Fiscal Office duties and functions include, but are not limited to, the following:

Budget Analysis - To analyze budgets prepared by the executive branch and make recommendations to the Joint Legislative Committee on the Budget, other committees and the Legislature.

Revenue and Expenditure Forecasting - To make continuous short and long range projections on revenues and expenditures (i.e., economic forecasting).

Committee Support - To review and evaluate requests/amendments for appropriations during the legislative sessions and make presentations to the House Appropriations Committee, the Senate Finance Committee and the Legislature. Answer the fiscal information requests of committees and individual legislators.

Fiscal Notes - To evaluate legislation for fiscal effect and provide fiscal notes detailing the effect on revenues and expenditures of such proposed legislation.

BA-7s - To review on a monthly basis requests for budget adjustments from state agencies and make recommendations to the Joint Legislative Committee on the Budget as to the merits of such requests.

Interim Emergency Board - To evaluate requests submitted to the Interim Emergency Board and to make recommendations of approval or disapproval to the Legislature of those requests.

Fiscal & Economic Impact Statements - To review on a monthly basis rules and regulations as submitted by the executive branch and to inform the Legislature and the public as to the fiscal and economic impact of such proposed rules and regulations.

Louisiana Government Performance & Accountability Act - To provide performance progress report summaries to the Joint Legislative Committee on the Budget relative to the state agencies actual performance compared to set performance standards.

LEGISLATIVE FISCAL OFFICE
2012 FISCAL HIGHLIGHTS

TABLE OF CONTENTS

I.	**BUDGET COMPARISONS**	**PAGE #**
	Total Means of Finance by Department	1
	Table of Footnotes	2 - 3
	Total State Effort by Department	4
	State General Fund by Department	5
	Interagency Transfers by Department	6
	Self Generated Revenue by Department	7
	Statutory Dedications by Department	8
	Interim Emergency Board Funds by Department	9
	Federal Funds by Department	10
	One-Time Funding for FY 13	11 - 12
	Number of Authorized Positions by Department	13
	Capital Outlay Bill Appropriation (Act 23)	14
	Capital Outlay Bill (Act 23) Three-Year Comparisons	15
II.	**FISCAL ACTIONS – 2012 REGULAR SESSION**	
	Actions Affecting Revenue Estimates	16 - 18
	Major Increases/Enhancements in FY 13 Budget Compared to FY 12 Budget	19 - 42
	Major Reductions in FY 13 Budget Compared to FY 12 Budget	43 - 70
III.	**BUDGETARY OVERVIEWS**	
	Fiscal Impact of Legislative Measures (Supplemental Appropriation Bills, Funds Bills, etc.)	71 - 85
	Restore Act	86 - 87
	Economic Development	88 - 89
	Corrections & Youth Services	90 - 91
	DHH Medicaid	92 - 95
	DHH Office of Behavioral Health	96 - 97
	Department of Children & Family Services	98
	Retirement	99 - 102
	Elementary & Secondary Education	103 - 104
	Education Reform Initiatives	105 - 107
	Higher Education and TOPS	108 - 109
	LSU HSC Health Care Services Division	110 - 111
IV.	**BUDGETARY ISSUES**	
	FY 13 Major Budget Issues	112 - 141
V.	**TABLES**	
	Department of Children & Family Services – TANF Funding	142
	LA Education Quality Trust Fund - 8(g)	143
	Taylor Opportunity Program for Students (TOPS)	144
	Higher Education Enrollment	145
	Higher Education Funding	146
	State Gaming Revenue - Sources and Uses	147 - 151
	Selected Major State Aid to Local Governments	152
	Capital Outlay Appropriation by Parish (Act 23 of 2012)	153
	Total State Spending without Double Counting of Expenditures	154 - 155

Section I

BUDGET COMPARISONS

TOTAL MEANS OF FINANCE BY DEPARTMENT

DEPARTMENT	Actual FY 11	Budgeted FY 12 (1)	Appropriated FY 13 (2)	Dollar Change	Percent Change
Executive (a)	$3,723,839,773	$4,159,868,872	$3,875,903,667	($283,965,205)	(6.8%)
Veterans Affairs	$49,410,768	$54,835,253	$57,457,764	$2,622,511	4.8%
State (a)	$72,041,963	$83,295,451	$72,350,926	($10,944,525)	(13.1%)
Justice (a)	$56,288,866	$74,908,012	$58,012,459	($16,895,553)	(22.6%)
Lt. Governor	$6,864,470	$8,713,181	$7,467,334	($1,245,847)	(14.3%)
Treasury	$9,755,461	$12,638,029	$12,254,379	($383,650)	(3.0%)
Public Service Commission (a)	$9,042,633	$10,211,434	$9,295,852	($915,582)	(9.0%)
Agriculture & Forestry	$71,160,761	$77,356,879	$74,480,648	($2,876,231)	(3.7%)
Insurance	$29,004,972	$33,160,182	$31,146,371	($2,013,811)	(6.1%)
Economic Development (a)	$64,448,426	$87,057,144	$47,433,952	($39,623,192)	(45.5%)
Culture, Rec. & Tourism	$93,290,519	$87,661,012	$90,046,360	$2,385,348	2.7%
Transp. & Development	$520,879,196	$556,373,446	$550,427,106	($5,946,340)	(1.1%)
Corrections Services (a)	$493,774,475	$495,566,240	$463,514,553	($32,051,687)	(6.5%)
Public Safety Services (a)	$393,148,074	$445,203,472	$438,363,335	($6,840,137)	(1.5%)
Youth Services	$135,729,035	$136,188,247	$121,147,708	($15,040,539)	(11.0%)
Health & Hospitals (a)	$8,257,578,332	$8,548,980,611	$8,918,277,036	$369,296,425	4.3%
Children & Family Services (a)	$806,901,101	$944,319,477	$805,740,091	($138,579,386)	(14.7%)
Natural Resources (a)	$92,355,575	$221,108,401	$173,321,724	($47,786,677)	(21.6%)
Revenue	$86,067,923	$97,423,103	$95,423,730	($1,999,373)	(2.1%)
Environmental Quality	$117,165,856	$132,542,972	$126,308,152	($6,234,820)	(4.7%)
LA Workforce Commission	$285,695,283	$282,819,053	$279,695,544	($3,123,509)	(1.1%)
Wildlife & Fisheries	$133,658,702	$216,708,543	$203,517,662	($13,190,881)	(6.1%)
Civil Service	$20,234,174	$24,749,800	$25,400,369	$650,569	2.6%
Higher Education (a)	$2,963,678,780	$2,980,360,251	$2,911,502,336	($68,857,915)	(2.3%)
Special Schools & Comm.	$98,664,431	$94,950,455	$92,988,177	($1,962,278)	(2.1%)
Elem. & Secondary Ed (a)	$5,188,072,133	$5,680,795,323	$5,344,410,172	($336,385,151)	(5.9%)
Health Care Srvc. Division (a)	$897,468,770	$822,678,090	$825,520,120	$2,842,030	0.3%
Other Requirements (a)	$714,836,827	$740,661,797	$757,429,610	$16,767,813	2.3%
General Appropriation Total	**$25,391,057,279**	**$27,111,134,730**	**$26,468,837,137**	**($642,297,593)**	**(2.4%)**
Ancillary (a)	$1,642,054,629	$1,847,155,430	$1,689,049,641	($158,105,789)	(8.6%)
Judiciary	$141,731,972	$159,030,085	$162,949,765	$3,919,680	2.5%
Legislative	$94,293,061	$107,471,137	$103,845,223	($3,625,914)	(3.4%)
Capital Outlay - Cash Portion (a)	$957,106,010	$1,180,948,425	$1,183,617,041	$2,668,616	0.2%
Other Approp. Bills' Total	**$2,835,185,672**	**$3,294,605,077**	**$3,139,461,670**	**($155,143,407)**	**(4.7%)**
Non-Approp. Required	**$478,927,481**	**$516,280,171**	**$509,855,325**	**($6,424,846)**	**(1.2%)**
Grand Total	**$28,705,170,432**	**$30,922,019,978**	**$30,118,154,132**	**($803,865,846)**	**(2.6%)**

(1) Budgeted as of June 30, 2012.

(2) Appropriated in Act 13 of 2012 Regular Session. Does not include carry-forward BA-7s.

(a) See Table of Footnotes on the following page.

TABLE OF FOOTNOTES

Executive – The majority of the total funding decrease in the total means of financing is primarily due to the reduction of excess federal budget authority in the Community Development Block Grant (CDBG) Program in the amount of $150 M.

State – The $10.9 M decrease in the total means of financing is primarily due to the following: removal of $4.9 M in SGF for non-recurring election expenses; reduction of $4 M in Statutory Dedications funding from the federal Help America Vote funds to reflect anticipated collections; and a $1.2 M reduction ($0.8 M Statutory Dedications from the Overcollections Fund and $0.4 M in SGR) of funding that provided for the 27th pay period.

Justice – The $16.9 M decrease in the total means of financing is primarily due to the following: a $15 M decrease in IAT revenue for the Deepwater Horizon Event; $2.7 M decrease in IAT revenue for non-recurring carry-forward; a $0.6 M decrease in IAT revenue due to removal of non-recurring funding for the 27th pay period; a $3 M increase in SGR for legal expenses relative to oversight of the mortgage settlement agreement and the Chinese drywall litigation; a $1 M increase in SGR for insurance fraud investigations; a $0.7 M decrease in Statutory Dedications due to removal of nonrecurring carry-forwards, and a $0.7 M decrease in Statutory Dedications due to removal of non-recurring funding for the 27th pay period.

Public Service Commission – The FY 13 appropriation for the PSC did not include Federal funds, which was a reduction of $716,837 from FY 12 related to a draw-down grant to implement certain activities initiated by ARRA policies. Subsequently, the unused portion of the federal grant was carried forward from FY 12 in the amount of $505,348.

Economic Development – The decrease in total means of financing is primarily attributed to a transfer of authority to Schedule # 20-931 (Other Requirements - LED Debt Service/State Commitments). The appropriation for Rapid Response decreased in LED (Schedule # 05-251) by $33,285,808 but $24.4 M was a new appropriation in Schedule 20. This is an $8.7 M reduction in Rapid Response appropriation mainly because EOB includes the use of the fund balance. The LED Fund appropriation was reduced by $6.4 M in the LED budget and another $2.1 M in Agency 931 as funds from vendor compensation could not compensate for the fund balance that had been utilized over the past few years. However, SGF was increased by $2.3 M in the LED operating budget and an additional $10.3 M in Agency 931 to make up the difference and provide additional support. The appropriation for the Mega-Project Development Fund was reduced by $4.3 M to $4 M in keeping with current agreements.

Corrections Services – The decrease in total means of financing is primarily attributed to the following: 1) $17.9 M decrease in funding ($16,957,675 SGF; $322,513 IAT; and $590,120 SGR) by eliminating a total of 325 authorized positions; 2) $2.6 M reduction in IAT authority due to non-recurring FEMA funding associated with Hurricane Gustav; and 3) $0.6 M decrease in SGF due to a contract with Johnson Controls that will guarantee reduced utility costs at facilities and headquarters through the design and implementation of energy savings projects.

Health & Hospitals (Medicaid) – The FY 13 appropriation reflects a 5.5% increase in total means of finance, or an increase of $387,385,001. This overall increase is mainly the result of a May 2012 BA-7 that annualized a recurring shortfall in Medicaid. The 18.7% reduction in SGR is attributed to $23 M in various DHH revenues collected and appropriated for a one-time expense in FY 12 (associated with claims lag payments). The SGF increase of 7.8%, or $104 M, is mainly the result of replacing one-time deposits in the Medical Assistance Trust Fund (MATF) that were used in FY 12 as a state match source to draw federal financial participation.

Children & Family Services – The decrease in total means of financing is primarily attributed to the following reductions: $65,064,194 in excess budget authority in the Child Care Development Fund (CCDF) and Temporary Assistance to Needy Families (TANF) federal block grants; non-recur $41 M of TANF Emergency funding that will expire; non-recur $17,027,012 Supplemental TANF funding as a result of the U.S. Congress not renewing this grant; $7,089,896 and elimination of 117 positions as a result of the continuation of the reorganization of the department; and reduces $2.7 M for the Modernization IT project.

Natural Resources – The $47.8 M decrease in the total means of financing is primarily attributed to a reduction in Federal funds from the American Recovery & Reinvestment Act ($49.2). The $2.4 M increase in IAT is primarily attributed to increased funding from the Office of the Secretary to fund a statewide ground water monitoring program. The IAT revenue derives from federal petroleum violations funds that originate from fines assessed energy companies. The decrease in Statutory Dedications funding is primarily due to a means of financing swap replacing $2.5 M non-recurring Statutory Dedications from the Mineral & Energy Operations Fund with $2.5 SGF.

Higher Education – Overall funding for Higher Education decreased $69 M primarily due to the adjustments described below. The increase in SGF of $55 M is due to the loss of one-time funding from the Overcollections Fund and additional funding requirements for TOPS awards due to tuition increases authorized by the Grad Act. The decrease in IAT of $42 M is due to declining Federal revenues transferred from DHH for LSU hospitals from Medicaid, Disproportionate Share (DSH) payments, and Upper Payment Limit (UPL) funds. The increase in SGR of $31 M is primarily due to tuition increases authorized by the Grad Act. The decline in Statutorily Dedicated funds of $106 M is primarily attributable to loss of one-time money from the Overcollections Fund.

Elementary & Secondary Education – The decrease in Federal funds of $268.3 M is primarily due to the reduction of approximately $252.5 M in ARRA funds being non-recurred.

Health Care Services Division – The net increase of $2.9 M in total means of finance can primarily be attributed to an anticipated increase in SGR collections from Bayou Health and the LA Behavioral Health Partnership (LBHP). There is an additional $49.5 M increase in SGR as Bayou Health and LBHP payments are now reflected as SGR from the managed care entities as opposed to IAT funding from the Department of Health & Hospitals (DHH). This new payment methodology resulted in a corresponding $46.6 M reduction in IAT. In addition, $35 M in SGF is being swapped with a like amount of Statutory Dedications contingent upon the sale of the New Orleans Adolescent Hospital (NOAH).

Other Requirements – The net increase in total funding is primarily due to reductions in Local Housing of State Adult Offenders ($4.5 M), State Sales Tax ($1.6 M), Special Acts/Judgments ($4 M), and DOA Debt Services ($7.4 M); and increases in HIED Debt Service & Maintenance ($5.2 M), LED Debt Service/State Commitments ($27.5 M), and 2% Fire Insurance Fund ($2.1 M).

Ancillary – The $158 M decrease in total funding is primarily due to reductions in the Office of Group Benefits ($119.3 M); Office of Risk Management ($27.9 M); Office of Telecommunications Management ($2.6 M); Clean Water State Revolving Fund ($1 M); and Safe Drinking Water Revolving Loan Fund ($6 M).

Capital Outlay – The increase in capital outlay allocation is primarily attributed to a $1.3 M increase in SGF for DOA Local Government Assistance Program.

TOTAL STATE EFFORT BY DEPARTMENT

(TOTAL STATE EFFORT = TOTAL MOF - IAT & FED)

DEPARTMENT	Actual FY 11	Budgeted FY 12 (1)	Appropriated FY 13 (2)	Dollar Change	Percent Change
Executive	$630,970,798	$551,158,352	$517,922,236	($33,236,116)	(6.0%)
Veterans Affairs	$21,012,849	$20,841,935	$21,467,168	$625,233	3.0%
State	$49,911,868	$82,287,115	$71,966,056	($10,321,059)	(12.5%)
Justice	$19,255,203	$29,971,356	$31,167,455	$1,196,099	4.0%
Lt. Governor	$323,748	$1,621,823	$1,492,723	($129,100)	(8.0%)
Treasury	$7,803,226	$11,199,175	$10,625,927	($573,248)	(5.1%)
Public Service Commisson	$8,900,939	$9,494,597	$9,295,852	($198,745)	(2.1%)
Agriculture & Forestry	$50,875,360	$66,516,712	$65,563,385	($953,327)	(1.4%)
Insurance	$27,811,960	$30,502,992	$30,266,559	($236,433)	(0.8%)
Economic Development	$62,532,450	$77,794,304	$42,646,271	($35,148,033)	(45.2%)
Culture, Rec. & Tourism	$61,372,633	$74,100,255	$78,035,591	$3,935,336	5.3%
Transp. & Development	$500,423,001	$524,129,368	$513,794,309	($10,335,059)	(2.0%)
Corrections Services	$483,514,220	$485,081,097	$457,251,958	($27,829,139)	(5.7%)
Public Safety Services	$332,108,901	$350,864,976	$357,082,082	$6,217,106	1.8%
Youth Services	$121,338,912	$113,225,807	$101,422,252	($11,803,555)	(10.4%)
Health & Hospitals	$2,152,379,724	$2,496,076,262	$2,621,353,677	$125,277,415	5.0%
Children & Family Services	$184,636,185	$174,047,509	$180,303,960	$6,256,451	3.6%
Natural Resources	$32,504,479	$37,609,624	$36,549,708	($1,059,916)	(2.8%)
Revenue	$85,350,834	$96,084,197	$94,193,423	($1,890,774)	(2.0%)
Environmental Quality	$94,012,295	$104,611,789	$100,601,309	($4,010,480)	(3.8%)
LA Workforce Commission	$97,265,371	$105,968,376	$109,235,400	$3,267,024	3.1%
Wildlife & Fisheries	$77,690,103	$114,032,070	$117,001,498	$2,969,428	2.6%
Civil Service	$6,237,308	$7,058,463	$7,401,999	$343,536	4.9%
Higher Education	$2,086,765,240	$2,386,888,395	$2,366,360,239	($20,528,156)	(0.9%)
Special Schools & Comm.	$75,840,649	$68,932,159	$66,855,030	($2,077,129)	(3.0%)
Elem. & Secondary Ed	$3,439,353,508	$3,608,965,171	$3,589,704,857	($19,260,314)	(0.5%)
Health Care Srvc. Division	$164,844,762	$143,284,595	$192,778,577	$49,493,982	34.5%
Other Requirements	$663,709,870	$684,526,523	$708,627,301	$24,100,778	3.5%
General Appropriation Total	**$11,538,746,396**	**$12,456,874,997**	**$12,500,966,802**	**$44,091,805**	**0.4%**
Ancillary	$1,358,161,288	$1,523,413,407	$1,394,006,919	($129,406,488)	(8.5%)
Judiciary	$141,731,972	$148,360,085	$152,513,265	$4,153,180	2.8%
Legislative	$94,293,061	$107,471,137	$103,845,223	($3,625,914)	(3.4%)
Capital Outlay - Cash Portion	$867,702,204	$1,132,334,069	$1,134,744,599	$2,410,530	0.2%
Other Approp. Bills' Total	**$2,461,888,525**	**$2,911,578,698**	**$2,785,110,006**	**($126,468,692)**	**(4.3%)**
Non-Approp. Required	**$478,927,481**	**$516,280,171**	**$509,855,325**	**($6,424,846)**	**(1.2%)**
Grand Total	**$14,479,562,402**	**$15,884,733,866**	**$15,795,932,133**	**($88,801,733)**	**(0.6%)**

(1) Budgeted as of June 30, 2012.

(2) Appropriated in Act 13 of 2012 Regular Session. Does not include carry-forward BA-7s.

STATE GENERAL FUND BY DEPARTMENT

DEPARTMENT	Actual FY 11	Budgeted FY 12 (1)	Appropriated FY 13 (2)	Dollar Change	Percent Change
Executive	$136,269,176	$153,145,210	$145,144,564	($8,000,646)	(5.2%)
Veterans Affairs	$6,870,788	$5,227,348	$5,613,948	$386,600	7.4%
State	$28,637,905	$50,677,759	$45,432,232	($5,245,527)	(10.4%)
Justice	$7,441,028	$12,227,886	$12,055,587	($172,299)	(1.4%)
Lt. Governor	$319,748	$1,456,531	$1,467,723	$11,192	0.8%
Treasury	$0	$0	$0	$0	0.0%
Public Service Commisson	$0	$0	$0	$0	0.0%
Agriculture & Forestry	$15,061,332	$26,465,339	$26,847,582	$382,243	1.4%
Insurance	$0	$0	$0	$0	0.0%
Economic Development	$0	$10,903,099	$13,559,197	$2,656,098	24.4%
Culture, Rec. & Tourism	$19,998,776	$37,330,954	$37,473,303	$142,349	0.4%
Transp. & Development	$24,812,868	$138,660	$100,000	($38,660)	(27.9%)
Corrections Services	$449,603,758	$434,534,836	$419,787,967	($14,746,869)	(3.4%)
Public Safety Services	$14,137,757	$0	$100,000	$100,000	0.0%
Youth Services	$119,147,524	$108,700,347	$100,190,724	($8,509,623)	(7.8%)
Health & Hospitals	$1,077,423,620	$1,797,499,355	$1,899,986,459	$102,487,104	5.7%
Children & Family Services	$166,949,322	$149,421,368	$161,234,764	$11,813,396	7.9%
Natural Resources	$0	$4,550,130	$5,683,455	$1,133,325	24.9%
Revenue	$0	$0	$61,864	$61,864	0.0%
Environmental Quality	$0	$500,000	$500,000	$0	0.0%
LA Workforce Commission	$8,283,722	$8,239,768	$8,239,768	$0	0.0%
Wildlife & Fisheries	$0	$0	$0	$0	0.0%
Civil Service	$3,859,692	$4,338,123	$4,706,511	$368,388	8.5%
Higher Education	$1,145,193,817	$938,870,527	$993,591,143	$54,720,616	5.8%
Special Schools & Comm.	$42,415,088	$42,630,813	$38,816,256	($3,814,557)	(8.9%)
Elem. & Secondary Ed	$3,160,006,805	$3,302,310,322	$3,275,895,851	($26,414,471)	(0.8%)
Health Care Srvc. Division	$72,220,020	$64,296,464	$29,261,831	($35,034,633)	(54.5%)
Other Requirements	$495,444,600	$476,404,868	$506,159,193	$29,754,325	6.2%
General Appropriation Total	**$6,994,097,346**	**$7,629,869,707**	**$7,731,909,922**	**$102,040,215**	**1.3%**
Ancillary	$906,788	$0	$0	$0	0.0%
Judiciary	$134,362,434	$138,862,434	$142,862,434	$4,000,000	2.9%
Legislative	$67,324,614	$67,377,543	$69,263,933	$1,886,390	2.8%
Capital Outlay - Cash Portion	$136,629	$0	$1,300,000	$1,300,000	0.0%
Other Approp. Bills' Total	**$202,730,465**	**$206,239,977**	**$213,426,367**	**$7,186,390**	**3.5%**
Non-Approp. Required	**$388,256,182**	**$412,880,171**	**$398,355,325**	**($14,524,846)**	**(3.5%)**
Grand Total	**$7,585,083,993**	**$8,248,989,855**	**$8,343,691,614**	**$94,701,759**	**1.1%**

(1) Budgeted as of June 30, 2012.

(2) Appropriated in Act 13 of 2012 Regular Session. Does not include carry-forward BA-7s.

INTERAGENCY TRANSFERS BY DEPARTMENT

DEPARTMENT	Actual FY 11	Budgeted FY 12 (1)	Appropriated FY 13 (2)	Dollar Change	Percent Change
Executive	$380,245,786	$462,699,737	$448,196,759	($14,502,978)	-3.1%
Veterans Affairs	$726,431	$1,158,295	$1,464,960	$306,665	26.5%
State	$22,130,095	$658,336	$384,870	($273,466)	-41.5%
Justice	$32,281,453	$39,060,702	$20,774,522	($18,286,180)	-46.8%
Lt. Governor	$1,025,179	$465,356	$465,356	$0	0.0%
Treasury	$1,952,235	$1,438,854	$1,628,452	$189,598	13.2%
Public Service Commisson	$0	$0	$0	$0	0.0%
Agriculture & Forestry	$13,838,681	$1,685,246	$1,200,445	($484,801)	-28.8%
Insurance	$0	$435,681	$0	($435,681)	-100.0%
Economic Development	$1,638,662	$2,078,549	$398,231	($1,680,318)	-80.8%
Culture, Rec. & Tourism	$23,055,444	$4,056,246	$4,065,477	$9,231	0.2%
Transp. & Development	$3,047,312	$7,552,968	$9,871,386	$2,318,418	30.7%
Corrections Services	$9,200,715	$9,004,446	$4,781,898	($4,222,548)	-46.9%
Public Safety Services	$33,969,062	$46,592,659	$44,610,033	($1,982,626)	-4.3%
Youth Services	$13,600,635	$22,070,644	$18,833,660	($3,236,984)	-14.7%
Health & Hospitals	$444,419,274	$504,551,710	$474,842,213	($29,709,497)	-5.9%
Children & Family Services	$5,590,949	$9,093,271	$5,150,189	($3,943,082)	-43.4%
Natural Resources	$16,193,234	$15,312,421	$17,753,165	$2,440,744	15.9%
Revenue	$357,089	$361,899	$347,300	($14,599)	-4.0%
Environmental Quality	$4,162,919	$2,661,518	$2,917,443	$255,925	9.6%
LA Workforce Commission	$7,999,372	$4,830,990	$2,592,047	($2,238,943)	-46.3%
Wildlife & Fisheries	$18,695,415	$14,925,843	$19,182,189	$4,256,346	28.5%
Civil Service	$13,996,866	$17,691,337	$17,998,370	$307,033	1.7%
Higher Education	$730,473,608	$434,188,850	$392,232,944	($41,955,906)	-9.7%
Special Schools & Comm.	$22,765,966	$25,913,210	$26,028,061	$114,851	0.4%
Elem. & Secondary Ed	$475,021,690	$624,791,747	$575,936,627	($48,855,120)	-7.8%
Health Care Srvc. Division	$654,541,841	$595,045,883	$548,393,931	($46,651,952)	-7.8%
Other Requirements	$47,543,912	$52,054,014	$44,621,049	($7,432,965)	-14.3%
General Approp. Total	**$2,978,473,825**	**$2,900,380,412**	**$2,684,671,577**	**($215,708,835)**	**-7.4%**
Ancillary	$274,617,463	$292,242,023	$295,042,722	$2,800,699	1.0%
Judiciary	$0	$10,670,000	$10,436,500	($233,500)	-2.2%
Legislative	$0	$0	$0	$0	0.0%
Capital Outlay - Cash Portion	$54,222,455	$27,454,623	$28,177,455	$722,832	2.6%
Other Approp. Bills' Total	**$328,839,918**	**$330,366,646**	**$333,656,677**	**$3,290,031**	**1.0%**
Non-Approp. Required	**$0**	**$0**	**$0**	**$0**	**0.0%**
Grand Total	**$3,307,313,743**	**$3,230,747,058**	**$3,018,328,254**	**($212,418,804)**	**-6.6%**

(1) Budgeted as of June 30, 2012.

(2) Appropriated in Act 13 of 2012 Regular Session. Does not include carry-forward BA-7s.

SELF GENERATED REVENUE BY DEPARTMENT

DEPARTMENT	Actual FY 11	Budgeted FY 12 (1)	Appropriated FY 13 (2)	Dollar Change	Percent Change
Executive	$88,017,285	$121,225,855	$121,601,675	$375,820	0.3%
Veterans Affairs	$13,910,999	$15,215,764	$15,553,220	$337,456	2.2%
State	$18,629,386	$19,804,769	$19,495,746	($309,023)	(1.6%)
Justice	$1,895,526	$4,100,177	$7,149,758	$3,049,581	74.4%
Lt. Governor	$4,000	$150,000	$25,000	($125,000)	(83.3%)
Treasury	$7,383,132	$8,927,758	$8,354,510	($573,248)	(6.4%)
Public Service Commisson	$0	$0	$0	$0	0.0%
Agriculture & Forestry	$6,553,680	$6,793,752	$6,742,470	($51,282)	(0.8%)
Insurance	$26,525,106	$29,157,244	$28,941,559	($215,685)	(0.7%)
Economic Development	$2,014,516	$3,190,689	$3,048,870	($141,819)	(4.4%)
Culture, Rec. & Tourism	$32,894,559	$27,170,272	$31,662,514	$4,492,242	16.5%
Transp. & Development	$40,172,023	$44,828,253	$41,039,360	($3,788,893)	(8.5%)
Corrections Services	$33,856,462	$40,160,282	$37,409,991	($2,750,291)	(6.8%)
Public Safety Services	$133,164,005	$139,519,536	$138,796,966	($722,570)	(0.5%)
Youth Services	$1,816,388	$2,185,507	$959,528	($1,225,979)	(56.1%)
Health & Hospitals	$103,207,543	$182,232,951	$196,845,821	$14,612,870	8.0%
Children & Family Services	$16,140,753	$17,645,798	$16,945,798	($700,000)	(4.0%)
Natural Resources	$69,610	$345,875	$345,875	$0	0.0%
Revenue	$84,732,515	$95,356,197	$93,426,518	($1,929,679)	(2.0%)
Environmental Quality	$642,512	$494,543	$105,000	($389,543)	(78.8%)
LA Workforce Commission	$0	$69,202	$69,202	$0	0.0%
Wildlife & Fisheries	$3,731,430	$17,710,060	$16,499,148	($1,210,912)	(6.8%)
Civil Service	$686,307	$724,550	$767,945	$43,395	6.0%
Higher Education	$801,002,423	$1,149,817,998	$1,180,419,347	$30,601,349	2.7%
Special Schools & Comm.	$1,466,507	$2,550,155	$2,575,155	$25,000	1.0%
Elem. & Secondary Ed	$6,327,453	$37,520,092	$35,472,146	($2,047,946)	(5.5%)
Health Care Srvc. Division	$92,324,742	$78,988,131	$128,516,746	$49,528,615	62.7%
Other Requirements	$3,565,643	$6,688,034	$6,696,290	$8,256	0.1%
General Appropriation Total	**$1,520,734,505**	**$2,052,573,444**	**$2,139,466,158**	**$86,892,714**	**4.2%**
Ancillary	$1,245,648,992	$1,435,413,407	$1,313,006,919	($122,406,488)	(8.5%)
Judiciary	$0	$0	$0	$0	0.0%
Legislative	$20,173,220	$23,229,566	$23,379,566	$150,000	0.6%
Capital Outlay - Cash Portion*	$33,683,000	$139,435,289	$120,950,915	($18,484,374)	(13.3%)
Other Approp. Bills' Total	**$1,299,505,212**	**$1,598,078,262**	**$1,457,337,400**	**($140,740,862)**	**(8.8%)**
Non-Approp. Required	**$0**	**$0**	**$0**	**$0**	**0.0%**
Grand Total	**$2,820,239,717**	**$3,650,651,706**	**$3,596,803,558**	**($53,848,148)**	**(1.5%)**

(1) Budgeted as of June 30, 2012.

(2) Appropriated in Act 13 of 2012 Regular Session. Does not include carry-forward BA-7s.

*Inclusive of Reappropriated Cash ($32,826,701 in FY 12 and $33,037,242 in FY 13) and Reappropriated Interest Earnings ($2,377,240 in FY 12 and $849,193 in FY 13). This amount is not utilized in calculating the Expenditure Limit for FY 13, nor recognized by OPB as SGR.

STATUTORY DEDICATIONS BY DEPARTMENT

DEPARTMENT	Actual FY 11	Budgeted FY 12 (1)	Appropriated FY 13 (2)	Dollar Change	Percent Change
Executive	$406,396,722	$275,314,609	$251,175,997	($24,138,612)	(8.8%)
Veterans Affairs	$231,062	$398,823	$300,000	($98,823)	(24.8%)
State	$2,644,577	$11,804,587	$7,038,078	($4,766,509)	(40.4%)
Justice	$9,918,649	$13,643,293	$11,962,110	($1,681,183)	(12.3%)
Lt. Governor	$0	$15,292	$0	($15,292)	0.0%
Treasury	$420,094	$2,271,417	$2,271,417	$0	0.0%
Public Service Commisson	$8,900,939	$9,494,597	$9,295,852	($198,745)	(2.1%)
Agriculture & Forestry	$29,260,348	$33,257,621	$31,973,333	($1,284,288)	(3.9%)
Insurance	$1,286,854	$1,345,748	$1,325,000	($20,748)	(1.5%)
Economic Development	$40,519,158	$63,700,516	$26,038,204	($37,662,312)	(59.1%)
Culture, Rec. & Tourism	$3,665,206	$9,599,029	$8,899,774	($699,255)	(7.3%)
Transp. & Development	$460,250,978	$479,162,455	$472,654,949	($6,507,506)	(1.4%)
Corrections Services	$54,000	$10,385,979	$54,000	($10,331,979)	(99.5%)
Public Safety Services	$184,807,139	$211,345,440	$218,185,116	$6,839,676	3.2%
Youth Services	$375,000	$2,339,953	$272,000	($2,067,953)	(88.4%)
Health & Hospitals	$971,514,811	$516,343,956	$524,521,397	$8,177,441	1.6%
Children & Family Services	$1,546,110	$6,980,343	$2,123,398	($4,856,945)	(69.6%)
Natural Resources	$32,434,869	$32,713,619	$30,520,378	($2,193,241)	(6.7%)
Revenue	$618,319	$728,000	$705,041	($22,959)	(3.2%)
Environmental Quality	$93,369,783	$103,617,246	$99,996,309	($3,620,937)	(3.5%)
LA Workforce Commission	$88,981,649	$97,659,406	$100,926,430	$3,267,024	3.3%
Wildlife & Fisheries	$73,958,673	$96,322,010	$100,502,350	$4,180,340	4.3%
Civil Service	$1,691,309	$1,995,790	$1,927,543	($68,247)	(3.4%)
Higher Education	$140,559,000	$298,199,870	$192,349,749	($105,850,121)	(35.5%)
Special Schools & Comm.	$31,932,595	$23,751,191	$25,463,619	$1,712,428	7.2%
Elem. & Secondary Ed	$273,019,250	$269,134,757	$278,336,860	$9,202,103	3.4%
Health Care Srvc. Division	$300,000	$0	$35,000,000	$35,000,000	0.0%
Other Requirements	$164,699,627	$201,433,621	$195,771,818	($5,661,803)	(2.8%)
General Appropriation Total	**$3,023,356,721**	**$2,772,959,168**	**$2,629,590,722**	**($143,368,446)**	**(5.2%)**
Ancillary	$111,605,508	$88,000,000	$81,000,000	($7,000,000)	(8.0%)
Judiciary	$7,369,538	$9,497,651	$9,650,831	$153,180	1.6%
Legislative	$6,795,227	$16,864,028	$11,201,724	($5,662,304)	(33.6%)
Capital Outlay - Cash Portion	$832,542,575	$990,898,780	$1,012,493,684	$21,594,904	2.2%
Other Approp. Bills' Total	**$958,312,848**	**$1,105,260,459**	**$1,114,346,239**	**$9,085,780**	**0.8%**
Non-Approp. Required	**$90,671,299**	**$103,400,000**	**$111,500,000**	**$305,571,299**	**295.5%**
Grand Total	**$4,072,340,868**	**$3,981,619,627**	**$3,855,436,961**	**$171,288,633**	**4.3%**

(1) Budgeted as of June 30, 2012.

(2) Appropriated in Act 13 of 2012 Regular Session. Does not include carry-forward BA-7s.

INTERIM EMERGENCY BOARD FUNDS DISTRIBUTED BY DEPARTMENT

DEPARTMENT	Actual FY 11	Budgeted FY 12 (1)	Appropriated FY 13 (2)	Dollar Change	Percent Change
Executive	$287,615	$1,472,678	$0	($1,472,678)	0.0%
Veterans Affairs	$0	$0	$0	$0	0.0%
State	$0	$0	$0	$0	0.0%
Justice	$0	$0	$0	$0	0.0%
Lt. Governor	$0	$0	$0	$0	0.0%
Treasury	$0	$0	$0	$0	0.0%
Public Service Commisson	$0	$0	$0	$0	0.0%
Agriculture & Forestry	$0	$0	$0	$0	0.0%
Insurance	$0	$0	$0	$0	0.0%
Economic Development	$0	$0	$0	$0	0.0%
Culture, Rec. & Tourism	$0	$0	$0	$0	0.0%
Transp. & Development	$0	$0	$0	$0	0.0%
Corrections Services	$0	$0	$0	$0	0.0%
Public Safety Services	$0	$0	$0	$0	0.0%
Youth Services	$0	$0	$0	$0	0.0%
Health & Hospitals	$233,750	$0	$0	$0	0.0%
Children & Family Services	$0	$0	$0	$0	0.0%
Natural Resources	$0	$0	$0	$0	0.0%
Revenue	$0	$0	$0	$0	0.0%
Environmental Quality	$0	$0	$0	$0	0.0%
LA Workforce Commission	$0	$0	$0	$0	0.0%
Wildlife & Fisheries	$0	$0	$0	$0	0.0%
Civil Service	$0	$0	$0	$0	0.0%
Higher Education	$10,000	$0	$0	$0	0.0%
Special Schools & Comm.	$26,459	$0	$0	$0	0.0%
Elem. & Secondary Ed	$0	$0	$0	$0	0.0%
Health Care Srvc. Division	$0	$0	$0	$0	0.0%
Other Requirements	$0	$0	$0	$0	0.0%
General Appropriation Total	**$557,824**	**$1,472,678**	**$0**	**($1,472,678)**	**(100.0%)**
Ancillary	$0	$0	$0	$0	0.0%
Judiciary	$0	$0	$0	$0	0.0%
Legislative	$0	$0	$0	$0	0.0%
Capital Outlay - Cash Portion	$1,340,000	$2,000,000	$0	($2,000,000)	0.0%
Other Approp. Bills' Total	**$1,340,000**	**$2,000,000**	**$0**	**($2,000,000)**	**(100.0%)**
Non-Approp. Required	**$0**	**$0**	**$0**	**$0**	**0.0%**
Grand Total	**$1,897,824**	**$3,472,678**	**$0**	**($3,472,678)**	**(100.0%)**

(1) Budgeted as of June 30, 2012.

(2) Appropriated in Act 13 of 2012 Regular Session. Does not include carry-forward BA-7s.

FEDERAL FUNDS BY DEPARTMENT

DEPARTMENT	Actual FY 10	Budgeted FY 11 (1)	Appropriated FY 12 (2)	Dollar Change	Percent Change
Executive	$2,712,623,189	$3,146,010,783	$2,909,784,672	($236,226,111)	(7.5%)
Veterans Affairs	$27,671,488	$32,835,023	$34,525,636	$1,690,613	5.1%
State	$0	$350,000	$0	($350,000)	(100.0%)
Justice	$4,752,210	$5,875,954	$6,070,482	$194,528	3.3%
Lt. Governor	$5,515,543	$6,626,002	$5,509,255	($1,116,747)	(16.9%)
Treasury	$0	$0	$0	$0	0.0%
Public Service Commisson	$141,694	$716,837	$0	($716,837)	(100.0%)
Agriculture & Forestry	$6,446,720	$9,154,921	$7,716,818	($1,438,103)	(15.7%)
Insurance	$1,193,012	$2,221,509	$879,812	($1,341,697)	(60.4%)
Economic Development	$277,314	$7,184,291	$4,389,450	($2,794,841)	(38.9%)
Culture, Rec. & Tourism	$8,862,442	$9,504,511	$7,945,292	($1,559,219)	(16.4%)
Transp. & Development	$17,408,883	$24,691,110	$26,761,411	$2,070,301	8.4%
Corrections Services	$1,059,540	$1,480,697	$1,480,697	$0	0.0%
Public Safety Services	$27,070,111	$47,745,837	$36,671,220	($11,074,617)	(23.2%)
Youth Services	$789,488	$891,796	$891,796	$0	0.0%
Health & Hospitals	$5,660,779,334	$5,548,352,639	$5,822,081,146	$273,728,507	4.9%
Children & Family Services	$616,673,967	$761,178,697	$620,285,942	($140,892,755)	(18.5%)
Natural Resources	$43,657,862	$168,186,356	$119,018,851	($49,167,505)	(29.2%)
Revenue	$360,000	$977,007	$883,007	($94,000)	(9.6%)
Environmental Quality	$18,990,642	$25,269,665	$22,789,400	($2,480,265)	(9.8%)
LA Workforce Commission	$180,430,540	$172,019,687	$167,868,097	($4,151,590)	(2.4%)
Wildlife & Fisheries	$37,273,184	$87,750,630	$67,333,975	($20,416,655)	(23.3%)
Civil Service	$0	$0	$0	$0	0.0%
Higher Education	$146,439,932	$159,283,006	$152,909,153	($6,373,853)	(4.0%)
Special Schools & Comm.	$57,816	$105,086	$105,086	$0	0.0%
Elem. & Secondary Ed	$1,273,696,935	$1,447,038,405	$1,178,768,688	($268,269,717)	(18.5%)
Health Care Srvc. Division	$78,082,167	$84,347,612	$84,347,612	$0	0.0%
Other Requirements	$3,583,045	$4,081,260	$4,181,260	$100,000	2.5%
General Appropriation Total	**$10,873,837,058**	**$11,753,879,321**	**$11,283,198,758**	**($470,680,563)**	**(4.0%)**
Ancillary	$9,275,878	$31,500,000	$0	($31,500,000)	(100.0%)
Judiciary	$0	$0	$0	$0	0.0%
Legislative	$0	$0	$0	$0	0.0%
Capital Outlay - Cash Portion	$35,181,351	$21,159,733	$20,694,987	($464,746)	(2.2%)
Other Approp. Bills' Total	**$44,457,229**	**$52,659,733**	**$20,694,987**	**($31,964,746)**	**(60.7%)**
Non-Approp. Required	**$0**	**$0**	**$0**	**$0**	**0.0%**
Grand Total	**$10,918,294,287**	**$11,806,539,054**	**$11,303,893,745**	**($502,645,309)**	**(4.3%)**

(1) Budgeted as of June 30, 2012.

(2) Appropriated in Act 13 of 2012 Regular Session. Does not include carry-forward BA-7s.

ONE-TIME FUNDING FOR FY 13
(House Rule 7.19)

Various Funds Sweeps (transferred into SGF)	
2% Fire Insurance Fund	$690,000
Academic Improvement Fund	$864,176
Adult Probation & Parole Officer Retirement Fund	$3,722,315
Algiers Economic Development Foundation Fund	$240
Automobile Theft & Insurance Prevention Authority Fund	$41,366
Beautification Project for New Orleans Neighborhoods Fund	$1,198
Bossier Parish Truancy Program Fund	$7,689
Casino Gaming Proceeds Fund	$1,760
Concealed Handgun Permit Fund	$243,326
Consumer Enforcement Escrow Fund	$7,000,000
DOJ Debt Collection Fund	$202,373
DOJ Legal Support Fund	$436,812
Entertainment Promotion & Marketing Fund	$58,240
Environmental Trust Fund	$2,164,131
FEMA Reimbursement Fund	$95,326
Friends of NORD Fund	$1,240
Greater New Orleans Sports Foundation Fund	$330
Higher Education Initiatives Funds	$312
LA Economic Development Fund	$8,158,250
LA Filmmakers Grant Fund	$183,949
LA Highway Safety Fund	$4,132
LAFA Fund	$3,752
Litter Abatement & Education Fund	$1,415
Mega Project Development Fund	$3,400,000
Mineral & Energy Operation Fund	$17,634
N. O. Urban Tourism & Hospitality Training In Economic Development Foundation Fund	$1,295
Oil & Gas Regulatory Fund	$563,330
Penalty & Interest Account	$1,000,000
Right to Know Fund	$4,025
Small Business Surety Bonding Fund	$145,660
Teacher Educational Aid for Children Fund	$13
Tobacco Control Special Fund	$3,604
Underground Damages Prevention Fund	$22,920
UNO Slidell Technology Park Fund	$1,245
Variable Earnings Transaction Fund	$23,142
	$29,065,200
Legal Settlements (transferred into SGF)	
Actavis, Inc.	$4,000,000
Boehringer	$3,250,000
Dey Pharma	$3,000,000
GlaxoSmithKline (Abbott Labs)	$10,000,000
Purdue	$2,000,000
Schering Plough	$5,000,000
	$27,250,000
Additional Legal Settlements (transferred into LA MATF)	
Additional anticipated Drug Settlements	**$22,000,000**
SGR from the Department of Revenue (transferred into SGF)	**$3,831,168**
Ernest Morial New Orleans Exhibition Hall Authority (transferred into the LA Medical Assistance Trust Fund)	**$20,000,000**
Go Zone Bond Repayments	
Go Zone Bond Repayments (transferred into the SGF)	**$79,686,242**
Represents the entire debt payoff by the Orleans Parish School Board (paid in full FY 12)	

Various Funds Sweeps (transferred into the LA Medical Assistance Trust Fund)	
DOI Administrative Fund	$96,743
LA Fire Marshal Fund	$759,107
LA Help Our Wildlife Fund	$21,485
Motor Carrier Regulation Fund	$34,288
OMV Customer Service & Technology Fund	$2,291,112
Riverboat Gaming Enforcement Fund	$1,808,462
Telephonic Solicitation Relief Fund	$119,900
Traumatic Head & Spinal Cord Injury Trust Fund	$1,724,285
Utility & Carrier Inspection & Supervision Fund	$760,050
	$7,615,432
Property Sale (transferred into the Overcollections Fund)	
New Orleans Adolescent Hospital (NOAH) (transferred into the Overcollections Fund)	**$35,000,000**
LA Land Trust Program Income (property sales - LA 4 Program)	**$13,100,000**
Self Insurance Fund (transferred into the SGF)	**$56,000,000**
LA Housing Finance Agency (transferred into the SGF)	**$11,000,000**
Coastal Protection & Restoration Fund (transferred into the SGF)	**$20,104,310**
TOPS Constitutional Amendment (TOPS Program Funding)	**$15,200,000**

LFO Total One-Time Money	**$339,852,352**
LESS: One-time Expenditures	**($67,337,508)**
	$272,514,844
House Rule 7.19 Threshold (per latest adopted revenue forecast - 4/24/2012)	**$299,600,000**
Amount (Under)/Over Threshold	**($27,085,156)**

Note: $138,798,440 of resources transferred into the SGF in Act 597 (HB 822) are being utilized in Act 53 (HB 1059 - FY 12 Supplemental Appropriations Bill). These SGF resources are being budgeted in FY 12 to "free-up" a like amount of LA Medical Assistance Trust Fund resources, which are being appropriated in FY 13. The original source of the $138.8 M is listed above.

NUMBER OF POSITIONS BY DEPARTMENT

DEPARTMENT	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Budgeted 2011-12	Approp. 2012-13	Change 2011-12 to 2012-13
Executive	1,889	2,065	2,361	1,951	2,046	2,064	2,114	2,327	2,187	2,146	2,311	2,262	2,182	(80)
Veterans Affairs (a)	0	0	0	410	556	554	642	830	809	816	825	830	835	5
State	291	291	283	229	285	290	328	348	342	337	335	317	317	0
Justice	442	452	456	431	516	509	524	531	521	507	503	490	474	(16)
Lt. Governor	9	9	9	9	13	13	14	28	28	25	11	8	8	0
Treasury	54	55	55	56	60	60	60	65	66	63	61	59	58	(1)
Public Service Commissior	116	119	134	122	122	122	122	122	94	103	97	97	97	0
Agriculture & Forestry	788	824	831	822	831	805	798	829	785	710	685	644	625	(19)
Insurance	272	272	273	273	277	277	280	289	281	274	267	265	263	(2)
Economic Development	345	92	100	101	100	99	100	119	131	131	128	124	122	(2)
														0
Culture, Rec., & Tourism	636	658	694	693	734	768	773	785	787	770	694	630	633	3
Transp. & Development	5,354	5,342	5,280	5,271	5,154	5,137	4,998	4,872	4,837	4,704	4,524	4,494	4,322	(172)
Corrections Services	8,234	8,130	8,039	6,423	6,352	6,113	6,172	6,517	6,124	5,985	5,761	5,284	5,021	(263)
Public Safety Services	2,808	2,802	2,872	2,940	2,854	2,837	2,844	2,936	2,889	2,812	2,862	2,675	2,681	6
Youth Services (b)	0	0	0	1,492	1,362	1,310	1,277	1,358	1,275	1,187	1,111	1,056	990	(66)
														0
Health & Hospitals	12,574	12,715	12,780	12,857	12,274	12,078	12,064	12,324	11,634	11,322	9,247	8,458	6,718	(1,740)
Children & Family Service	5,845	5,788	5,515	5,323	5,269	5,193	5,169	5,242	5,057	4,595	4,389	4,082	3,960	(122)
Natural Resources	442	474	491	496	508	494	495	507	510	508	380	380	367	(13)
Revenue	1,015	1,020	977	942	929	928	934	947	877	819	820	802	792	(10)
Environmental Quality	1,063	1,054	1,002	1,018	1,021	1,020	986	994	933	933	847	805	762	(43)
LA Workforce Commissior	1,240	1,168	1,206	1,208	1,208	1,196	1,107	1,091	1,063	1,263	1,219	1,191	1,155	(36)
Wildlife & Fisheries	809	797	792	786	797	798	795	802	800	783	775	775	777	2
Civil Service	183	180	181	176	175	174	167	172	187	189	212	212	213	1
Retirement Systems (c)	259	268	290	306	307	307	307	358	357	357	356	339	339	0
Higher Education (d)	N/A (e)	32,202	33,143	34,400	35,024	34,117	33,115	34,489	35,231	34,082	34,697	27,703	24,866 (e)	(2,837)
Special Schools & Comm.	1,030	1,021	1,045	1,045	1,073	1,051	979	875	868	806	774	750	748	(2)
Dept. of Education	1,061	1,005	1,037	1,022	900	831	818	857	747	739	682	654	596	(58)
Health Care Srvc Division	0	0	0	0	0	0	0	0	0	0	7,215 (f)	6,929	6,329	(600)
Approp. Bill Total	**46,759**	**78,803**	**79,846**	**80,802**	**80,747**	**79,145**	**77,982**	**80,614**	**79,420**	**76,966**	**81,788**	**72,315**	**66,250**	(6,065)
Ancillary Bill	961	950	958	837	966	968	958	984	956	801	815	721	516	(205)
Total with Ancillary	**47,720**	**79,753**	**80,804**	**81,639**	**81,713**	**80,113**	**78,940**	**81,598**	**80,376**	**77,767**	**82,603**	**73,036**	**66,766**	(6,270)

(a) FY 04 is Veterans Affairs first fiscal year as a department.
(b) Act 7 of 2004 created Youth Services as an independent organizational unit in the Department of Public Safety & Corrections.
(c) Funding for Retirement Systems operating budgets are no longer appropriated. Figures reflect positions budgeted by the systems.
(d) Colleges and universities do not have authorized position numbers prior to FY 11. Higher education positions prior to FY 11 are from Civil Service reports showing the number of filled full-time equivalent positions.
(e) Civil Service reports used for higher education authorized positions are unavailable in FYs 00 and 01.
(f) FY 11 is first year all MOF & T.O. within HCSD were included in Executive Budget & general appropriations bill.

Capital Outlay Appropriation
Act 23 of 2012

Means of Finance Category	Appropriation Less Vetoed Items
Cash Section	
State General Fund (Direct)	$1,300,000
Interagency Transfers	$28,177,455
Self-Generated Revenues	$87,064,480
Statutory Dedications	
Unclaimed Property Leverage Fund	$22,500,000
Conservation Fund	$952,100
LA State Parks Improvement & Repair Fund	$6,600,000
Aquatic Plant Control Fund	$500,000
Rockefeller Wildlife Refuge & Game Preserve Fund	$3,000,000
State Hwy Improvement Fund	$51,800,000
Transportation Trust Fund - Regular	$183,605,906
Transportation Trust Fund - Federal	$742,200,000
White Lake Property Fund	$696,103
Artificial Reef Development Fund	$639,575
Total Statutory Dedications	**$1,012,493,684**
Federal Funds	$20,694,987
Reappropriated Cash	$33,679,742
Reappropriated Interest Earnings	$849,193
Revenue Bonds	$177,950,000
TOTAL CASH SECTION	**$1,362,209,541**
General Obligation Bond Section	
Priority 1	$1,540,715,000
Priority 2	$277,435,000
Priority 3	$14,500,000
Priority 4	$0
Priority 5	$1,156,290,000
TOTAL GENERAL OBLIGATION BONDS	**$2,988,940,000**
Bonds NRP/RBP (See Footnote on Page 15)	**$10,455,700**
Act 23 of 2012	**$4,361,605,241**

Capital Outlay Bill
Three-Year Comparison

Cash Section	Act 21 of 2010 FY 11	Act 22 of 2011 FY 12	Act 23 of 2012 FY 13	Difference FY 12 to 13
General Fund	$0	$0	$1,300,000	$1,300,000
Reappropriated Cash	$32,763,807	$32,826,701	$33,679,742	$853,041
Interagency Transfer	$54,177,455	$21,111,595	$28,177,455	$7,065,860
Self-Generated Revenues	$27,263,000	$104,006,350	$87,064,480	($16,941,870)
Federal (Includes TTF-Federal)	$648,595,221	$780,025,571	$762,894,987	($17,130,584)
Transportation Trust Fund (TTF-Regular)	$158,145,975	$152,441,705	$183,605,906	$31,164,201
Tran. Infra. Model for Econ. Dev. (TIMED)	$0	$0	$0	$0
Other Statutory Dedication	$56,673,164	$45,364,000	$86,687,778	$41,323,778
Revenue Bonds	$1,215,923,400	$168,120,000	$177,950,000	$9,830,000
Reappropriations of Interest Earnings	$719,321	$737,240	$849,193	$111,953
Total Cash Section	**$2,194,261,343**	**$1,304,633,162**	**$1,362,209,541**	**$57,576,379**
General Obligation (G. O.) Bond Section				
Priority I	$1,553,335,000	$1,636,970,000	$1,540,715,000	($96,255,000)
Priority II	$151,307,000	$124,065,000	$277,435,000	$153,370,000
Priority III	$0	$7,700,000	$14,500,000	$6,800,000
Priority IV	$0	$15,915,000	$0	($15,915,000)
Priority V	$793,343,000	$905,820,000	$1,156,290,000	$250,470,000
Total G. O. Bond Section	**$2,497,985,000**	**$2,690,470,000**	**$2,988,940,000**	**$298,470,000**
NRP/RBP *	$21,974,374	$3,689,311	$10,455,700	$6,766,389
Total Capital Outlay Bill Less Vetoes	**$4,714,220,717**	**$3,998,792,473**	**$4,361,605,241**	**$362,812,768**

Notes:
The Capital Outlay Appropriations for each year above are net of items vetoed by the Governor.
The Federal means of finance category includes Federal Funds and Transportation Trust Funds-Federal.

*NRP (Not Requiring a Priority) is the allocation of previously sold bonds.
*RBP (Reimbursement Bond Proceeds) is the appropriation of funding made available from prepayments of reimbursement bond contracts.

Section II

FISCAL ACTIONS

2012 REGULAR SESSION

Fiscal Year 2012-2013

Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

2012 Regular Session

Instrument	Description	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	SESSION ACTIONS - REVENUE						
Sales Tax - General							
Act 435 Regular Session HB 1096	Extends the Tax Free Shopping program for four more years, until 7/1/2017. The program refunds sales taxes to foreign visitors for purchases of tangible goods.			($1,000,000)	($1,000,000)	($1,000,000)	($1,000,000)
Act 45 Regular Session HB 91	Expands Enterprise Zone eligibility to include transit-oriented projects with 200 residential units (from 175), and decreases the retail requirement from 30% to 15% of the facility. A particular project was made eligible by changes to the EZ program in the 2011 session. This bill (2012 session) modifies the program again to retain eligibility for the project as it is developed.			($46,000)			
Act 490 Regular Session HB 335	Dedicates state sales tax receipts associated with sales within the New Orleans City Park Taxing District to subsidize the tax increment financing of projects within the district. The state dedication can be as much as the local dedication, which is currently 2.5% of tax rate. State net tax receipts will be reduced by the amount of taxes dedicated to the local district.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 819 Regular Session HB 1103	Dedicates state sales tax receipts associated with sales within the LA Sports & Entertainment District to subsidize the tax increment financing of projects within the district. Also expands the district to a 2 block area adjacent to the existing district. The state dedication can be as much as the local dedication. State net tax receipts will be reduced by the amount of taxes dedicated to the local district.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 800 Regular Session HB 754	Authorizes a program whereby the State contracts with procurement processing companies that facilitate the shifting of taxable sales and sales tax payments into Louisiana from other states. The State rebates back a portion of the sales taxes paid and retains a portion itself. State sales tax receipts can potentially increase to the extent the shifted sales are truely new taxable sales to the state, and to the extent the state does not have to refund taxes paid as a result of other states denying participating firms a credit for taxes paid to LA.		UNCERTAIN	UNCERTAIN	UNCERTAIN	UNCERTAIN	UNCERTAIN
Corporate Income & Franchise Tax							
Act 219 Regular Session HB 1072	Continues Quality Jobs Program payroll subsidies to the New Orleans Hornets National Basketball Assn. franchise for 10 more years. These benefits for the franchise are capped at $3.650 M per year. Existing benefits are provided through FY 13.			($3,650,000)	($3,650,000)	($3,650,000)	($3,650,000)

Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

2012 Regular Session

Instrument	Description	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Act 415 Regular Session HB 729	Allows single sales factor apportionment to be offered to targeted businesses for up to 40 years. LED anticipates a modest ramp up of participation of one to two firms added to the program each year, with corporate tax liability reductions accumulating as participation accumulates. Effective beginning with corporate income tax years 2013 and franchise tax years 2014. New contracts can not be entered into after 6/30/2017.			($1,000,000)	($2,000,000)	($4,000,000)	($5,000,000)
Act 503 Regular Session HB 937	Provides for reimbursements of relocation or expansion costs of targeted businesses. 25% of eligible costs are reimbursed evenly over 5 years. Effective 7/1/2012, but delays built into bill work to delay first cost realizations in FY 14 at the earliest. New contracts can not be entered into after 6/30/2017.			($1,000,000)	($3,000,000)	($4,000,000)	($5,000,000)
Act 507 Regular Session HB 958	Provides for payroll subsidies up to 15% for targeted businesses. Contracts can be for up to 10 years. Effective 7/1/2012, but delays built into bill work to delay first cost realizations in FY 14 at the earliest. New contracts can not be entered into after 6/30/2017.			($1,000,000)	($2,000,000)	($3,000,000)	($5,000,000)
Individual & Corporate Income Tax							
Act 25 Regular Session HB 969	Reimburses individuals and businesses for contributions to school tuition organization. Reimbursements are made from general tax collections before deposit into the state treasury, thus reducing net tax collections. Effective for funding attendance in the 2013-2014 school year, with reimbursement made after the conclusion of the school year subject to certain other requirements. Payments can occur as early as the end of FY 14.			DECREASE	DECREASE	DECREASE	DECREASE
			A RAMP UP OF POTENTIAL REVENUE LOSSES MAY HAVE TO BE INSERTED FOR THIS ITEM				
					($2,000,000)	($4,000,000)	($8,000,000)
Excise License Tax (premium tax)							
Act 597 Regular Session HB 822	Recognizes tax receipts collected on health care premiums paid to Medicaid-enrolled managed care organizations by the state medicaid program, resulting from the implementation of the state's Bayou Health and LA Behaviorial Health Parternership managed care programs. FY 13 receipts may be only partial year, with full year receipts in FY 14 and thereafter.		$11,000,000	$18,000,000	$18,000,000	$18,000,000	$18,000,000
	Total Adjustments To Major State Tax, License And Fee Estimates	$0	$11,000,000	$10,304,000	$4,350,000	($1,650,000)	($9,650,000)

Actions Affecting Major State Tax, License and Fee Estimates and Estimates of Net Available State General Fund Revenue

2012 Regular Session

Instrument	Description	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	SESSION ACTIONS - DEDICATIONS						
LA Medical Assistance Trust Fund							
Act 597 Regular Session HB 822	Dedicates to the LA Medical Assistance Trust Fund (MATF) receipts collected on health care premiums paid to Medicaid-enrolled managed care organizations by the state medicaid program, resulting from the implementation of the state's Bayou Health and LA Behaviorial Health Parternership managed care programs. FY 13 receipts may be only partial year, with full year receipts in FY 14 and thereafter.		$11,000,000	$18,000,000	$18,000,000	$18,000,000	$18,000,000
	Adjustments To Dedications of Major State Tax, License, and Fee Estimates	$0	$11,000,000	$18,000,000	$18,000,000	$18,000,000	$18,000,000
	TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST	$0	$0	($7,696,000)	($13,650,000)	($19,650,000)	($27,650,000)
	OTHER ITEMS OF INTEREST						
Act 597 Regular Session HB 822	The bill creates the Budget Stabilization Replenishment Fund to receive the difference between the official forecast for FY12 adopted on 4/24/2012 and the actual revenue collections for FY 12. The maximum difference that can be deposited into the Fund is $204.7 M; the amount authorized to be withdrawn from the Budget Stabilization Fund to support the FY 12 budget as per SCR 128. Once an amount is deposited into the Replenshment Fund, the treasurer is directed to transfer these monies into the Budget Stabilization Fund.		$204,700,000 Maximum				
Act 37 Regular Session SB 640	Allows the economist principal of the Revenue Estimating Conference to appoint a faculty member to represent him/she at REC meetings in the event of a medical condition which prevents his/her attendance. The president of the principal's college or university shall make the designation of the principal if incapacitated.						

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -107	Executive	Division of Administration	**Bringing the Department of Environmental Quality (DEQ) online with LaGov:** Provides funding to bring DEQ online with the LaGov system ($381,000 SGF and $500,000 IAT from DEQ's Environmental Trust Fund). According to the DOA, the $500,000 from DEQ funding will be utilized for salaries and related benefits for DEQ staff that will be housed at the DOA during FY 13 ($125,000); training DEQ agency personnel on using the system ($125,000); and modifications to the current federal grant tracking module within the system to better service the federal grant needs of DEQ ($250,000). The SGF will be utilized to pay any hardware and software maintenance costs ($136,000), software licenses ($225,000) and any needed hardware acquisitions ($20,000). At this time, DEQ is the only other state agency coming on-line with the system in FY 14. **Additional funding for DOTD Agile Assets:** The remaining $22,540 is associated with the Transportation Trust Fund - Regular (TTF-R) costs for the ongoing maintenance of the Agile Assets LaGov (DOTD), which are increasing by $22,540 (hosting and software maintenance) for FY 13 for a total FY 13 cost of $1.3 M.	$381,000	$903,540	0
01 -107	Executive	Division of Administration	Increased costs for software maintenance support for the enterprise business applications. The specific software impacted by the increase in maintenance costs includes: $53,971 – SAP LaGov, $17,187 – Agile Assets, and $8,842 – other various applications.	$80,000	$80,000	0
01 -107	Executive	Division of Administration	Increase for the vendor support (SAP) for ongoing maintenance of the mainframe hardware within the Office of Computing Services (OCS) for the ISIS-HR system (SAP – LaGov). The increase is included in the overall anticipated FY 13 maintenance costs of the LaGov system, which are approximately $4.7 M.	$200,000	$200,000	0
01 -107	Executive	Division of Administration	Additional SGF for 50 DOA employees anticipated to retire in FY 13. The Division of Administration (DOA) anticipates filling all of these positions once these individuals are retired. The specific retirement cost is associated with group insurance for retirees and does not include termination payments. The DOA projects post retirement obligations to be approximately $3 M in FY 13.	$614,066	$614,066	0
01 -107	Executive	Division of Administration	Provides funding for litigation expenses to protect LA's future revenues as a result of the U.S. Department of the Interior redrawing the 8(g) boundaries. These funds will be sent to the Department of Justice via an interagency transfer agreement.	$250,000	$250,000	0
01 -107	Executive	Division of Administration	Provides funding for IT contractual maintenance support.	$500,000	$500,000	0
01 -111	Executive	Homeland Security & Emergency Prep	Increases federal budget authority to allow GOHSEP to continue providing reimbursements to state and local governments for expenses as a result of hurricanes Katrina, Rita, Gustav and Ike. The source of these funds is the Robert T. Stafford Disaster Relief & Emergency Assistance Act from FEMA and are directly related to the Public Assistance Program and the Hazard Mitigation Grant Program. These monies are used to fund the ongoing recovery efforts by state agencies, local governments, and certain non-profits as a result of hurricanes Katrina, Rita, Gustav and Ike. The funding increase is based upon prior year actual expenditures. In FY 11 GOHSEP expended $1,275,428,649 in federal budget authority. The FY 12 federal budget authority is approximately $1.3 B. GOHSEP has $1,271,560,795 of federal budget authority for FY 13. **Note:** As a result of the hurricanes the Joint Legislative Committee on the Budget (JLCB) approved 2 BA-7s increasing the agency's federal budget authority in FY 10 for $326,591,155 and $182,380,873 in FY 11. The increase in the agency's federal budget authority for FY 13 should reduce the need for a mid-year budget adjustment in FY 13.	$0	$178,106,420	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -116	Executive	LA Public Defender Board	Increases IAT budget authority for expenditures associated with updates to the LA Public Defender Board's Case Management System (CMS). 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 hire one part-time (32 hours per week) other compensation position and a consultant to identify and correct any transition issues in the new Public Defender Case Management System and enhance the ability of the agency to produce reports from the data contained within the system. A December 2011 approved BA-7 appropriated $94,518 for FY 12 expenditures and this adjustment seeks to appropriate the remaining grant funds in FY 13. The total expenditures to date for the new system is approximately $270,000. According to the LA Commission on Law Enforcement (LCLE), the state's 2010 Byrne/JAG grant allocation was $5.4 M of which approximately 70% must be allocated to local governments and approximately 30% to state government. According to the U.S. Bureau of Justice Assistance (BJA), the JAG Program provides states and local governments with funding to support law enforcement, crime prevention and education, corrections, drug treatment, technology improvement and crime victims and witness protection initiatives. The JAG formula grant funds are based upon the state's share of the national population and various crime statistics.	$0	$31,791	0
01 -116	Executive	LA Public Defender Board	Increases statutorily dedicated funding from the LA Public Defender Fund for legal fees associated with the appeal process for 2 of the 5 ("Angola Five") defendants sentenced to death last year. Of the 5 defendants, 1 has been sentenced to life in prison without appeal, 2 have yet to go to trial and 2 who are in the appeals process. **Note:** The original source of funds is SGF deposited into the LA Public Defender Fund (Schedule 20-XXX of Act 13).	$0	$400,000	0
01 -124	Executive	LA Stadium & Exposition District	Provides statutorily dedicated funding from the New Orleans Sports Franchise Fund for operating expenditures including contractual obligations of the LA Superdome and the New Orleans Arena. FY 13 budget authority from this fund is $6.25 M.	$0	$250,000	0
01 -129	Executive	LA Commission on Law Enforcement	Increases federal budget authority for the Crime Victims Assistance (CVA) Program from the U.S. Department of Justice. The Victims of Crime Assistance grants are to stimulate state participation, support for victim services program and promote victim cooperation with law enforcement. These federal grant funds will be utilized for the LA Automated Victims Notification System (LAVINS) that will expand the coverage and notification functionality of the current system to include information and notifications related to court events, offenders on probation and parole, juvenile cases and protection orders. The LA Automated Victim Notification System (LAVNS) 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 from a parish facility or has a change in case status. Total funding in FY 13 for LAVINS is $1,991,000 SGF and $995,000 Federal.	$0	$995,000	0
01 -254	Executive	LA Racing Commission	Increases statutorily dedicated funding from the Pari-mutuel Live Racing Facility Gaming Control Fund for the Equine Drug Testing contract with the LSU School of Veterinary Medicine, from $1,373,455 to $1,416,856 due to inflationary costs (3.16%). In FY 09, the Racing Commission adopted Anabolic Steroid Testing and the model rules enacted by the Association of Racing Commissioners International (ARCI). Previous contract payments are as follows: FY 10 - $1,290,600; FY 11 - $1,331,383; FY 12 - $1,373,455; and FY 13 - $1,416,856.	$0	$43,401	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -255	Executive	Financial Institutions	Additional SGR provides for 4 additional Compliance Examiner positions within the Depository Section due to recent bank mergers and bank acquisitions which have caused an increase in the amount of assets the agency is required to regulate. Examples of specific mergers/acquisitions include Hancock Bank/Whitney Bank and Iberia Bank acquiring various entities. Overall, the net assets OFI is responsible for regulating has increased 27% from $45.5 B to $57.9 B, or an increase of $12.4 B. The specific expenditures include salaries ($183,832), related benefits ($66,498), and travel ($90,400). The additional $90,400 in travel represents a 24% increase in the agency's travel for FY 13. The agency anticipates travel expenditures in FY 13 in the amount of $467,424.	$0	$340,730	4
			Major Increases for Executive	**$2,025,066**	**$182,714,948**	**4**
03 -130	Veterans' Affairs	Dept. Veterans' Affairs	Funding for 3 additional positions for the opening of Central Veterans Cemetery in Vernon Parish ($105,837 SGF and $21,616 Federal). The 3 positions are for an Administrative Program Manager-3 and 2 horticulturist attendants ($86,259 in salaries and $41,194 in related benefits).	$105,837	$127,453	3
03 -130	Veterans' Affairs	Dept. Veterans' Affairs	Increases funding for service related disabilities or other war-related impediments for LA National Guardsmen injured in conflict post 9/11/2001.	$500,000	$500,000	0
03 -132	Veterans' Affairs	Northeast LA War Veterans' Home	In order to meet the requirements of 2.5 hours of direct nursing care per resident per day set by the Federal VA, 3 direct patient care positions are being added to Northeast LA War Veterans' Home, including a Registered Nurse Supervisor, a Licensed Practical Nurse, and a Nursing Assistant. Funding consists of $47,293 in SGR and $105,268 in Federal funds from reimbursements from the Federal VA. Compensation will be as follows: **Registered Nurse Supervisor 2 - $72,759** Salary $55,120 Related benefits $17,639 **Practical Nurse License 2 - $49,315** Salary $37,360 Related benefits $11,955 **Nursing Assistant 2 - $30,487** Salary $23,000 Related benefits $7,487 **Total - $152,561** Salaries $115,480 Related benefits $37,081	$0	$152,561	3
03 -132	Veterans' Affairs	Northeast LA War Veterans' Home	Additional federal funding due to increased per diem reimbursements from the Federal VA for service-connected veterans (veterans with medical conditions as a result of their military service) and non service-connected veterans. The funds will be allocated as follows: $120,000 Medical supplies $120,000 Pharmaceuticals $60,000 Washing and replacing linen twice weekly for increased infection control $24,000 Contracted x-ray services $20,800 Feeding tube contracts $135,906 Contracted therapy services $115,200 Medications for newly admitted vets until approved for Aid & Attendance by the Federal VA **$595,906 TOTAL**	$0	$595,906	0
			Major Increases for Veterans' Affairs	**$605,837**	**$1,375,920**	**6**

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04a-139	State	Secretary of State	Increases funding for voting machine warehouse rental leases. Since 2006, new warehouse rental leases have been secured for storage of the new voting machines in the following parishes: Ascension, Caldwell, Cameron, DeSoto, Grant, Jeff Davis, LaSalle, Morehouse, Orleans, Sabine, St. Helena, Washington, West Carroll, East Carroll, Lafourche, Ouachita, St. John, Terrebonne, Winn, St. Mary, Vermilion and St. Bernard. The increased funding reflects the annual warehouse rental increase in these parishes. Total amount budgeted in FY 12 for warehouse leases was $2,129,143.	$600,000	$600,000	0
04a-139	State	Secretary of State	Provides SGR funding for professional services contract for the Commercial Division to allow businesses additional online filing capabilities and a new e-mail subscription service to notify interested parties of filings on business entities.	$0	$402,500	0
04a-139	State	Secretary of State	Provides SGF for state's portion (50%) of merits and training series for employees in the Registrar of Voters Offices. R.S. 18:59 requires the Secretary of State to pay 50% of merits for classified employees in registrars offices. The Civil Service Commission is not planning to uniformly suspend merits for all classified employees.	$179,678	$179,678	0
04a-139	State	Secretary of State	Provides SGR funding for salary and related benefits for 2 information technology unfunded positions. The agency realigned positions between programs, adding 2 positions to the Administration Program and reducing 2 positions from the Commercial Program. The additional funding added to the Administration Program is to provide for the increased unfunded positions in that program.	$0	$90,000	0
			Major Increases for State	**$779,678**	**$1,272,178**	**0**
04b-141	Justice	Attorney General	Increases pass-through funding from the U.S. Department of Justice for the Orleans Parish Post-Conviction DNA testing project. The LA Department of Justice was awarded $1,107,179 that will be used to help defray the costs associated with post-conviction DNA testing of certain crimes in which actual innocence might be demonstrated. The funds may also be used to review such post-conviction cases and to locate and analyze biological evidence associated with these cases. The grant began on 1/1/2012 and will end on 6/30/2013. For FY 13, $768,640 will be reimbursed to Orleans Parish for post-conviction DNA testing for an increase of $430,101 over the FY 12 amount. In FY 12, a total of $461,921 was reimbursed to Orleans Parish. Orleans Parish will send invoices to the LA Attorney General office for reimbursement of expenses.	$0	$430,101	0
04b-141	Justice	Attorney General	Increases SGR funding from the Mortgage Settlement Agreement. The funding will be used for 3 activities which are the Mortgage Settlement Agreement ($2,019,340); Chinese drywall litigation ($976,689); and Insurance Fraud Investigation Unit ($975,113). The $2 M for the Mortgage Settlement Agreement will be used to oversee the settlement amount through audits to ensure the money is spent within the parameters of the agreement. The $976,689 for Chinese Drywall litigation will be used to continue litigation associated with the drywall, which includes the use of private law firms to assist in the litigation. Act 862 of 2012 allows for the creation of the Insurance Fraud Investigation Unit, which will be funded in the amount of $975,113 in FY 13.	$0	$3,971,142	0
04b-141	Justice	Attorney General	Provides IAT funding for litigation related expenses regarding the Federal redrawing of the 8(g) shore line. The U.S. Department of the Interior (USDOI) submitted new rules which redraw the 8(g) line off the LA coast. The line marks the zone 3 miles past the state water line where a portion of Federal energy royalties are shared with states. The redrawing would increase Federal revenue and decrease state revenue. According to the Attorney General, the USDOI change would result in a loss of money that is currently dedicated to education and coastal restoration.	$0	$250,000	0
			Major Increases for Justice	**$0**	**$4,651,243**	**0**

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04d-147	Treasury	State Treasury	Additional SGR budget authority for the following: $18,000 - rental space for offsite backup location to house replication servers and backups. The State Treasury currently does not have an offsite backup location. $80,000 - computer license expenditures to address compatibility issues associated with Microsoft Office 2003, 2007 and 2010. In addition, funding will be utilized to upgrade the server's operating system from Microsoft 2000 and 2003 to 2008. $40,000 - upgrade to the Debt Tracking & Accounts Receivable System (DTARS) utilized by the State Bond Commission for tracking and reporting debt applications. The system was originally created in 1999 with Microsoft Access 97 and subsequently upgraded to Microsoft Access 2003. According to State Treasury, the system cannot be upgraded to Microsoft Access 2007 due to various compatibility issues. Thus, a new upgraded system is needed because the current system is not compatible with other applications utilized by bond commission staff. Approximately $20,000 was appropriated in FY 12 to upgrade the DTARS and $60,000 is allocated in FY 13.	$0	$138,000	0
04d-147	Treasury	State Treasury	Provides additional SGR budget authority for the LSU AgCenter to determine local population estimates. Current law provides for the allocation of certain tax money in the 2% Fire Insurance Fund and the Parish Transportation Fund in which proceeds are distributed to each parish on the basis of population shown by the latest federal census or as determined by the Division of Business & Economic Research of LA Tech University. The estimates must be made under the latest federal-state cooperative program and will be issued once each year prior to January 15. Act 555 of 2012 retained current law but replaced the Division of Business & Economic Research of LA Tech University with the LSU Agriculture Center. LA Tech no longer produces the necessary population estimates. Census estimates are available at no charge on the website and are released each April for population estimated as of the prior July 1. Thus, the Census population estimate in place on the January 15 reporting deadline is an estimate of 2 years prior. According to the AgCenter, AgEcon can produce similar population estimates and include municipalities but make the prior year population estimates ready by the January 15 reporting deadline, which would distribute funds based on more recent information than Census. In order to produce the estimates, AgEcon indicates it would require $150,000 as an initial cost to update the model to the latest available information. Treasury indicates that some amount, most likely less than $150,000 per year, will be required to continue the production of estimates.	$0	$150,000	0
			Major Increases for Treasury	**$0**	**$288,000**	**0**
04e-158	Public Service Commission	Public Service Commission	Increases Statutory Dedications funding from the Utility & Carrier Inspection & Supervision Fee Fund for IT contracts for system maintenance and support, including the STAR PSC case management system to facilitate all aspects of electronic filing ($25,000), software development for the addition of taxi registration ($25,000), and the production of public service announcements for the Conserve Energy Campaign and other utility announcements ($10,000). Additional services which are impacted include operating expenses ($107,578) such as increased automotive maintenance since no fleet acquisitions are funded, travel, licensing fees computer maintenance and increases to subscriptions and building rentals. All of the statutory dedication funding is derived from fees remitted by the industry for regulatory and oversight expenses.	$0	$167,578	0
			Major Increases for Public Service Commission	**$0**	**$167,578**	**0**

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04g-165	Insurance	Commissioner of Insurance	Provides SGR funding to replace computers, servers and printers as per industry and state standards with regard to effective life span of equipment. The Department of Insurance plans to acquire the following replacement items during FY 13: 2 hard drive data duplicators ($279,765), 10 servers ($136,000), network monitoring device ($3,975), 15 laptop computers ($17,580), 40 personal computers with monitors ($36,000), 7 network color printers ($21,000), and 4 network black and white printers ($8,000).	$0	$502,320	0
			Major Increases for Insurance	**$0**	**$502,320**	**0**
05 -251	Economic Development	Office of Secretary	Increases SGF to provide for operational costs of the FastStart Program based on 75 active projects. The program is implemented through the LA Community & Technical Colleges and provides specific job training tailored to the needs of certain businesses. Total funding for the FastStart Program in FY 12 was $5.6 M across all expense categories. This adjustment will increase the total FY 13 funding for FastStart to $6.5 M.	$935,000	$935,000	0
05 -251	Economic Development	Office of Secretary	Increases the Statutory Dedications funding from the Rapid Response Fund to provide FastStart training and related services for GE Capital, a new Rapid Response project.	$0	$2,000,000	0
05 -252	Economic Development	Business Development	Increases Statutory Dedications funding from the LA Economic Development (LED) Fund to provide for additional program expenses within LED. The money originated from a loan repayment of $8,858,250 from the Overcollections Fund by the LA Stadium & Exposition District (LSED) provided for in the supplemental bill (Act 53 of 2012) and presumably made available in the LED Fund. In the funds bill (Act 597 of 2012), all but $700,000 of the funds were swept from the LED Fund for use in the state operating budget. That same $700,000 is appropriated in this adjustment.	$0	$700,000	0
			Major Increases for Economic Development	**$935,000**	**$3,635,000**	**0**
06 -262	Culture, Recreation & Tourism	State Library	Increases federal budget authority for available Library Services & Technology Act (LSTA) grant funds. These funds will be used to purchase e-books.	$0	$1,000,000	0
06 -262	Culture, Recreation & Tourism	State Library	Provides funding for student workers. Currently, the Office of State Library has no student workers. This funding will allow the agency to hire 7 student workers and will be allocated as follows: 1 Administration/Library Development – answering phones, filing, helping with annual Book Festival, copying, preparing packets for workshops, helping with workshop registration. 2 Circulation – shelving books and other materials, organizing materials on shelves, checking in materials, preparing materials for shipping and mailing. 2 Talking Books & Braille Library – rewinding tapes, cleaning tapes, shelving tapes and digital media, retrieving talking books for users and shipping and mailing. 1 LA Department – shelving books and other materials, simple preservation tasks, filing. 1 Cataloging – put jackets and labels on books, minor book repair, stamp and add sensor strips to new library materials.	$64,590	$64,590	0
06 -262	Culture, Recreation & Tourism	State Library	Provides IAT funding from the LA Promotion District for the LA Book Festival from the Office of Tourism. Total funding for the event in FY 13 is $300,000, including Federal funds in the amount of $200,000 from the Library Services & Technology Act (LSTA). The additional funding will replace one-time funding from private sources. The Festival is scheduled for 10/27/2012 in Baton Rouge.	$0	$100,000	0
06 -262	Culture, Recreation & Tourism	State Library	Increases SGR budget authority due to registration fees being collected at workshops by the Office of State Library (OSL). OSL charges nominal fees for workshops presented for the public library staff. Fees range from $15 to $60 per workshop, depending on length of workshop and expenses incurred. In the past, these fees went to the LA Library Foundation for training needs. OSL will directly receive these funds and expend them on training for public library staff.	$0	$49,095	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 -263	Culture, Recreation & Tourism	State Museum	Provides IAT funds from the Office of Tourism and 7 positions to operate the new LA Sports Hall of Fame Museum in Natchitoches. The museum is scheduled to open in the summer of 2012. Funding from the LA Tourism District will be utilized for this purpose. Expenditures will be budgeted as follows: personal services ($346,786); travel ($5,000); operating services ($100,000); supplies ($25,000); professional services ($60,000); IAT ($16,000); and acquisitions ($125,000).	$0	$677,786	7
06 -267	Culture, Recreation & Tourism	Tourism	Provides SGR funding from the LA Tourism Promotion District for the Super Bowl to be held at the Mercedes-Benz Superdome in New Orleans on 2/3/2013.	$0	$6,000,000	0
06 -267	Culture, Recreation & Tourism	Tourism	Provides SGR funding from the LA Tourism Promotion District for the Women's NCAA Final Four to be held at the New Orleans Arena 4/7-4/9/2013.	$0	$1,000,000	0
			Major Increases for Culture, Recreation & Tourism	**$64,590**	**$8,891,471**	**7**
07 -276	Transportation & Development	Engineering & Operations	Provides federal budget authority for reimbursement of expenses associated with rural transit projects authorized under the Federal Transit Authority. DOTD was awarded $10.4 M of which $7.4 M was appropriated in FY 12 through BA-7 adjustment. This adjustment appropriates the remainder of the grant award in FY 13. There was no corresponding reduction removing the $7.4 M current year funding from DOTD's base operating budget. The Federal Transit Agency recently deemed eligible for reimbursement additional rural transit operating expenses associated with rural ferries ($2 M) and the department continues to seek opportunities for additional federal reimbursements to utilize the balance of the FY 12 authority that remains in the executive budget recommendation.	$0	$3,000,000	0
07 -276	Transportation & Development	Engineering & Operations	Provides federal budget authority for the Commercial Vehicle Information Systems & Networks (CVISN) grant. This grant provides funding to LA for the continued deployment of CVISN requirements related to the establishment of a national infrastructure capable of electronically collecting and exchanging safety performance and credentials information within and among states, federal agencies and commercial motor carriers. The ongoing implementation in LA involves enhancements to the Commercial Vehicle Information Exchange Window System (CVIEWS), implementation of web-based permitting for registration trip permits, implementation of E-credentialing and filing for purposes of the International Fuel Tax Agreement (IFTA), Permits Electronic Routing Bridge Analysis enhancements for commercial motor carriers to use in route planning, and outreach and education activities related to CVISN.	$0	$2,396,325	0
07 -276	Transportation & Development	Engineering & Operations	Provides Statutory Dedications funding from the Transportation Trust Fund - Regular for additional supplies associated with road maintenance materials (hot mix, asphalt, aggregate, paint, etc.) to maintain state roads and traffic operations within the districts and the traffic operations center. DOTD's budget for these types of supplies will exceed $25 M for FY 13.	$0	$2,215,913	0
07 -276	Transportation & Development	Engineering & Operations	Provides additional SGR budget authority for increased costs for diesel fuel and oil drums for ferries operating at the Crescent City Connection Division. The adjustment provides for a full year of operation. DOTD reports that it plans to operate the CCCD ferries through FY 13 using unreserved fund balances from the CCCD Trust Fund, or until such time that the operation is successfully privatized.	$0	$300,000	0
			Major Increases for Transportation & Development	**$0**	**$7,912,238**	**0**

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B-419	Public Safety	State Police	Provides SGR funding for higher fuel costs to operate the State Police fleet. The fuel allocation in FY 12 was $4.68 M. The appropriation for FY 13 will total $7.7 M. State Police is underfunded for anticipated fuel expenditures in FY 12 and received FY 12 supplemental appropriation of $3,197,211 from Statutory Dedications, Transportation Trust Fund - Regular. Historically, the agency had sufficient authority in other line items to cover this shortage but can no longer do so due to budget reductions. The SGR is available because of reductions to statewide funding items such as the FY 12 27th pay period, a reduction in budget authority for acquisitions and major repairs, and a $3.6 M means of finance swap of Statutory Dedications from the Riverboat Gaming Enforcement Fund for SGR associated with the state employee retirement rate adjustment and subsequent restorations. The net adjustments within the Department of Public Safety, Office of State Police, result in a total decrease of $2.1 M in SGF.	$0	$3,017,718	0
08B-419	Public Safety	State Police	Provides funding for expenditures associated with the Deepwater Horizon Oil Spill Event. The adjustment increases funding from the Natural Resource Restoration Trust Fund by $9.25 M and decreases funding from the Oil Spill Contingency Fund by $3.5 M for a total net increase of $5,773,823.	$0	$5,773,823	0
08B-422	Public Safety	State Fire Marshal	Provides Statutory Dedications funding from the LA Fire Marshal Fund for indirect costs associated with human resources, budgeting, finance, and information technology/data support to be provided by the Office of Management & Finance.	$0	$956,792	0
08B-424	Public Safety	Liquefied Petroleum Gas Commission	Provides Statutory Dedications funding from the Liquefied Petroleum Gas Commission Rainy Day Fund for indirect costs associated with human resources, budgeting, finance, and information technology/data support to be provided by the Office of Management & Finance.	$0	$151,541	0
08B-425	Public Safety	LA Highway Safety Commission	Provides SGR funding derived from OMV fees to reimburse unallowable costs related to federal grants.	$0	$372,058	0
			Major Increases for Public Safety	**$0**	**$10,271,932**	**0**
09 -300	Health & Hospitals	Human Srvcs. District	Increases SGR to the human service districts to align with projected payments from the Statewide Management Organization (SMO) as a result of services provided under the LA Behavioral Health Partnership (LBHP). Projected collections are based on figures provided by Mercer, which is a consulting firm hired by the DHH to analyze the state's transition to a coordinated system of behavioral health care and any savings that could result. Metropolitan Human Services District $300,000 Jefferson Parish Human Services Authority $579,795 Florida Parishes Human Services Authority $281,553 Capital Area Human Services District $340,952 South Central LA Human Services Authority $335,877 **Total** **$1,838,177**	$0	$1,838,177	0
09 -303	Health & Hospitals	Developmental Disabilities Council	Increases Federal funds budget authority due to the Developmental Disabilities (DD) Grant authorized by the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (the DD Act). Under the DD Act, each state developmental disabilities council is funded annually. The LA Developmental Disabilities Council (LADDC) has a projected fund balance totaling $87,456 from previous DD grants available to expend in FY 13. The additional $87,456 in Federal budget authority will allow LADDC to expend the fund balance from previous DD grants. The 2012 DD grant award was $1,407,724.	$0	$87,456	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

<table>
<tr><th>Sch. #</th><th>Dept.</th><th>Agency</th><th>Explanation</th><th>SGF</th><th>Total</th><th>T. O.</th></tr>
<tr><td>09 -305</td><td>Health & Hospitals</td><td>Medical Vendor Administration</td><td>Provides additional funding ($1,164,150 SGF and $1,164,150 Federal) for an increase in the contract for the fiscal agent that processes payments in “self-direction” in home and community based services. Recipients in self-direction hire their own workers and choose their pay and working schedule. They do not go through a traditional provider agency, which offers the recipient more choices and control in the delivery of services. The Office of Aging & Adult Services and Office for Citizens with Developmental Disabilities anticipate 3,000 individuals can take advantage of this program. The cost of the contract is based on $119.40 per individual ($29,850/250 individuals). The calculation is reflected below.
<table>
<tr><th>Month</th><th># Added</th><th>Mo. Funded</th><th>Cost</th><th>Month</th><th># Added</th><th>Mo. Funded</th><th>Cost</th></tr>
<tr><td>July</td><td>250</td><td>12</td><td>$358,200</td><td>Jan.</td><td>250</td><td>6</td><td>$179,100</td></tr>
<tr><td>Aug.</td><td>250</td><td>11</td><td>$328,350</td><td>Feb.</td><td>250</td><td>5</td><td>$149,250</td></tr>
<tr><td>Sept.</td><td>250</td><td>10</td><td>$298,500</td><td>March</td><td>250</td><td>4</td><td>$119,400</td></tr>
<tr><td>Oct.</td><td>250</td><td>9</td><td>$268,650</td><td>April</td><td>250</td><td>3</td><td>$89,550</td></tr>
<tr><td>Nov.</td><td>250</td><td>8</td><td>$238,800</td><td>May</td><td>250</td><td>2</td><td>$59,700</td></tr>
<tr><td>Dec.</td><td>250</td><td>7</td><td>$208,950</td><td>June</td><td>250</td><td>1</td><td>$29,850</td></tr>
<tr><td>Subtotal</td><td>1,500</td><td></td><td>$1,701,450</td><td>Subtotal</td><td>1,500</td><td></td><td>$626,850</td></tr>
<tr><td></td><td></td><td></td><td></td><td>TOTAL</td><td>3,000</td><td></td><td>$2,328,300</td></tr>
</table></td><td>$1,164,150</td><td>$2,328,300</td><td>0</td></tr>
<tr><td>09 -305</td><td>Health & Hospitals</td><td>Medical Vendor Administration</td><td>Provides funding ($240,000 IAT and $2,160,000 Federal) to procure an independent validation and verification contract for the Medicaid Eligibility Data System (MEDS) Enhancement Project. MVA intends to hire a contractor to provide professional services regarding the development and upgrade of MEDS, with a major developmental milestone of Affordable Care Act (ACA) compliant operational capacity by January 2013, in addition to MVA’s goal of real-time eligibility determination. MVA is specifically interested in vendor solutions to real-time eligibility determinations taking place using service oriented architecture (SOA). The specific schedule, deliverables, and respective roles of the MVA and the contractor are yet to be determined. The source of Federal funds is Medicaid Administration federal financial participation.</td><td>$0</td><td>$2,400,000</td><td>0</td></tr>
<tr><td>09 -305</td><td>Health & Hospitals</td><td>Medical Vendor Administration</td><td>Provides funding ($4,134,294 SGF and $4,134,294 Federal) related to Bayou Health that will be used mostly for the enrollment broker contract for DHH Coordinated Care Networks and a call center for resolution of Managed Care recipient questions and concerns. Specifically, the enrollment broker is responsible for managed care provider enrollment, dis-enrollment, and provide call in and web-based access for managed care choice. The source of Federal funds is Medicaid Administration federal financial participation. The following is the increased amount associated with existing contracts:
<table>
<tr><td>$7,622,170</td><td>Maximus Enrollment Broker contract ($1.9 M for a Call Center)</td></tr>
<tr><td>$161,701</td><td>IPRO contract increase</td></tr>
<tr><td>$75,000</td><td>CPA contract increase</td></tr>
<tr><td>$164,917</td><td>Ombudsman contract increase</td></tr>
<tr><td>$225,000</td><td>ULM/GEO contract increase</td></tr>
<tr><td>$19,800</td><td>CLM contract increase</td></tr>
<tr><td>$8,268,588</td><td>Total</td></tr>
</table></td><td>$4,134,294</td><td>$8,268,588</td><td>0</td></tr>
<tr><td>09 -305</td><td>Health & Hospitals</td><td>Medical Vendor Administration</td><td>Provides funding ($281,825 SGF and $281,825 Federal) for a new state plan option for Personal Care Services. Information provided by the department indicates that the Affordable Care Act authorizes enhanced match funding for personal care services to the extent the department implements a new state plan option for Long Term Personal Care Services (LT-PCS). This option requires implementation of consumer directed services (recipients allowed to pick own provider and services under federal guidelines) and provides for additional reporting requirements of DHH (including reports of critical incidences related to recipients). This funding increases an existing LT-PCS contract as a result of increasing deliverables of the contract. The contractor, ACS, will now be required to investigate and submit reports related to consumer critical incidents (ie, accidents, falls, injury or abuse). The contract increase (budget adjustment) is based on an average cost per critical incident report of $65.61 on 8,590 recipients.</td><td>$281,825</td><td>$563,650</td><td>0</td></tr>
<tr><td>09 -305</td><td>Health & Hospitals</td><td>Medical Vendor Administration</td><td>Provides federal funding to implement a common access system consisting of web-based portals to allow information sharing between the Department of Children & Family Services (DCFS) and DHH.</td><td>$0</td><td>$772,516</td><td>0</td></tr>
</table>

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -305	Health & Hospitals	Medical Vendor Administration	Provides funding ($672,914 SGF and $6,056,229 Federal) for the replacement of the Medicaid Management Information System (MMIS) for Dual Fiscal Intermediary. A replacement MMIS contract was awarded on 6/9/2011. In FY 13 funding will be needed for the design, development and implementation phase of the project. The source of federal funds is Medicaid Administration federal financial participation. The replacement project intends to modernize the system used to enroll and pay Medicaid providers. The MMIS system processes 51 million Medicaid claims annually for approximately 30,000 Medicaid providers. There are 2 vendor contracts associated with the MMIS replacement project, including an independent validation contract to assist the department with meeting all federal guidelines (the Public Consulting Group), and the actual MMIS vendor/replacement fiscal intermediary (Client Network Services, Inc.) $25,895,813 FY 13 projected MMIS replacement funding ($19,166,670) FY 12 base funding $6,729,143 FY 13 requested increase adjustment	$672,914	$6,729,143	0
09 -305	Health & Hospitals	Medical Vendor Administration	Provides funding ($420,469 IAT and $420,469 Federal) for the Greater New Orleans Community Health Connections (GNOCHC) administrative professional services costs associated with an enrollment broker service contract to link GNOCHC recipients to a participating Patient Centered Medical Home. The source of the IAT is Community Development Block Grants (CDBG) funds from the Division of Administration. The GNOCHC is a primary and behavioral health access program in the greater New Orleans area implemented after Hurricane Katrina. The program provides a medical home through clinic care to low income uninsured adults, and is authorized under the Medicaid Section 1115 demonstration waiver. GNOHC providers are limited to the providers that were awarded under the Primary Care Access & Stabilization Grant. Information provided by DHH indicates there are approximately 19 organizations and 39 service sites available to eligible recipients under this demonstration. This funding does not represent payments to providers, but funding for administrative costs associated with the enrollment broker contract which will link GNOCHC recipients to a participating patient centered medical home.	$0	$840,938	0
09 -305	Health & Hospitals	Medical Vendor Administration	Annualization of funding ($1,900,447 SGF and $1,900,446 Federal) for administrative costs associated with the LA Behavioral Health Partnership ($3,210,014); and for an additional 30 non-T.O. positions responsible for processing the influx of enrollment applications for the LA Behavioral Health Partnership ($590,879).	$1,900,447	$3,800,893	0
09 -305	Health & Hospitals	Medical Vendor Administration	Adds 16 positions (program monitors and program managers) for the management of both Bayou Health and the LA Behavioral Health Partnership managed care programs. There is no associated funding added with these positions.	$0	$0	16
09 -306	Health & Hospitals	Medical Vendor Payments	Provides Federal funds for the Greater New Orleans Community Health Connection to preserve primary and behavioral health care access restored and expanded after Hurricane Katrina with U.S. Department of Health & Human Services Primary Care Access & Stabilization Grant funds. There is no state match requirement. Total funding in FY 13 (including this adjustment) is $28,033,226. This funding will be used to pay waiver providers (primary care clinics in the Greater New Orleans area) for providing care to the uninsured.	$0	$2,798,359	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($58,050,999 SGF and $201,517,033 Federal) for the State Management Organization (SMO) and the LA Behavioral Health Partnership (LBHP). The source of the Federal funds is Title XIX federal financial participation.	$58,050,999	$259,568,032	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Increases SGF in the Buy-Ins & Supplements Program for "Clawback" funding. The clawback, or phased down state contribution, represents payments that are made by LA Medicaid to the federal Medicare Program (as required by the Centers for Medicare & Medicaid Services) 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 resulting in an increase in the monthly CMS per capita phased down amount required to be paid which is governed by federal regulations. Clawback EOB $100,604,096 Projected clawback payments $104,957,935 Additional funding required $4,353,839	$4,353,839	$4,353,839	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides annualized funding ($1,715,866 SGF and $4,279,473 Federal) for payments to 14 rural health clinics (RHC's) and 8 federally qualified health centers (FQHC's) that enrolled in FY 12. The source of Federal funds is Title XIX 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 ($52,674 for FQHC's and $39,218 for RHC's) and annualized for FY 13. 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 22 new providers will obtain Centers for Medicare & Medicaid Services (CMS) licensing and certification in FY 13. Based on the May Medicaid Monthly Financial Report, DHH projects to spend approximately $89,154,040on claims payments to FQHC's and RHC's in FY 12.	$1,715,866	$5,995,339	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replacing one-time savings ($1,078,020 SGF and $2,688,647 Federal) in FY 12 caused by changing the method by which outlier pool payments are paid. The source of the Federal funds is Title XIX federal financial participation.	$1,078,020	$3,766,667	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($30,526,911 SGF and $76,135,950 Federal) for utilization increase. The source of Federal funds is Title XIX federal financial participation. Information provided by the DHH indicates this adjustment is based on an inflation factor of 4.4%, and not growth in the number of actual Medicaid recipients.	$30,526,911	$106,662,861	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($4,133,168 SGR and $10,308,371 Federal) for the Emergency Ambulance Upper Payment Limit (UPL) Program. The source of Federal funds is Title XIX federal financial participation. The source of the SGR is local government revenue that will be used by DHH Medicaid as a state match source to draw federal match to make these payments. Information provided by the department indicates these supplemental payments will result in payment rates to ambulance providers that are up to the private insurance rates. Total funding for Ambulance UPL in FY 13 is $28,941,539.	$0	$14,441,539	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($464,028 SGF and $1,157,313 Federal) for 500 additional Community Choices Waiver slots. This was formerly known as the Elderly & Disabled Adult (EDA) Waiver. The source of Federal funds is Title XIX federal financial participation. The Community Choices Waiver is a home and community based services waiver that offers certain services to individuals age 65 and older, or disabled and over 21. Services include case management, transition services, home modifications, and health/medical and social services provided for at least 5 hours per day provided in a community based center. Projected expenditures are based on an average monthly cost of $2,219.	$464,028	$1,621,341	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($697,336 SGF and $1,739,198 Federal) for 761 currently filled Adult Day Health Care Waiver (ADHC) slots. The source of Federal funds is Title XIX federal financial participation. The ADHC Waiver provides certain services to qualified individuals in a licensed and Medicaid enrolled Adult Day Health Care facility. Specific services include assistance with activities of daily living, health and nutrition counseling, health education classes, social services, transportation, and exercise programs. Eligibles must be financially eligible under Medicaid (based on income and resource limits) and are either over age 65 or over age 22 with a disability. Projected expenditures are based on an average monthly cost of $931 associated with ADHC and 761 recipients phased in FY 13. FY 12 ADHC base expenditures: $6,067,641 FY 13 annualized costs $2,436,534 FY 13 Projected ADHC cost $8,504,175	$697,336	$2,436,534	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($40,220 SGF and $100,310 Federal) for an increase in reimbursement of End Stage Renal Disease crossover claims by 1.8%. Medicare is increasing its reimbursement and Medicaid must do the same for the 20% of the dual eligible claims in this category.	$40,220	$140,530	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($270,940 SGF and $675,740 Federal) for the annualization of 365 Children's Choice Waiver (CCW) slots filled during FY 12. The source of Federal funds is Title XIX federal financial participation. The Children's Choice Waiver is an option for children (birth through 18) that are on the NOW waiting list (families can choose this option, or remain on the waiting list until NOW services are offered). Children's Choice services are capped at $17,000 annually per recipient. Specific services include support coordination, family support, center based respite, and family training. Projected expenditures are based on an average monthly cost of $966 for Children's Choice recipients and 365 recipients phased in during FY 13. FY 12 Childrens Choice base expenditures $14,071,611 FY 13 annualized costs $946,680 FY 13 Projected CCW cost $15,018,291	$270,940	$946,680	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides Federal funds (Certified Public Expenditures) for Non Emergency Medical Transportation services. This increase reflects the Federal funds (federal match) to be reimbursed to local transportation providers for transporting Medicaid recipients for Medicaid eligible services. There will be no state match requirement as the DHH will utilize prior local transportation expenditures by the local parish/city government as a match source. Local Expenditure (match source already spent): $147,336 Federal Financial Participation (match): $367,464	$0	$367,464	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($1,476,964 SGF and $3,683,637 Federal) for 8 new federally qualified health centers and 8 new rural health clinics projected to enroll in FY 13. The source of Federal funds is Title XIX federal financial participation. The increased funding represents Medicaid claims payments for projected Medicaid eligible encounters at these health centers in FY 13. Projected costs are based on an average payment per month ($52,674 for FQHC's and $39,218 for RHC's). 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 16 new providers will obtain Centers for Medicare & Medicaid Services (CMS) licensing and certification in FY 13. Information provided by DHH indicates there are approximately 77 FQHC's and 115 RHC's participating in Medicaid. Based on the May Medicaid Monthly Financial Report, DHH projects to spend approximately $89,154,040 on claims payments to FQHC's and RHC's in FY 12.	$1,476,964	$5,160,601	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($449,920 SGF and $1,122,128 Federal) for hospice rates which are tied to the Medicare fee schedule. The source of Federal funds is Title XIX federal financial participation.	$449,920	$1,572,048	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($90,466 SGF and $225,629 Federal) for Rural Health Clinic (RHC) and Federally Qualified Health Center (FQHC) Medicare Economic Index Rate adjustment. The source of Federal funds is Title XIX federal financial participation. This funding will cover the cost of inflation on prospective payment system rates as determined by the published Medicare Economic Index (MEI). The MEI is a measure of inflation for physicians and used for determining allowable charges for physician 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. According to DHH, this adjustment will put the state in compliance with the Centers for Medicare & Medicaid Services (CMS), as these inflationary payment increases are currently required through the Medicaid State Plan. The projected increase is based on an MEI inflation factor of .003% of the total cost of approximately 191 clinics. Number of clinics 191 Projected costs FY 13 $105,364,729 MEI .003% FY 13 adjustment $316,095	$90,466	$316,095	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($136,582 SGF and $340,643 Federal) for the annualization of 90 Supports Waiver slots filled during FY 12. The source of Federal funds is Title XIX federal financial participation. The Supports Waiver offers home and community based services for individuals who would otherwise require and be eligible for institutional care. Some specific services offered under the waiver include supported employment, day habilitation, prevocational services, and respite. Eligible individuals must be at least 18 and considered developmentally disabled (before age 22), and must meet certain financial (income and resource) requirements. Projected expenditures are based on an average monthly cost of $707 for Supports recipients and 90 recipients phased in FY 13. FY 11 Supports base expenditures $13,710,995 FY 13 annualized costs $477,225 FY 13 Projected Supports cost $14,188,220	$136,582	$477,225	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($18,034,386 SGF and $45,000,867 Federal) for Long Term Personal Care Services (LT-PCS) utilization. The source of Federal funds is Title XIX federal financial participation. LT-PCS is a state plan service that provides services to individuals 65 or older, or age 21 and older with a developmental disability that meet the level of care standards for admission into a nursing facility. Services include assistance with activities of daily living (ADL), such as eating, bathing, dressing, grooming, walking, and meal preparation. This increase will align the budget for LT PCS with prior year actual expenditures. FY 11 Actuals $190,187,275 FY 12 Projected $188,231,293 FY 13 Projection $201,521,642	$18,034,386	$63,035,253	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Net funding for NOW Waiver slots ($3,795,758 SGF and $9,466,850 Federal) as a result of increased funding for the annualization of 877 NOW Waiver slots filled during FY 12 ($4,948,601 SGF and $12,342,108 Federal); and decreased funding due to a decrease in the growth of the NOW Waiver Program in FY 13 as a result of not filling slots through attrition (-$1,152,843 SGF and -$2,875,258 Federal). The source of Federal funds is Title XIX federal financial participation. NOW is a home and community based waiver program that offers specific services as opposed to institutional care. Services include assistive devises, respite, day habilitation, transportation, employment related training, environmental adaptations, supervised independent living and skilled nursing services. Projected expenditures are based on an average monthly cost of $2,505 for NOW recipients under age 16 and approximately $3,463 for NOW recipients over age 16, 161 recipients age 16 and under, and 716 recipients over age 16. FY 12 NOW base expenditures $416,124,100 FY 13 annualized costs $17,290,709 FY 13 Attrition reduction ($4,028,101) FY 13 Projected NOW cost $429,386,708	$3,795,758	$13,262,608	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($397,790 SGF; $13,700,063 Statutory Dedications; and $35,160,895 Federal) for nursing home rebasing adjustment in FY 13. The source of Statutory Dedication funding is revenue from the Medicaid Trust Fund for the Elderly (MTFE). Both interest earnings and principle are used for nursing home rebasing (rate increases) and other long term care expenses in Medicaid. This adjustment represents the net increase of the nursing home rebase sunset (rate review) and FY 13 nursing home rebase. **Medicaid Trust Fund for the Elderly Appropriation** FY 12 Existing Budget $97,222,925 FY 13 Recommended Budget $97,871,479 FY 13 Increase $648,554	$397,790	$49,258,748	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($1,509,278 SGF and $27,692,513 Federal) for primary care provider rate increase. The source of Federal funds is Title XIX federal financial participation. Information provided by DHH indicates that LA Medicaid will be required to reimburse certain physicians for certain procedure codes at the higher of one of two rates (100% of Medicare's 2009 or 2013 fee schedule). These Medicaid rate payments 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. The projected increase is based on the following calculations: FY 2011 claims for these codes: 19,422 FY 2011 payments for claims: $164,597,968 Estimated claims cost based on priced at 7/1/2009 La Medicaid fee schedule: $169,871,475 Estimated claims cost based on the Medicare 2009 Medicare rate: $193,799,759 LA cost: $169,871,475 minus $164,597,968 = $5,273,507 ($1,931,686 SGF) 100% Federal cost: $193,799,759 minus $169,871,475 = $23,928,284 Total cost (state and federal) = $29,201,791	$1,509,278	$29,201,791	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($1,659,380 SGF and $4,140,620 Federal) for the Program of All Inclusive Care for the Elderly (PACE) utilization increase. This state plan service is a managed care model of care in which PACE providers provide community based services for certain eligible elderly individuals. To be eligible, individuals must be at least 55, and certified by Medicaid to require facility level of care. PACE providers coordinate and provide all preventive and primary care services, and acute and long term care services for eligibles for a capitated per member per month reimbursement from Medicaid. PACE providers assume full financial risk associated with the care of the participants. Required services include primary care, social work, personal care, and supportive services, nutrition counseling, prosethics, and orthotics, DME, hearing aids, dentures, transportation, meals, recreational therapy, lab and x ray, drugs, and inpatient care. The program is voluntary. The increase is based on an average cost per client of $33,932, and a projection of approximately 374 PACE enrollees in FY 13. The projected budget for FY 13 is $12,690,507.	$1,659,380	$5,800,000	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($119,669,979 SGF and $298,464,121 Federal) for a shortfall in the Private Providers Program. The source of Federal funds is Title XIX federal financial participation. The adjustment is anticipated to address a projected year end deficit in the Payments to Private Providers Program of approximately $456,172,517. This adjustment aligns the FY 13 base budget with the current level of projected expenditures (projecting program expenditures based on prior year expenditures by category and current year shortfall).	$119,669,979	$418,134,100	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($69,869 SGF and $174,258 Federal) for a smoking cessation counseling program. The program is projected to cost $463,663 and will result in a reduction in claims by $219,536 in FY 13. The source of Federal funds is Title XIX federal financial participation. The program will provide Medicaid reimbursements for smoking cessation counseling sessions (16 counseling sessions per year for pregnant women up to 21 years of age). The projected net fiscal impact in FY 13 is reflected below: **FY 13 Program Savings:** projected # of Cessation Program eligible Medicaid recipients 1,351 Paid claims for these eligibles (FY 11 claims) $1,829,471 Projected success rate of Cessation Program 12% FY 13 estimated savings from Cessation Program ($219,536) reduction in claims cost by 12% **FY 13 Program Cost:** projected # of Cessation Program eligible Medicaid recipients 1,351 Projected cost for initial counseling (@66% participation) (1,351x$15 sess. x 2 sess. x 66%) $26,750 Projected cost for follow up counseling sessions (1,351 x $35 sess. x 14 sess. x 66%) $436,913 Total projected annualized cost in FY 13 ($26,750+$436,913 minus $219,536) $244,127	$69,869	$244,127	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($842,037 SGF and $2,100,091 Federal) 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. Information provided by the DHH indicates this payment methodology is included in the LA State Plan. The source of Federal funds is Title XIX federal financial participation. The adjustment is based on the following calculations.	$842,037	$2,942,128	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($331,829 SGF and $827,600 Federal) to increase rates for Durable Medical Equipment (DME). DME is a state plan service that provides equipment and supplies (such as wheelchairs and leg braces) to eligible Medicaid recipients. Information provided by the DHH indicates this increase is associated with inflation.	$331,829	$1,159,429	0

Calculations for the small rural hospital rate increase (fourth item above):

	Payment rate	x Paid Days	Annual Amount	x 4.4%	45 day lag	FY 13 Amt. (less lag)
Acute	$1,587.47	38,868	$61,701,784	$2,714,878	$334,711	$2,380,167
Psych	$862.31	16,894	$14,567,865	$640,986	$79,026	$561,961
Total			$76,269,649	$3,355,865	$413,737	$2,942,128

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Increases federal certified public expenditure revenues in the Uncompensated Care Costs Program. CPE's are generated from the Office of Behavioral Health facilities.	$0	$5,499,487	0
09 -307	Health & Hospitals	Office of Secretary	Provides statutorily dedicated funding from the Medical Assistance Program Fraud Detection Fund for case management software for pre-pay and post-pay analytics and for staffing; and funding for 3 non T.O. FTE positions.	$0	$2,485,000	0
09 -307	Health & Hospitals	Office of Secretary	Provides funding for the staff of the Acadiana Human Service District. The district has completed their Phase 1 assessment and has entered Phase 1 readiness assessment, and will complete Phase 2 assessment before 6/30/2012.	$297,000	$297,000	0
09 -307	Health & Hospitals	Office of Secretary	Provides funding for start-up costs for 4 new human service districts. Region 5 (Lake Charles) and Region 6 (Alexandria) need a full year funding for an Executive Director, Fiscal Director and HR Director positions. Region 7 (Shreveport) and Region 8 (Monroe) need 6 months funding for the same positions. Region 5 (Lake Charles) Executive Director ($100,000), Fiscal Director ($60,000), HR Director ($60,000) Region 6 (Alexandria) Executive Director ($100,000), Fiscal Director ($60,000), HR Director ($60,000) Region 7 (Shreveport) Executive Director ($50,000), Fiscal Director ($30,000), HR Director ($30,000) Region 8 (Monroe) Executive Director ($50,000), Fiscal Director ($30,000), HR Director ($30,000) **Note:** Related benefits associated with the salaries is approximately 35% ($231,000).	$891,000	$891,000	0
09 -307	Health & Hospitals	Office of Secretary	Provides funding for the LA Health Information Exchange (HIE) and Health Information Technology (HIT) initiatives. This SGF will be used to match Federal funds through the American Recovery & Reinvestment Act of 2009, and used to further develop the state's Health Information Exchange under the direction of the LA Healthcare Quality Forum and DHH (through a cooperative endeavor agreement (CEA).	$690,287	$690,287	0
09 -307	Health & Hospitals	Office of Secretary	Provides funding for a judgment in DHH. This appropriation shall be contingent upon Plaintiff's counsel agreeing, in writing, to filing a satisfaction of judgment in the Ninth Judicial District Court within 10 days of receipt of such payment and providing DHH with a certified copy of the filed satisfaction of judgment within 15 days of receipt of such payment.	$797,436	$797,436	0
09 -307	Health & Hospitals	Office of Secretary	Provides SGR funding for the LA Rural Health Information Exchange (LaRhix). The source of the SGR is anticipated revenues from certain rural hospitals.	$0	$1,000,000	0
09 -326	Health & Hospitals	Public Health	Increases Federal funds from the U.S. Department of Health & Human Services and the Health Resources & Services Administration. These funds will be used for STD/HIV prevention in hard-to-reach populations ($1,674,809), provide Nurse Family Partnership services to 1,512 families ($3,054,319), and provide family planning/teen pregnancy prevention ($1,102,494) and primary care clinical screening services ($636,203) to certain individuals. The Nurse Family Partnership is an early childhood intervention program designed to improve the health and social functioning of low-income first-time mothers and their babies through home visits by specially trained public health nurses.	$0	$6,467,825	0
09 -330	Health & Hospitals	Behavioral Health	The source of increased SGR is projected payments from the Statewide Management Organization (SMO) as a result of behavioral health services provided to Medicaid patients under the LA Behavioral Health Partnership (LBHP). Projected collections are based on figures provided by Mercer, which is a consulting firm hired by the DHH to analyze the state's transition to a coordinated system of behavioral health care and any savings that could result.	$0	$8,231,323	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -330	Health & Hospitals	Behavioral Health	Annualizes 6 months of funding for the Coordinated System of Care (CSoC) from FY 12 due to the delay of the implementation date from 1/1/2012 until 3/1/2012. Below is a breakdown of the expenditures associated with the annualized funding. **$110,500 -** Wage and related benefits of one T.O. family position assigned to CSoC team. **$264,870 -** Wraparound agency (WAA) funding for Executive Directors and Clinical Directors in 5 regions. **$250,000 -** Innovations Institute training of 5 regions in wraparound and family support. **$186,870 -** Family Support Organization (FSO) funding for Executive Directors and Certified Peer Support Supervisors in 5 regions. **$1,452,280 -** WAA and FSO start-up staffing for 2 months prior to service delivery beginning on 1/1/2012. **$71,250 -** Contract support for experts in fiscal, rate setting, and family & youth development training. **$10,000 -** CSoC/DHH staff travel across 10 regions for technical assistance and other support as needed. **$27,000** - Learning Community teams will meet each quarter to review program. **$4,904 -** Regional meetings for DCFS, OJJ, DOE, and OBH. **$57,114 -** State Governance Board and State Coordinating Council travel expenses and stipends. **$50,000 -** Georgetown University contract for cultural and linguistic training.	$2,484,788	$2,484,788	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Provides SGF to the LA Assistive Technology Access Network (LATAN) for assistive devices, technology, and aids. Assistive devices, technology and aids enable individuals with disabilities and older persons achieve independence in employment, school, and community living as well as perform the daily activities of life such as getting out of bed, going to work or school, reading or communicating. For example, people who are blind may use software that reads text on the screen in a computer-generated voice, people with low vision may use software that enlarges screen content, people who are deaf may use a TTY (text telephone), or people with speech impairments may use a device that speaks out loud as they enter text via a keyboard.	$250,000	$250,000	0
			Major Increases for Health & Hospitals	**$259,226,538**	**$1,050,387,145**	**16**
10 -360	Children & Family Services	Children & Family Services	Increases Title 19 Medicaid IAT funds for the Administration & Executive Support Program from the DHH Medical Vendor Administration (MVA). The funding is for DHH's 16.78% share of the development cost of the Modernization Project. The goal of the project is to transform the service delivery of the Department of Children & Family Services (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. In FY 13, the Modernization Project is funded at $33.5 M ($8.3 M in SGF; $2,616,270 IAT; and $22,657,602 Federal).	$0	$2,616,270	0
10 -360	Children & Family Services	Children & Family Services	Increases SGF for the Administration & Executive Support Program to correct over billing of Title IV-E for administrative costs as a result of an error in the cost allocation process used by the DCFS. Title IV-E is a subpart of Title IV of the federal Social Security Act provides reimbursement to states for the costs of children placed in foster homes or other types of out-of-home care. Under Title IV-E guidelines, administrative costs are reimbursed at 50%. The DCFS billed $6.2 M of administrative costs at the training reimbursement rate of 75%. Therefore, DCFS over billed Title IV-E by 25%. Incorrect Billing - $6.2 M @ 75% = $4.7 M Correct Billing - $6.2 M @ 25% = $1.5 M Difference = $3.2 M Over Billing Amount	$3,200,000	$3,200,000	0
			Major Increases for Children & Family Services	**$3,200,000**	**$5,816,270**	**0**

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 -431	Natural Resources	Office of Secretary	IAT revenue from the Oil Spill Coordinator's Office providing funding for a professional services contractor responsible for gathering documentation to request reimbursements for expenditures incurred due to the Deepwater Horizon Oil Spill Event.	$0	$107,522	0
11 -432	Natural Resources	Conservation	Increases IAT from the Office of the Secretary to fund a statewide ground water monitoring/management program. The IAT revenue derives from federal petroleum violations funds that originate from fines assessed on energy companies.	$0	$2,615,000	0
11 -434	Natural Resources	Mineral Resources	Increases Statutory Dedication from the Mineral & Energy Operations Fund for agency's portion of administrative expenses (accounting, human resources, etc.) funded in the Office of the Secretary.	$0	$84,075	0
11 -435	Natural Resources	Coastal Restoration & Management	Federal grant from the National Oceanic & Atmospheric Administration (NOAA). The grant funds 2 special merit projects: (1) implementation of the In-Lieu Fee Program to help facilitate projects in the coastal area; and (2) revisions to the needs, alternative, and justification process to simplify the permitting process for coastal uses. The In-Lieu Fee Program is a mechanism where a permittee provides funds to an in-lieu-fee sponsor to offsetting impacts to vegetative wetlands.	$0	$200,000	0
11 -435	Natural Resources	Coastal Restoration & Management	IAT revenue from the Oil Spill Coordinator's Office providing funding for expenditures associated with monitoring cleanup operations due to the Deepwater Horizon Oil Spill Event.	$0	$121,000	0
			Major Increases for Natural Resources	**$0**	**$3,127,597**	**0**
12 -440	Revenue	Office of Revenue	Increases SGR to upgrade the GenTax system with the latest Commercial Off-the-Shelf (COTS) software as part of the planned approach to system maintenance, which will improve functionality and strengthen the site specific improvements to the system. The GenTax system is the integrated tax processing package for adminstering taxpayer returns. It is used extensively throughout the department and will allow the department to most effectively fulfill its mission of tax collections when it is maintained and upgraded regularly.	$0	$1,800,000	0
12 -440	Revenue	Office of Revenue	Increase SGR funding for a contract with Fast Enterprises, Inc. to develop an application within its web-based Taxpayer Access Point application (LATAP) for income taxpayers to access and update account information in the GenTax system and allow paperless billing. The application will allow taxpayers to view information in a manner similar to other business entities with the ability to view and maintain data within the system. Ultimately, this should automate certain services that are now implemented through customer service calls and allow for more email communication which should reduce postage expenses.	$0	$387,000	0
12 -440	Revenue	Office of Revenue	Increases SGR funding to upgrade the VistaCapture system for compatibility with GenTax. This upgrade will place both systems on the same server platform. The VistaCapture system is the front end application to the GenTax program that allows for data capture through scanning apparatus, saving the need for manual input. In order to maintain both systems in a manner consistent with seamless operation, this upgrade is necessary. The approved IT-10 designates $1.1 M in FY 13 for this upgrade and this adjustment along with the current appropriation of $732,454 will allow the appropriation to reach that target.	$0	$360,212	0
12 -440	Revenue	Office of Revenue	Increases SGR funding for outsourcing of printing and mail services through IAT to the Division of Administration - State Printing & State Mail. This appropriation is one half of a 2-year funding effort (total of $868,330) which will take place in FY 13 and FY 14. Once the outsourcing is fully implemented, annual savings of $161,305 are anticipated beginning in FY 15.	$0	$434,165	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
12 -440	Revenue	Office of Revenue	Increases SGR funding to accommodate the collections of use tax that must be distributed to parishes. It is being adjusted based on current collections and will allow the timely processing of this pass-through funding. According to statute, the use tax is to be reported on income tax returns, interstate mail order returns and consumer use tax returns. The state must return 50% of the collections to the parishes based on their percentage of state population according to the latest Census figures. The actual use tax collections are deposited into the SGF, but the payments to the parishes are paid through SGR. FY 11 collections totalled $1,014,336, half of which or $507,168 was paid to the parishes.	$0	$145,939	0
			Major Increases for Revenue	**$0**	**$3,127,316**	**0**
13 -855	Environmental Quality	Management & Finance	Increases Statutory Dedications funding from the Environmental Trust Fund for implementation of the Enterprise Resource Planning (LAGov) system. The Department of Environment Quality will be the next agency to enter the LAGov system and will begin transition into the system in July 2012.	$0	$500,000	0
			Major Increases for Environmental Quality	**$0**	**$500,000**	**0**
16 -511	Wildlife & Fisheries	Management & Finance	Provides IAT funding from the Office of State Police for ongoing expenditures related to the Deepwater Horizon Oil Spill Event. The original source of funding is the Oil Spill Contingency Fund.	$0	$800,000	0
16 -512	Wildlife & Fisheries	Office of Secretary	Provides funding from the Oyster Sanitation Fund to the Enforcement Program for expenditures related to patrol efforts to increase risk management compliance within the oyster industry. Expenditures will be for overtime ($100,000), acquisitions ($45,000), and supplies ($25,000). Specifically, acquisitions funding is for replacement of outboard motors and supplies funding is for fuel.	$0	$170,000	0
16 -513	Wildlife & Fisheries	Office of Wildlife	Adjustment to reclassify 2 Non-T.O. FTE job appointments to authorized positions assigned to the White Lake Conservation Management Area. This request will move funding ($63,244) from the other compensation category and transfer it into salary expenditure category and increase the authorized positions by 2. With this change for FY 13, the White Lake Conservation Management Area will have 7 positions.	$0	$0	2
16 -513	Wildlife & Fisheries	Office of Wildlife	Funding provided from the Conservation of the Black Bear Account to implement endangered species protocols and projects to aid the endangered Black Bear. The department has been working with the University of Tennessee on acquiring a viable Black Bear population to work towards delisting of the Black Bear from the endangered species list. Before recovery and subsequent delisting of the LA Black Bear, population viability assessments of all 3 extant populations must be completed. It must be determined whether the habitat fragments that currently comprise bear range in LA and the bear populations those fragments contain, are sufficient to support a viable, self-sustaining metapopulation into the foreseeable future. The fund balance as of 6/30/2012 was $216,311.	$0	$212,374	0
16 -513	Wildlife & Fisheries	Office of Wildlife	Funding from the LA Duck Stamp (Statutory Dedications) is provided for a cooperative endeavor agreement with Ducks Unlimited (DU) to replace a pump structure at the Ouachita Wildlife Management Area to produce 1,800 acres of waterfowl hunting opportunity. The pump burned several years ago and the department has not been able to provide the 1,800 acres of waterfowl hunting opportunities without this structure.	$0	$400,000	0
16 -513	Wildlife & Fisheries	Office of Wildlife	Increases SGR funding from the LA Wildlife & Fisheries Foundation for expenditures related to the testing and monitoring of the reintroduction of the Whooping Crane in Southwest LA. The total funding is $150,000 over 3 years. This is the first year of funding.	$0	$50,000	0
16 -513	Wildlife & Fisheries	Office of Wildlife	Provides IAT funding from the Office of State Police for ongoing 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	Provides Statutory Dedications funding from the Artificial Reef Development Fund for acquiring, operating, and maintaining a fisheries research marine vessel. Total funding for FY 13 is $8,507,611.	$0	$1,000,000	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
16 -514	Wildlife & Fisheries	Office of Fisheries	Increases Statutory Dedications funding from the Artificial Reef Development Fund to provide for programs focused on wild seafood certification ($1.74 M), oiled wildlife response ($225,000), seafood sustainability and recreational outreach ($2.775 M), and development of inshore artificial reefs ($1 M). Funding for wild seafood certification assists seafood processors, docks and fisherman with refrigeration enhancement at docks and on vessels. Oiled wildlife response funds will be used to develop a response plan for oil spills. Seafood sustainability and recreational outreach funds will assist with the development of a seafood sustainability program and a recreational outreach/education program.	$0	$5,740,000	0
16 -514	Wildlife & Fisheries	Office of Fisheries	Increases IAT funding from the Office of Coastal Protection & Restoration (OCPR) for oyster remote setting projects. These projects are 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
16 -514	Wildlife & Fisheries	Office of Fisheries	Provides IAT funding from the Office of State Police for ongoing 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	Provides 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 four cultch placements in FY 13 will be 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
			Major Increases for Wildlife & Fisheries	**$0**	**$19,968,342**	**2**
17 -561	Civil Service	Municipal Fire & Police C.S.	Increases Statutory Dedications funding from the Municipal Fire & Police Civil Service Operating Fund for a new human resources position to enable the agency to meet its strategic and operational objective throughout all functions of the agency. The expenditure breakdown is as follows: $31,393 - salary and $19,025 - related benefits.	$0	$50,418	1
17 -562	Civil Service	Ethics Administration	Increases SGF to provide for professional services contract to defend the Ethics Board in litigation. These funds will allow the agency to adequately defend itself in connection with a host of litigation concerning the board's authority and the procedures of the Ethics Board. The agency contracts for legal services with the law firm of Taylor, Porter, Brooks & Phillips. The firm represents the interests of the Board of Ethics in connection with litigation initiated in district court and now pending in the appellate court. The FY 12 budget included $50,000 for this contract and $100,000 is included for FY 13.	$50,000	$50,000	0
17 -564	Civil Service	Division of Administrative Law	Increased IAT revenue for moving expenses ($15,000) and anticipated increase in rental cost ($85,000) for new office space in Baton Rouge. Staff size increased as a result of the governor's ethics initiatives and the current office is too small. Increased IAT funding ($19,000) for new office space in Monroe. Facility Planning is moving all state agencies from existing state office building in Monroe to another state office building because of maintenance problems at the existing building. Existing budget includes $3,320 for rent for the Monroe office.	$0	$119,000	0
			Major Increases for Civil Service	**$50,000**	**$219,418**	**1**

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A-600	Higher Education	LSU System	Increases IAT budget authority for the LSU Health Sciences Center - Shreveport for funds to be received from the Department of Health & Hospitals. This increase in funds is the summation of adjustments related to the following items: loss of Federal funds due to the Disproportionate Share (DSH) audit rule (-$6,038,727), decreased Medicaid claims (-$34,742,884), additional Federal Uncompensated Care (UCC) payments ($37,734,036), and increases in payments attributable to newly created Statewide Management Organizations (SMOs) ($15,469,654).	$0	$12,422,079	0
19A-600	Higher Education	LSU System	Increase IAT budget authority for H. P. Long Medical Center for funds to be received from the Department of Health & Hospitals. This increase in funds is the summation of adjustments related to the following items: loss of Federal funds due to the Disproportionate Share (DSH) audit rule (-$991,471), decreased Medicaid claims (-$4,570,595), additional Federal Uncompensated Care (UCC) payments ($4,946,870), and increases in payments attributable to newly created Statewide Management Organizations (SMOs) ($2,079,621).	$0	$1,464,425	0
19A-600	Higher Education	LSU System	Funding provided to the LSU School of Public Health for the Breast & Cervical Cancer Screening Program at the LSU Health Sciences Center in New Orleans.	$35,000	$35,000	0
19A-600	Higher Education	LSU System	Funding for the LA Poison Control Center at LSU Health Sciences Center Shreveport.	$150,000	$150,000	0
19A-600	Higher Education	LSU System	Funding from Statutory Dedications out of the Shreveport Riverfront & Convention Center and Independence Stadium Fund for the LSU Health Sciences Center – Shreveport, in the event that HB 822 is enacted into law. Act 597 or 2012 (Funds Bill) allocates $5 M in FY 13 hotel/motel taxes from various local Shreveport entities defined in L.R.S. 47:302.2(C) and dedicates the $5 M to the LSU Health Sciences Center in Shreveport for FY 13 only.	$0	$5,000,000	0
19A-661	Higher Education	Student Financial Assistance	Increases funding ($13,605,865 SGF and $4,212,430 Statutory Dedications - TOPS Fund) due to a higher number of awards anticipated ($4,212,430) and tuition increases from the Grad Act ($13,605,865).	$13,605,865	$17,818,295	0
19A-671	Higher Education	Board of Regents	Provides SGF for Higher Education. The LFO has requested information from Regents and OPB regarding the purpose of this funding.	$850,000	$850,000	0
19A-674	Higher Education	LA University Marine Consortium (LUMCon)	Additional SGR from the GoMRI research grant from BP. BP awarded the grant through the Gulf of Mexico Research Initiative through Ocean Leadership, Inc. to LUMCON. The grant began 9/1/2011 and ends 8/31/2014 with total funding of $12,185,000 allocated in the following amounts per year: FY 12 $2 M, FY 13 $6.185 M, and FY 14 $4 M. LUMCON research funded by GoMRI involves dispersion of oil spills and interactions of oil with marine organisms.	$0	$6,185,000	0
			Major Increases for Higher Education	**$14,640,865**	**$43,924,799**	**0**

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19B-666	Special Schools & Comm.	State Board of Elementary & Secondary Education	Increase in 8(g) to align other charges and IAT based on the budget set by BESE based on the Treasurer's Office estimates. The 8(g) funds are also known as the LA Quality Education Support Fund. The monies in the funds are from interest earnings from offshore development.	$0	$2,562,647	0
19B-673	Special Schools & Comm.	New Orleans Center for Creative Arts-Riverfront	Increase of $280,255 in IAT funds and 5 positions for the implementation of the second year full day academic program. The IAT funds are the Minimum Foundation Program (MFP). By Act 525 of 2010, the New Orleans Center for Creative Arts (NOCCA) will become part of the MFP formula starting in FY 12. NOCCA uses the MFP funds to begin a new full day program for 60 incoming freshman each year as the program is fully integrated through all class years (freshmen-seniors) by FY 15. In FY 13, another 60 incoming freshmen will be chosen for the new day program. Therefore, in FY 13, NOCCA will have 120 students in their day program. NOCCA does not intend to reduce the number of students selected to the half-day arts program.	$0	$280,255	5
			Major Increases for Special Schools & Comm.	**$0**	**$2,842,902**	**5**
19 -678	Elem. & Secondary Educ.	State Activities	Annualization of Race to the Top federal grant received from the US DOE to build upon and compliment existing standards and assessments, collection and use of data, school turnaround strategies, and effective support of educators. The total grant award is approximately $17 M to be distributed over a 4-year period.	$0	$716,000	0
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Annualization of the Race to the Top grant received from the US DOE to build upon and compliment existing standards and assessments, collection and use of data, school turnaround strategies, and effective support for educators. The total grant award is approximately $17 M to be distributed over a 4-year period.	$0	$2,187,500	0
19 -695	Elem. & Secondary Educ.	Minimum Foundation Program (MFP)	Increase in the MFP to account for the increases in student enrollment from 2/1/2011 to 2/1/2012 (9,642 students), and for the inclusion of students from the LA School for the Deaf & Visually Impaired, Special School District and the Student Scholarships for Educational Excellence Program.	$19,482,743	$34,945,724	0
			Major Increases for Elem. & Secondary Educ.	**$19,482,743**	**$37,849,224**	**0**
19E-610	LSU Health Care Services Division	LSU HSC-HCSD	Increases Federal funds ($4.9 M) due to increased anticipated revenue from Medicare and a net increase to IAT ($14.2 M) budget authority from DHH for projected Uncompensated Care Costs (UCC).	$0	$19,117,970	0

	IAT	Federal	Total MOF
EKL	($5,116,166)	$0	($5,116,166)
UMC	($12,590,289)	$2,000,000	($10,590,289)
WOM	$7,358,257	$800,000	$8,158,257
LAK	$314,246	$0	$314,246
BMC	($2,981,891)	$0	($2,281,891)
LJC	($6,735,072)	$2,100,000	($4,635,072)
MCLNO	$33,968,886	$0	$33,968,886
Total	**$14,217,970**	**$4,900,000**	**$19,117,970**

	SGF	Total	T. O.
Major Increases for LSU Health Care Services Division	**$0**	**$19,117,970**	**0**

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 -451	Other Requirements	Local Housing of State Adult Offenders	Increases funding for housing of adult offenders in local jail facilities based on actual and projected occupancy rates. Occupancy rates did not decrease as a result of Acts 649 and 792 of 2010. Act 649 provides that offenders incarcerated after 1/1/1992, can receive good time at the current rate of 35 days for 30 days served, retroactively. Act 792 provides credit for good behavior while on parole. In FY 12 the Department of Corrections anticipated 1,500 offenders would be released as a result of Acts 649 and 792 resulting in a $13.3 M SGF savings. However, less than 400 offenders have been released. The increase of $10.4 M ($24.39 per day x 365 days x 1,167 offenders) is a result of almost 1,200 offenders remaining in local facilities.	$10,386,980	$10,386,980	0
20 -901	Other Requirements	State Sales Tax Dedications	Increases Statutory Dedications funding for 2 funds: Shreveport-Bossier Visitor Enterprise Fund ($200,000) and the St. Mary Parish Visitor Enterprise Fund ($470,000) to the city of Franklin for City Hall repair and support for archival space for Governors Foster, Sanders, Johnson and Allen and Lt. Governor Aycock ($250,000), and to St. Mary Tourist Commission for downtown development in Morgan City, Franklin and Patterson ($105,000), a tourist center in Morgan City ($50,000), Cultural and Tourist Office assistance for the Chitimacha Tribe of LA ($15,000), and the Lake Fausse Point Advisory Committee ($50,000).	$0	$670,000	0
20 -901	Other Requirements	State Sales Tax Dedications	Increases Statutory Dedications funding of local hotel/motel sales tax collections for the Ascension Parish Visitor Enterprise Fund ($794,000), Shreveport Riverfront & Convention Center & Independence Stadium Fund ($50,000), Lafourche Parish Enterprise Fund ($25,000), Lafourche Parish Association For Retarded Citizens Training and Development Fund ($60,000), St. Charles Parish Enterprise Fund ($150,000), St. John the Baptist Convention Facility Fund ($120,000), and city of Zachary out of the East Baton Rouge Parish Enhancement Fund ($40,000). The actual appropriation may be limited by collections.	$0	$1,239,000	0
20 -923	Other Requirements	Corrections Debt Service	Increases funding for the implementation of an Energy Service Company contract. The Department of Corrections has entered into a 15-year contract with Johnson Controls that will guarantee reduced utility costs at facilities and headquarters through the design and implementation of energy savings projects. The savings realized at the facilities will be used for bond payments. The company will install more efficient lights, new HVAC controls, and new boilers and chillers at the facilities at a cost of $617,847. Through installation of this equipment the facilities will realize an electricity and natural gas savings of $612,474 and a water savings of $5,373 in FY 13 for a total savings of $617,847 department wide. After installation is complete, the savings is guaranteed to be $2.3 M in year 1 and increases to a utility savings of $3 M in year 15.	$617,847	$617,847	0
20 -931	Other Requirements	LED Debt Service / State Commitments	Increases SGF for numerous state commitments of direct payments and debt service. In FY 12, the agency was funded with $12,199,058 in SGF to pay state committments and debt service on numerous economic development projects. In FY 13, the amount of SGF has increased by $10,246,242 to $22,445,300 to continue payments on existing and new projects. Refer to page 84 (Department of Economic Development) for a list of projects funded in FY 13.	$10,246,242	$10,246,242	0
20 -939	Other Requirements	Prepaid Wireless 911 Srvcs	Increases the 911 wireless SGR funding by $2 M to accommodate current collections and allow those funds to be passed through to district 911 centers. The funds originate as 2% of sales of prepaid wireless phone services collected by the seller and remitted to the Department of Revenue (LDR) after retaining 4% of collections as vendor compensation. After retaining 2% of collections for administrative expenses, LDR then distributes the collections to the communications districts based on their percentage of state population. This appropriation increases the Prepaid 911 Wireless appropriation from $4 M to $6 M in total.	$0	$2,000,000	0
20 -945	Other Requirements	State Aid to Local Govt. Entities	Increases the following statutory dedications in accordance with Revenue Estimating Conference's 4/24/2012 forecast: Beautification/Improvement New Orleans City Park Fund ($31,350); Calcasieu Parish Excellence Fund ($13,500); St. Landry Parish Excellence Fund ($12,500); and Bossier Parish Truancy Program Fund ($9,500).	$0	$66,850	0

Major Increases/Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 -945	Other Requirements	State Aid to Local Govt. Entities	Increases Statutory Dedications funding from the St. Landry Parish Excellence Fund for the St. Landry Parish School Board. FY 12 funding was $1,543,750 and $2,580,671 for FY 13.	$0	$1,036,921	0
20 -966	Other Requirements	Supplemental Pay to Law Enforcement	FIREFIGHTERS SUPPLEMENTAL PAY - Adjustment needed to fund the Supplemental Payment to Firefighters due to a projected increase in the number of eligible firefighters at $500 per month for 12 months.	$965,616	$965,616	0
20 -966	Other Requirements	Supplemental Pay to Law Enforcement	DEPUTY SHERIFFS SUPPLEMENTAL PAY - Adjustment needed to fund the Supplemental Payment to Deputy Sheriffs due to a projected increase in the number of eligible deputies at $500 per month for 12 months. This adjustment provides funding for approximately 90 new eligible Deputy Sheriffs in FY 13.	$540,000	$540,000	0
			Major Increases for Other Requirements	**$22,756,685**	**$27,769,456**	**0**
			Major Increases of FY 2013	**$323,767,002**	**$1,436,333,267**	**41**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
00 -	Statewide		Non-recurring one-time funding ($84,563 SGF; $9,640,652 IAT; $13,285,721 SGR; $52,328,939 Statutory Dedications; and $13,353,834 Federal) associated with the 27th pay period. FY 12 had an additional pay period beyond the traditional 26 pay periods in a fiscal year. This occurs every 10 to 12 years. This is projected to occur again in FY 23 and FY 34.	-$84,563	-$88,693,709	0
00 -	Preamble		Authorizes and directs the commissioner of administration to reduce appropriations for the Office of Group Benefits (OGB) for annual premium rate decreases. According to the DOA, the anticipated premium decrease will be 7% effective 7/1/2012. **Note:** As of May 2012, the OGB fund balance was approximately $492.7 M.	-$22,000,000	-$22,000,000	0
			Major Reductions for Preamble	**-$22,084,563**	**-$110,693,709**	**0**
01 -103	Executive	Mental Health Advocacy	Annualization of the FY 12 mid-year deficit reduction plan that reduced the Mental Health Advocacy Services budget by $123,242 SGF ($91,333 - Executive Order and $31,909 - JLCB) and $20,187 Statutory Dedications from the Indigent Parent Representation Program Fund ($17,995) and Overcollections Fund ($2,192). The specific expenditure reductions of the plan include: salaries ($4,891); related benefits ($3,835); travel ($33,429); operating services ($40,000); supplies ($25,000); and professional services for expert witness & legal service contracts ($36,274). This budget adjustment annualizes $113,500 of the $123,242 reduction. The specific expenditure impact of this adjustment is as follows: other compensation ($5,000); travel ($40,000); operating services ($8,500); supplies ($20,000); professional services ($36,500); and acquisitions ($3,500).	-$85,000	-$113,500	0
01 -107	Executive	Division of Administration	Reduces 13 positions and associated funding within the Disaster Recovery Unit and transfers these positions off-budget to the newly created LA Housing Corporation. Act 408 of the 2011 Regular Session created the LA Housing Corporation. The corporation is comprised of the former LA Housing Finance Agency, LA Land Trust, housing programs within the DOA - Disaster Recovery Unit, Rapid Re-Housing Program and Homelessness Prevention Program from the Department of Children & Family Services (DCFS).	$0	-$1,211,080	-13
01 -107	Executive	Division of Administration	The decreased IAT funding is excess budget authority associated with the implementation of a hosted Statewide 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 this funding by $643,791 will leave approximately $1 M in FY 13. The Division of Administration (DOA) anticipates utilizing the $1 M on software licenses. The LA Workforce Commission is the pilot agency and at this point no additional agencies will be included in FY 13.	$0	-$643,791	0
01 -107	Executive	Division of Administration	Non-recurring Federal funds from the American Recovery & Reinvestment Act (ARRA) in the Community Development Block Grant (CDBG) Program. LA received approximately $17.4 M of which $9.9 M was allocated to the larger CDBG entitlement cities and $7.5 M was allocated to the state for rural/smaller cities.	$0	-$746,612	0
01 -107	Executive	Division of Administration	Reduces excess federal budget authority in the Community Development Block Grant (CDBG) Program. Based upon the past 3 fiscal years federal actual expenditures, the CDBG Program has averaged approximately $1.625 B expenditures (FY 11 - $1.355 B, FY 10 - $1.642 B, and FY 09 - $1.877 B). In FY 13 budget there is approximately $1.548 B in federal budget authority, which is approximately $76.7 M less than the 3-year average federal expenditure.	$0	-$150,000,000	0
01 -109	Executive	Coastal Protection & Restoration	Decreases statutorily dedicated funding ($56,044) from the Coastal Protection & Restoration Fund. These funds were used for expenditures associated with Department of Wildlife & Fisheries Nutria Control Program and Caernarvon & Davis Pond Freshwater Diversion Program ($12,496); and for expenditures associated with administrative support, coastal wetlands protection and maintenance support, and Atchafalaya Basin projects ($43,548).	$0	-$56,044	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -109	Executive	Coastal Protection & Restoration	Decreases statutorily dedicated funding from the Coastal Protection & Restoration Fund that provided for expenditures associated with Governor's Office of Coastal Activities provision of state policy coordination and production of the annual coastal protection and restoration plan.	$0	-$98,052	0
01 -111	Executive	Homeland Security & Emergency Prep	Eliminates 3 vacant positions and the associated SGF in the Planning Section, Homeland Security Grants Section and Finance Section. For FY 13, GOHSEP will have 82 positions and 317 non-T.O. FTEs for a total of 399 positions.	-$26,492	-$26,492	-3
01 -111	Executive	Homeland Security & Emergency Prep	Annualization of FY 12 mid-year reductions, which was based upon 6 months of expenditures. The FY 12 Deficit Reduction Plan reduced $203,500 SGF, which consists of reductions to salaries and related benefits ($46,688), operating services ($124,795), supplies ($21,216) and travel ($10,801). The position reductions will now be completely funded with 100% Federal funds from the Disaster Recovery Public Assistance and Hazard Mitigation grant programs. This annualized budget adjustment reduces travel and supplies, eliminates the emergency alert system, eliminates audio/web conference system, and eliminates IT Services contingency contracts. Prior to the elimination of the IT Services contingency contracts, GOHSEP had 2 IT contingency support contracts in place with Tigerbytes and Sparkhound to provide IT network support and sharepoint support (if needed). According to GOHSEP, due to the back office consolidation with DPS, all IT support issues of this agency will be addressed by DPS.	-$355,171	-$355,171	-2
01 -112	Executive	Military Department	Reduces SGF from the State Military Department (SMD) reserve emergency response funding. This will leave the agency with approximately $90,000 to respond to emergency disasters in FY 13. The SMD was budgeted $588,502 in FY 11 and $593,502 in FY 12. These funds are used to cover initial emergency response payroll and supplies costs as well as the annual operating costs related to the Mobile Operations Command Center. The agency has been able to address smaller emergency missions with these funds without requesting additional budget from the state through State Emergency Response Funds (SERF) or SGF. This reduction may impact the ability of this agency to fund smaller emergency missions without being reimbursed through other funding sources.	-$500,000	-$500,000	0
01 -124	Executive	LA Stadium & Exposition District	Budget reduction reduces the amount of IAT budget authority within the LA Stadium & Exposition District (LSED) from $11,974,692 to $11,321,670. The original source of these funds is reallocated CDBG funds associated with hurricanes Katrina and Rita. According to OCD, there will be an action plan amendment submitted to the U.S. Department of Housing & Urban Development (HUD) for approval to allow OCD to reprogram approximately $11.3 M from 2 hurricane recovery programs to the Local Government Infrastructure Program. The funds to be reallocated include: $2.2 M from the Fisheries Assistance Program and $4.5 M from the Soft Seconds Housing Program with the remaining $4.6 M coming from resources currently allocated to the Local Government Infrastructure Program.	$0	-$653,022	0
01 -129	Executive	LA Commission on Law Enforcement	Non-recurring federal grants funding associated with the American Recovery & Reinvestment Act (ARRA) of 2009 as these grant funds expired in FY 12. Overall, the commission received the following ARRA funds from the U.S. Department of Justice: $21,400,860 (Edward Byrne Memorial Justice Assistance Grant); $2,132,194 (Violence Against Woman Act); and $1,025,894 (Victims of Crime Act). Overall, these federal stimulus funds were intended to assist state, local and tribal law enforcement (including support for hiring and job preservation) to combat violence against women, to fight internet crimes against children, to improve the functioning of the criminal justice system, and support youth mentoring. There is $2 M of ARRA funds in FY 13, of which $1.8 M is Edward Byrne Memorial Justice Assistance Grant funds and $0.2 M is Violence Against Women Act grant funds.	$0	-$4,900,000	0
01 -129	Executive	LA Commission on Law Enforcement	Reduces federal funding associated with the Hurricane Criminal Justice Infrastructure Recovery Grant Program. The Hurricane Criminal Justice Infrastructure Recovery Grant Program provides emergency funding to support state and local criminal justice initiatives in communities identified as being in great need and significantly impacted by the 2005 hurricanes. There is no funding remaining in FY 13.	$0	-$324,195	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -129	Executive	LA Commission on Law Enforcement	Reduction in IAT funds from the Governor's Office of Homeland Security & Emergency Preparedness for the Law Enforcement Terrorism Prevention Program. These grant funds expire at the end of FY 12. The Law Enforcement Terrorism Prevention Program (LETPP) seeks to provide law enforcement communities with enhanced capabilities for detecting, deterring, disrupting, and preventing acts of terrorism. LETPP is focusing on providing resources to law enforcement and public safety communities (working with their private partners) to support critical terrorism prevention activities such as establishing/enhancing fusion centers and collaborating with non-law enforcement partners, other government agencies, and the private sector. There are no grant funds remaining in FY 13 for this program.	$0	-$187,261	0
01 -129	Executive	LA Commission on Law Enforcement	Reduces statutorily dedicated budget authority from the Drug Abuse & Education Treatment Fund to realign expenditure authority with actual collections. The FY 13 recommended amount for the fund is $275,000. The past 4 fiscal year actual collections for this fund are: FY 08 - $157,736; FY 09 - $155,907; FY 10 - $158,479; and FY 11 - $170,228.	$0	-$158,117	0
			Major Reductions for Executive	**-$966,663**	**-$159,973,337**	**-18**
04a-139	State	Secretary of State	Reduces SGF for election expenses to reflect anticipated expenditure requirements. The FY 13 budget includes $13 M for election expenses for 4 elections scheduled in FY 13. The presidential election and the congressional primary election are scheduled to be held in November 2012; and the congressional general election in December 2012. The municipal primary election is scheduled to be held in April 2013; and the municipal general election in May 2013. The elections to be held in November and December 2012 are statewide elections.	-$4,910,225	-$4,910,225	0
04a-139	State	Secretary of State	Reduces Statutory Dedications funding from the Help American Vote Administration Fund ($2 M) and the Help America Vote Requirement Fund ($2 M) to reflect anticipated collections of $2 M and $4.5 M, respectively.	$0	-$4,000,000	0
04a-139	State	Secretary of State	Net reduction in IAT revenue for microfilm services performed by Archives to reflect anticipated increase or decrease in collections as follows: Ascension Parish Clerk of Court ($100); Dept. of Children & Family Services (-$102,886); DHH Office of Behavioral Health ($16,000); E. K. Long Medical Center (-$80,000); East LA Mental Health ($25,000); LA Board of Cosmetology (-$5,000); LA Board of Nursing ($5,000); LA Board of Practical Nurse Examiners ($500); Teacher's Retirement ($1,000); Group Benefits (-$3,180); and Patients Compensation (-$2,000).	$0	-$145,466	0
04a-139	State	Secretary of State	Reduces IAT revenue for one-time funding from Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) for security upgrades at the Old State Capitol. The original source of the funding is from a federal grant (Urban Area Security Initiative) awarded to GOHSEP. The security upgrades include video surveillance and swipe card access.	$0	-$128,000	0
			Major Reductions for State	**-$4,910,225**	**-$9,183,691**	**0**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b-141	Justice	Attorney General	Reduces IAT budget authority in the amount of $15 M associated with the Deepwater Horizon Oil Spill Event. The Civil Law Program was reduced by $14.925 M and the Administrative Program by $75,000. To date, the department has spent $5.9 M in FY 12. In FY 10 and FY 11 the department spent $0.6 M and $6.7 M, respectively, on legal expenses associated with the Deepwater Horizon Oil Spill Event. The original source of the IAT is from British Petroleum (BP) and the federal government and transferred from State Police.	$0	-$15,000,000	0
04b-141	Justice	Attorney General	Eliminates positions and associated funding ($432,884 SGF and $118,863 Statutory Dedications - Riverboat Gaming Enforcement Fund) as follows: **Program** / **SGF** / **Total** / **T.O.** Administrative ($147,450) ($147,450) (3) Civil ($108,426) ($108,426) (1) Criminal ($177,008) ($177,008) (3) Gaming $0 ($118,863) (2) Total ($432,884) ($551,747) (9)	-$432,884	-$551,747	-9
04b-141	Justice	Attorney General	Non-recurring IAT funds in the Criminal Program from GOHSEP for purchase of investigations equipment. The types of equipment purchased with the funds is protected from public knowledge under the Homeland Security Act. The original source of funds is Federal funds from the U.S. Department of Homeland Security.	$0	-$185,000	0
			Major Reductions for Justice	**-$432,884**	**-$15,736,747**	**-9**
04c-146	Lieutenant Governor	Lt. Governor	Elimination of remaining Federal funds for Learn & Serve grants. The funds to administer Learn & Serve America were eliminated from the Corporation for National & Community Service budget. These grants were available to schools and organizations to assist in the planning and implementation of service-learning programs that engage students in community service.	$0	-$615,058	0
04c-146	Lieutenant Governor	Lt. Governor	Reduction in Federal funds for the LA Serve Commission due to federal budget reductions. Approximately $5.7 M remains for this purpose in FY 13.	$0	-$200,000	0
04c-146	Lieutenant Governor	Lt. Governor	Annualization of FY 12 mid-year reductions, which includes reductions to operating services such as building and equipment rentals, dues and subscriptions, and telephone services.	-$46,371	-$46,371	0
04c-146	Lieutenant Governor	Lt. Governor	Reduction of SGR budget authority due to projected receipts. This reduction is due to a decrease in the LA Serve Commission's contributions and donations from private sources.	$0	-$125,000	0
			Major Reductions for Lieutenant Governor	**-$46,371**	**-$986,429**	**0**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04d-147	Treasury	State Treasury	Eliminates 1 position and associated SGR funding as the State Treasury has realigned its financial staff, which resulted in the elimination of the State Treasurer Fiscal Manager position within the Financial Accountability & Control Program.	$0	-$108,933	-1
04d-147	Treasury	State Treasury	Reduces SGR funding and 4 positions within the department. According to State Treasury, these 4 positions are currently vacant.	$0	-$553,480	-4
			Major Reductions for Treasury	**$0**	**-$662,413**	**-5**
04f-160	Agriculture & Forestry	Agriculture & Forestry	Personnel reductions from the Forestry Program. Positions are vacant and unfunded, and include forestry specialist crew leaders and forestry specialists.	$0	$0	-19
04f-160	Agriculture & Forestry	Agriculture & Forestry	Non-recurring federal grants from the U.S. Department of Agriculture for the purchase of firefighting vehicles and accessories. The grant funds were used to purchase 25, 1/2 ton, regular cab, 4 wheel drive alternative fuel pickup trucks to serve as a firefighting unit and crew transportation. Additionally, these funds were used to replace 3, 1/2 ton cargo vans used as service vehicles (radio technician) to maintain the statewide radio system and the Department's fleet mobile radios.	$0	-$550,000	0
			Major Reductions for Agriculture & Forestry	**$0**	**-$550,000**	**-19**
04g-165	Insurance	Commissioner of Insurance	Reduces $155,295 SGR with no associated positions from the Administrative Program as a reduction of excess salary authority. Eliminates 2 vacant positions and $352,294 SGR in personnel costs from the Market Compliance Program.	$0	-$507,589	-2
04g-165	Insurance	Commissioner of Insurance	Non-recurring excess SGR funding in Professional Services associated with integrating certain systems into the Entity Management System. This adjustment reduces authority tied to professional information technology services as the project requirements decline significantly between FY 12 and FY 13.	$0	-$341,124	0
04g-165	Insurance	Commissioner of Insurance	Non-recurring Federal funds associated with 3 grants that end on 9/30/2012. $288,425 is non-recurred from a grant made in accordance with Section 1003 of the Affordable Care Act (ACA) to provide monies to review health insurance premiums. $857,744 is non-recurred from a Medicare grant to provide monies for the purpose of educating and assisting seniors to navigate the Medicare system. Both of these first 2 grants will expire during FY 13. $435,681 is an allocation to the LA Department of Insurance through a federal grant made to DHH under the Patient Protection & Affordable Care Act for the research and development of Health Exchanges. DHH chose not to pursue the exchange after the grant was awarded, and thus no funds have been drawn down to the state level.	$0	-$1,581,850	0
			Major Reductions for Insurance	**$0**	**-$2,430,563**	**-2**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
05 -251	Economic Development	Office of Secretary	Non-recurring federal grant funds from the Office of Economic Adjustment to perform a study of opportunities related to the Avondale facility (Northrop Grumman) near New Orleans. The study is complete.	$0	-$1,650,000	0
05 -252	Economic Development	Business Development	Non-recurring one-time TANF funding for the Microenterprise Program, which was IAT from the Department of Child & Family Services ($510,000); the State Trade Export Program using Federal funds ($975,000) for promotion of exports by small businesses; and from the Marketing Fund ($99,302) and the Entertainment Promotion & Marketing Fund ($150,000) for one-time use of fund balances for promotional activities. All adjustments were related to one-time expenses or use of a fund balance that is no longer available.	$0	-$1,734,302	0
05 -252	Economic Development	Business Development	This reduction in Statutory Dedications is in the Loan Guarantee Program because additional projects are now eligible for federal funding and will no longer require a state guaranteed loan under these program guidelines.	$0	-$800,000	0
05 -252	Economic Development	Business Development	This Statutory Dedications reduction from the LED Fund eliminates 2 vacant, classified, Business Development Officer positions and the associated funding.	$0	-$125,300	-2
05 -252	Economic Development	Business Development	This reduction eliminates funding for marketing initiatives as stated in R.S. 47:318 subject to appropriation (Marketing Education Retail Alliance (MERA) $675,563; District 2 Enhancement Corporation $250,000 and; LA Council for Economic Education (LCEE) $74,437). MERA promotes retail marketing through high school programs linking students with the national DECA marketing organization. District 2 educates and trains students and young adults in the fashion industry. LCEE facilitates economic education activities through coordination with 8 university-level Centers for Economic Education. This funding originates as the first $2 M collected in sales tax remittances which are dedicated to economic development as a companion to a decrease in vendor compensation payments. However, in FY 12, the funding eliminated for these initiatives was passed by the legislature but restored by governor's veto. The cuts were restored using SGF since the Marketing Fund dollars were spent elsewhere, which is why this reduction is SGF. Typically, this appropriation would have been financed through the Marketing Fund.	-$1,000,000	-$1,000,000	0
05 -252	Economic Development	Business Development	This adjustment in Statutory Dedications from the LED Fund reduces funding for the Wet Labs in Baton Rouge, New Orleans and Shreveport. The labs are designed to gradually become self-sufficient so annual reductions in state funding are expected. In FY 12, Baton Rouge was funded at $246,700, New Orleans at $1,387,625 ($1 M was funded through the LED Debt Service Agency 931 but is transferred back to LED-Business Development Agency 252 in the FY 13 Executive Budget), and Shreveport at $438,320 for a total of $2,072,645. With this reduction, funding for Baton Rouge is $168,603 (reduction of $78,097), New Orleans is $986,625 (reduction of $401,000), and Shreveport is $360,674 (reduction of $77,646) for a total of 1,515,902 for FY 13. The amount reduced compared to FY 12 is $556,743. It is expected that Baton Rouge Wet Lab will no longer require funding in FY 14 due to self-sufficiency.	$0	-$556,743	0
05 -252	Economic Development	Business Development	This reduction in IAT is for the Small Firm Recovery Grant & Loan Program and the Technical Assistance to Small Firms Program, both related to recovery from hurricanes Katrina and Rita implemented through the Division of Administration - Office of Community Development. This reduction aligns the appropriation to more closely reflect actual expenditures and does not eliminate any positions. Total funding for the program in FY 13 is $398,231.	$0	-$157,717	0
			Major Reductions for Economic Development	**-$1,000,000**	**-$6,024,062**	**-2**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 -261	Culture, Recreation & Tourism	Office of Secretary	Annualization of FY 12 mid-year reductions, which includes student labor, hardware and software maintenance, and professional services. Expenditures will be reduced from other compensation ($16,000); operating services ($63,814); and professional services ($15,000).	-$94,814	-$94,814	0
06 -262	Culture, Recreation & Tourism	State Library	Non-recurring funding from the U.S. Department of Commerce for the Broadband Technology Opportunity Program (BTOP) grant. LA's total allocation is approximately $8.8 M. Funding is used to accelerate broadband deployment in unserved, underserved, and rural areas and to enhance broadband capacity at strategic institutions that are likely to create jobs or provide significant public benefits. Funds provide online assistance for job seekers and other assistance to the users of public libraries. The grant ends on 12/31/2012 and $782,411 remains in the budget for FY 13.	$0	-$1,669,077	0
06 -262	Culture, Recreation & Tourism	State Library	Elimination of funding for State Aid to Public Libraries. This program provides direct funds to all parish public libraries in LA. The disbursement of funds is based on a formula and funds can only be expended for library collection materials and/or technology enhancement. No funding is available for state aid to public libraries in FY 13.	-$896,000	-$896,000	0
06 -262	Culture, Recreation & Tourism	State Library	Non-recurring federal funding from the Laura Bush Grant. This grant assisted in the professional development of librarians and library staff, as well as the recruitment of the next generation of librarians.	$0	-$67,037	0
06 -263	Culture, Recreation & Tourism	State Museum	Annualization of FY 12 mid-year reductions, which includes the elimination of 1 position, along with associated funding for salaries and related benefits. The position targeted for elimination has not been identified as of this date.	-$71,042	-$71,042	-1
06 -264	Culture, Recreation & Tourism	State Parks	Annualization of FY 12 mid-year reductions, which includes reductions to other compensation ($7,296), travel ($3,000), supplies ($45,000), other charges ($5,000), and interagency funds ($10,000). These reductions will result in several challenges to the Office of State Parks (OSP). Reductions in supplies will affect the purchase of pool and splash pad chemicals. The addition of a number of splash pads at the parks coupled with aging pools that leak have greatly increased the amount needed to purchase chemicals to properly treat water. Reduction of funding in other charges will affect Interpretive Programming. This reduction will result in the cancellation of some of the planned interpretive programs and the scaling back of many of the programs that will be held.	-$70,296	-$70,296	0
06 -264	Culture, Recreation & Tourism	State Parks	Personnel reduction of 1 position, along with associated funding for salaries and related benefits. The position targeted for elimination has not been identified as of this date.	-$48,857	-$48,857	-1
06 -265	Culture, Recreation & Tourism	Cultural Development	Non-recurring SGF for Decentralized Arts. The Decentralized Arts Program is designed to provide each parish with the opportunity to determine its own cultural programs in response to local needs. In FY 11 the Decentralized Arts Program awarded 9 grants. Approximately $1 M from the LA Tourism Promotion District remains for this purpose in FY 13.	-$500,000	-$500,000	0
06 -265	Culture, Recreation & Tourism	Cultural Development	Reduces IAT funding from the Office of Community Development associated with the Road Home Program. This program was designed to provide compensation to LA homeowners affected by hurricanes Katrina and Rita for damage to their homes. Approximately $1.1 M remains for this purpose in FY 13.	$0	-$300,000	0
06 -267	Culture, Recreation & Tourism	Tourism	Non-recurring pass-through SGR funding for NCAA Men's Final Four to be held at the New Orleans Arena 3/31-4/2/2012. This one-time funding was from the LA Tourism Promotion District.	$0	-$2,000,000	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 -267	Culture, Recreation & Tourism	Tourism	Non-recurring pass-through SGR funding for Sci-Port Science Center in Shreveport. This funding was from the LA Tourism Promotion District.	$0	-$75,000	0
06 -267	Culture, Recreation & Tourism	Tourism	Personnel reductions of 2 positions (Marketing Public Information Officer and Welcome Center Information Counselor), along with associated SGR funding from the LA Tourism Promotion District or salaries and related benefits.	$0	-$95,434	-2
			Major Reductions for Culture, Recreation & Tourism	**-$1,681,009**	**-$5,887,557**	**-4**
07 -276	Transportation & Development	Engineering & Operations	Reduction of personnel in lieu of cutting from other budget line items to fully fund salaries. This adjustment eliminates 20 vacant positions within the Operations Program. The elimination is possible due to persistent and pervasive high turnover rates among various positions. The position titles being eliminated are 16 Mobile Equipment Operator positions (7 Operator 1 positions and 9 Operator 2 positions), 2 Engineering Technician positions, Trade Apprentice position and Marine Deckhand position.	$0	$0	-20
07 -276	Transportation & Development	Engineering & Operations	Reduction of SGR from the Crescent City Connection Division Trust due to tolls sunsetting 12/31/2012. DOTD intends to utilize the balance of $7.1 M in SGR authority for the operation and maintenance of the bridge and surrounding infrastructure through FY 13. Beginning in FY 14, the sole identified funding source to maintain this infrastructure will be the Transportation Trust Fund - Regular. While this adjustment reduces 73 positions within the CCCD - Bridge Trust Program, the department reports that these positions will actually be used through 12/31/2012. Employees will be given the opportunity to transfer to other vacancies for which they qualify within the department. This adjustment leaves a balance of 47 positions that will transition into the Administration Program or the District Operations Program through functional supervision during FY 13, and then by permanent transfer in FY 14. The elimination of positions is not directly related to the reduction of budget authority.	$0	-$1,825,525	-73
07 -276	Transportation & Development	Engineering & Operations	Reduces positions frozen in accordance with Executive Order BJ 2011-12. These positions are unfunded vacancies in FY 12.	$0	$0	-4
07 -276	Transportation & Development	Engineering & Operations	CCCD - Marine - Reduction of 75 positions due to the privatization of the Crescent City Connection Division ferries (Gretna, Algiers and Chalmette). While this adjustment reduces 75 positions within the CCCD - Marine Trust Program, the department reports that these positions will actually be used until the ferry operations are privatized prior to the end of FY 13. The positions will be allocated as Non-TO FTE until a privatization agreement can be finalized. DOTD indicates that it will operate the ferry service using the current SGR until the privatization occurs.	$0	$0	-75
			Major Reductions for Transportation & Development	**$0**	**-$1,825,525**	**-172**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A-	Corrections	Department Wide	Department wide reductions in positions and associated funding (which were reduced by the following amounts:	-$14,577,379	-$15,490,012	-288

Agency	SGF	Total	T.O.
Administration	($348,602)	($348,602)	(8)
Phelps Correctional Center	($156,672)	($156,672)	(2)
LA State Penitentiary	($377,327)	($377,327)	(5)
Avoyelles Correctional Center	($69,000)	($69,000)	(1)
LA Correctional Institute for Women	($148,110)	($148,110)	(3)
Dabadie Correctional Center	($5,838,554)	($6,751,187)	(107)
Elayn Hunt Correctional Center	($446,954)	($446,954)	(7)
David Wade Correctional Center	($6,737,448)	($6,737,448)	(148)
Adult Probation & Parole	($454,712)	($454,712)	(7)
Total	**($14,577,379)**	**($15,490,012)**	**(288)**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A-	Corrections	Department Wide	Annualization of FY 12 mid-year reductions and the elimination of 37 positions. The FY 12 reduction for the department was $6,272,005 SGF, along with 16 positions transferred to Unallotted. The FY 13 annualized reductions in salaries and related benefits are as follows:	-$2,380,296	-$2,380,296	-37

Agency	SGF	T.O.
Administration	($258,840)	(5)
Avoyelles Correctional Center	($121,908)	(1)
LA Correction Institute for Women	($148,110)	(3)
Elayn Hunt Correctional Center	($446,954)	(7)
David Wade Correctional Center	($572,445)	(9)
Adult Probation & Parole	($454,712)	(7)
Total	($2,380,296)	(37)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A-	Corrections	Department Wide	The Department of Corrections has entered into a contract with Johnson Controls that will guarantee reduced utility costs at facilities and headquarters through the design and implementation of energy savings projects. The total savings of $617,846 is expected department wide in FY 13. The savings realized department wide will be used for bond payments to update the facilities. The facilities will realize an electricity and natural gas savings of $612,474 and a water savings of $5,373 in FY 13. The company will install more efficient lights, new HVAC controls, and new boilers and chillers at the facilities. The savings at each facility are as follows:	-$617,846	-$617,846	0

Agency	Utility Savings
Administration	($46,341)
Phelps Correctional Center	($68,365)
LA State Penitentiary	($116,256)
LA Correction Institute for Women	($11,394)
Dixon Correctional Institute	($118,522)
Elayn Hunt Correctional Center	($40,949)
David Wade Correctional Center	($137,081)
Rayburn Correctional Center	($78,938)
Total	($617,846)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A-400	Corrections	Administration	Reduction of IAT budget authority due to non-recurring FEMA funding associated with Hurricane Gustav. The funding is being used to develop a new Offender Management System that will replace the antiquated CAJUN system. Approximately $1.3 M will purchase the equipment for the system and the remaining $1.3 M will be used by the contractor, Methods Technology Solutions, to development the new system.	$0	-$2,599,110	0
			Major Reductions for Corrections	**-$17,575,521**	**-$21,087,264**	**-325**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B-418	Public Safety	Management & Finance	Annualization of the FY12 mid-year reductions that eliminates 2 Information Technology Application Programmer/Analyst positions and associated funding for $157,572 salaries and $61,204 related benefits.	$0	-$218,776	-2
08B-418	Public Safety	Management & Finance	Personnel Reductions. This adjustment eliminates salaries, related benefits and authorized positions as follows: Electronic Technician, IT Applications Programmer/Analyst 2, IT Tech Support Specialist 1, Facility Maintenance Manager, and one position to be determined through attrition and workload demands. The department reports it will be able to absorb the duties of the eliminated positions with existing personnel.	$0	-$366,680	-5
08B-418	Public Safety	Management & Finance	This adjustment non-recurs $3 M in IAT funds associated with a federal grant for emergency preparedness that will be completed in FY 12 and $500,000 in excess, unfunded SGR authority.	$0	-$3,509,565	0
08B-419	Public Safety	State Police	Non-recurring one-time funding to regional task forces for support in criminal investigation activities in large urban areas of the state. The City of Gretna was the sole applicant for funding. The full appropriation of $500,000 was distributed to, and expended by, the City of Gretna through a Memorandum of Understanding with the Department of Public Safey.	-$500,000	-$500,000	0
08B-419	Public Safety	State Police	Reduces Federal funds ($504,000) from the Ticketing Aggressive Cars & Trucks (TACT) Enforcement & Evaluation Grant that was approved by the Joint Legislative Committee on the Budget in FY 12, and associated state match ($126,000 SGR). The grant provides funding for enforcement activities targeting unsafe drivers of commercial vehicles and drivers of passenger cars operating aggressively around commercial vehicles. The total grant award is $850,000, $680,000 Federal and $170,000 SGR match. This adjustment reduces budget authority by $630,000 ($504,000 Federal and $126,000 SGR) reflecting a decrease in expenditures from $740,000 ($592,000 Federal and $148,000 SGR) in FY 12 to $110,000 ($88,000 Federal and $22,000 SGR) in FY 13. The FY 13 appropriation will provide approximately 1,973 overtime enforcement hours at an average rate of $50.68 per hour and $10,000 for the remainder of a professional services contract with LSU's Highway Safety Research Group to identify needed enforcement areas in the state.	$0	-$630,000	0
08B-420	Public Safety	Motor Vehicles	Non-recurring SGR funding for Other Compensation positions that will no longer be utilized. Funds were provided to the Office of Motor Vehicles in FY 12 to allow additional time to reach its appropriated T.O. without executing a layoff. At the time the adjustment was made during development of the FY 12 Executive Budget, 98 positions were targeted for reduction. By the start of FY 12, on 7/1/2011, only 28 of these positions were still occupied and transformed into Other Compensation positions. All of these positions are currently vacant through attrition.	$0	-$1,643,752	0
08B-420	Public Safety	Motor Vehicles	Reduces funding from 2 federal grants that were approved by the Joint Legislative Committee on the Budget in FY 12. The Commercial Driver's License Improvement Grant facilitates the Office of Motor Vehicle's ability to capture and record data from scanned images of traffic convictions or court documents for inclusion on driver's license histories. The total grant award was $241,381. This adjustment reduces budget authority by $158,231, reflecting the decrease of expenditures from $199,806 in FY 12 to $41,575 in FY 13. The Driver's License Security Grant facilitates improving security related to credentials, road skills testing, document management and customer flow management. The total grant amount was $1,107,680. This adjustment reduces budget authority by $850,858, reflecting the decrease of expenditures from $979,269 in FY 12 to $128,411 in FY 13. The total appropriated for these grants in FY 12 was $1,179,075. The balance appropriated for FY 13 is $169,986.	$0	-$1,009,089	0
08B-422	Public Safety	State Fire Marshal	Annualization of the FY12 mid-year reductions. The projected savings are achieved through a reduction in the expected premiums for volunteer firefighters insurance and through department wide cross-training of all Fire Marshall inspectors, allowing the elimination of 6 positions and associated Statutory Dedications funding from the LA Fire Marshal Fund ($379,164), the LA Manufactured Housing Commission Fund ($26,245) and the Two Percent Fire Insurance Fund ($423,202).	$0	-$828,611	-6
			Major Reductions for Public Safety	**-$500,000**	**-$8,706,473**	**-13**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08 -403	Youth Services	Juvenile Justice	Reduces SGF in the programs of Administrative, Swanson Center for Youth, Jetson Center for Youth, Bridge City Center for Youth, and Field Services. Each program was reduced $240,000 based on historical expenditures in the expenditure categories of IAT, travel, and supplies.	-$1,200,000	-$1,200,000	0
08 -403	Youth Services	Juvenile Justice	Annualization of FY 12 mid-year reductions in SGF and Statutory Dedications funding from the Youthful Offender Management Fund ($28,000) and 30 positions. The reduction transferred 30 positions to Unalloted. The FY 13 reductions are as follows:	-$6,024,629	-$6,052,629	-30
08 -403	Youth Services	Juvenile Justice	Reduces TANF funds ($2.7 M in IAT) from the Department of Children & Family Services provided for Families in Need of Services (FINS). Youth who are adjudicated to FINS are served by OJJ through service providers who offer early intervention and early prevention services. As a result of the decrease in TANF funds, OJJ will reduce contracts with providers who serve FINS youth.	$0	-$2,700,000	0
08 -403	Youth Services	Juvenile Justice	Reduces SGF in the Contract Services Program for the Residential Services Activity. The reduction is a result of a decreased census in residential services. OJJ contracts with providers for the operation of residential/group homes, shelter care, transitional living programs, and foster care. Youth who have been removed from their homes are placed in one of the residential home settings in the custody of OJJ. OJJ will reduce contracts statewide with providers who serve youths placed in Residential Services.	-$656,782	-$656,782	0
08 -403	Youth Services	Juvenile Justice	Reduces SGF in the Contract Services Program for the Prevention & Diversion Activity. The reduction is a result of a decreased census in Prevention & Diversion programs. OJJ contracts with providers to operate programs that focus on education, mentor tracker services, family centered services, early intervention, counseling and therapy, local courts, and provide therapeutic intervention to individuals and their families. OJJ will reduce contracts statewide with providers who serve youths through Prevention & Diversion.	-$376,751	-$376,751	0
08 -403	Youth Services	Juvenile Justice	Reduces SGF in the Contract Services Program for counseling services due to a reduced census count of youth receiving counseling. OJJ contracts with providers to provide counseling services to youth in OJJ custody and/or supervision. Counseling services include psychological/ psychosocial, anger management, sex offender assessments and treatment, anger management, and various other counseling services.	-$175,000	-$175,000	0
08 -403	Youth Services	Juvenile Justice	Reduces SGF in the Contract Services Program for the Community Reintegration Activity. OJJ provides services to youth in OJJ custody that are returning to their local school district, their home, or entering the workforce. OJJ contracts with providers throughout the state to provide services for individual, group, and family counseling; mentoring and tracking services; educational and vocational services; and employment assistance. The contracts to providers are being reduced statewide.	-$626,340	-$626,340	0
08 -403	Youth Services	Juvenile Justice	Reduces IAT funding from the Department of Children & Family Services (DCFS) in the Contract Services Program. The reduction is part of reduced funding to DCFS from Federal funds (Title IV-E). Contracts are issued to 5 local courts for services to assist and support foster care services for eligible children and youth who are under the supervision and/or custody of OJJ. These services include foster care candidate services, case plan development, referral to services, preparation for and participation in judicial determinations, case reviews, case management and supervision services, and for administrative costs related to administering the Title IV-E Program. The local courts are reimbursed by OJJ for their eligible expenses incurred in providing these services.	$0	-$1,000,000	0

FY 13 reductions (second item above):

Program	SGF	Total	T.O.
Administratve	($365,390)	($365,390)	(1)
Swanson Center for Youth	($1,441,705)	($1,441,705)	(12)
Jetson Center for Youth	($917,653)	($917,653)	(5)
Bridge City Center for Youth	($1,450,781)	($1,450,781)	(10)
Field Services	($849,100)	($849,100)	(2)
Contract Services	($1,000,000)	($1,028,000)	0
Total	($6,024,629)	($6,052,629)	(30)

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08 -403	Youth Services	Juvenile Justice	Eliminates funding ($5.334 M in SGF and $290,344 IAT) in the Contract Services Program for day treatment (special schools). The day treatment centers are alternative schools for youth who had problems in their local school districts. OJJ contracts with 1 Volunteers of America facility in the Lafayette region and 8 Associated Marine Institute facilities in the regions of Tallulah, Lafayette, Alexandria, Thibodaux, Baton Rouge, Lake Charles, Shreveport, and Metro New Orleans. The youth will be placed back into alternative schools in their respective school districts. The IAT funding of $290,344 is federal Titles I grants from the Department of Education that was used at each of the day treatment facilities.	-$5,334,000	-$5,624,344	0
			Major Reductions for Youth Services	**-$14,393,502**	**-$18,411,846**	**-30**
09 -	Health & Hospitals	Human Srvcs. Districts	Annualization of FY 12 mid-year reductions. Capital Area Human Services District (CAHSD) and Florida Parishes Human Services Authority (FPHSA) had only one-time expenditures reduced in the mid-year reduction plan. The other human service districts had the following amount of recurring expenditures reduced and annualized in FY 13: **Jefferson Parish Human Services Authority ($100,100)** ($100,100) - Funding for layoff of 2 non-T.O. FTEs for 26 pay periods ($50,050 each) **Metropolitan Human Services District ($535,000)** ($500,000) - Pharmacy expenditures ($35,000) - Operating supplies **South Central LA Human Services Authority ($187,392)** ($67,392) - mental health psychological services contracts ($100,000) - mental health case management contracts ($20,000) - addictive disorders youth counseling contracts	-$822,492	-$822,492	0
09 -300	Health & Hospitals	Jefferson Parish Human Services Authority	Reduces funding for operating services ($221,000), pharmaceutical supplies ($41,789), and developmental disabilities services ($100,600). The impact of these reductions is detailed below. **($120,900) -** layoff of 2 non-T.O. FTEs who perform access/welcome services in the clinic; implementation of the layoff will depend on requirements of the LA Behavioral Health Partnership and payments by State Management Organization. **($100,600) -** reduction to the Families Helping Families Outreach contract resulting in 100 fewer families with developmental disabilities receiving community support and services and layoff of 1 non-T.O. FTE performing waiver services. **($100,100) -** reductions to nonessential operating services including supplies, travel and savings through attrition. **($41,789) -** reduction to pharmaceuticals, which will result in 300 fewer adults receiving medications unless the reduction can be offset through increased assistance of the Patient Assistance Program (PAP).	-$363,389	-$363,389	0
09 -301	Health & Hospitals	Florida Parishes Human Services Authority	Reduces funding for operational expenditures and professional services contracts as follows: **($75,000)** - Projection of potential future savings in lease payments from consolidating offices that are currently in different buildings. **($164,954)** - Professional services contracts, includes: • ($3,800) - Educational & training services to staff at local emergency rooms to serve as a bridge between hospitals and community-based services by teaching staff to recognize and understand the behavioral health issues that can be referred to FPHSA • ($9,000) - Training materials for family/consumer educational classes and support groups • ($152,154) - Reductions to Intensive Case Management, which provides links and supports that help maintain individuals in the community versus institutionalization.	-$239,954	-$239,954	0
09 -304	Health & Hospitals	Metropolitan Human Services District	Savings achieved through increased utilization of Patient Assistance Programs (PAP) in outpatient pharmacy. Patient assistance programs are run by pharmaceutical companies to provide free brand name medications to people who cannot afford to buy their medicine. MSHD provided the estimate based on a plan it is implementing including targeting higher cost drugs and improving processes for enrollment for those specific drugs.	-$307,899	-$307,899	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -304	Health & Hospitals	Metropolitan Human Services District	Reduces IAT budget authority to properly align with anticipated revenue collections from the Greater New Orleans Community Health Connection (1115 Medicaid Demonstration Waiver Program). The 1115 Waiver Program was designed to be a more sustainable funding source after the expiration of the Primary Care Access & Stabilization Grant. It will be used to make Disproportionate Share Hospital (DSH) payments to waiver providers for traditionally non-allowable costs associated with primary and behavioral health care through a clinic infrastructure, including 6 clinics operated by MHSD. Specifically, services are for the provision of physical, mental and addiction services to address the emotional and psychological needs of targeted individuals in MHSD (includes Orleans, St. Bernard, and Plaquemines parishes).	$0	-$900,000	0
09 -305	Health & Hospitals	Medical Vendor Administration	Annualization of FY 12 mid-year reductions.	-$635,798	-$1,271,595	-13
09 -305	Health & Hospitals	Medical Vendor Administration	Eliminates non-recurring statutorily dedicated funding ($1 M) from the Overcollections Fund and Federal funding ($1 M) for the Bayou Health Outreach. This funding was used to engage CCN-eligible Medicaid and LaCHIP recipients to inform and educate them about the changes to LA Medicaid and reinforce the importance of making a proactive choice of a CCN. Outreach utilized traditional and non-traditional media, direct mail and aggressive one-on-one outreach events to reach the target audience, and was responsible for development of all messaging (including direct mail pieces, posters and other printed and digital material), training of Department staff and community-based organizations and planning of outreach events.	$0	-$2,000,000	0
09 -305	Health & Hospitals	Medical Vendor Administration	Reduces funding ($808,404 SGF and $$808,404 Federal) and 37 authorized positions related to eligibility offices. The Medical Vendor Administration (MVA) will implement targeted eligibility office closures in West Jefferson, Avoyelles, Natchitoches, and Richland parishes. DHH is not anticipating any service impact as Medicaid Application Centers (MAP) will still be available in these parishes.	-$808,404	-$1,616,808	-37
09 -306	Health & Hospitals	Medical Vendor Payments	Eliminates federal funding for the Primary Care Access Stabilization Grant (PCASG). Originally, the grant was for 3 years but in October 2010 CMS extended the grant until March 2012. PCASG is a $100 M grant program designed to meet the increasing demand for healthcare services in the 4-parish Greater New Orleans area (Jefferson, Orleans, Plaquemines and St. Bernard parishes), provide high quality primary and behavioral health care at the community level, and decrease reliance on emergency rooms for conditions more appropriately treated in an outpatient setting. Twenty-five public and private non-profit organizations were eligible for funding through the grant, including primary healthcare, mental health treatment and counseling, HIV/AIDS treatment and counseling, and substance abuse treatment providers. The funds help healthcare providers stabilize, improve and expand their services through methods including opening satellite clinics, extending hours of operation and hiring additional qualified medical staff. The participating organizations provide affordable services to everyone, without regard to ability to pay.	$0	-$1,500,000	0
09 -306	Health & Hospitals	Medical Vendor Payments	Non-recurring carryforwards ($3,947,683 SGR and $10,807,300 Federal).	$0	-$14,754,983	0
09 -306	Health & Hospitals	Medical Vendor Payments	Reduces SGF appropriated in the DHH and allocated to the LSU HCSD hospitals that represented Disproportionate Share Hospital (DSH) audit rule replacement funding for the LSU hospitals. According to LSU, this reduction will not have a significant impact since the DSH audit rule's impact was less than anticipated, and other DSH audit rule solutions were implemented at LSU. These include payments from the E. A. Conway Upper Payment Limit (UPL) and savings achieved through Low Income Needy Care Collaboration Agreements (LINCCA). **History:** The federal DSH audit rule under CMS rules, resulted in a reduction in overall DSH allowable costs to both public and private hospitals and other facility providers. In addition to requiring state Medicaid programs to audit and report relative to DSH payments effective 1/19/2009, the rule defines allowable costs more restrictively. The net result was a reduction in allowable or reimbursable expenditures to certain providers.	-$35,618,285	-$35,618,285	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides savings from provider rate cuts. The source of Federal funds is Title XIX federal financial participation. This adjustment reduces payments in the Private Provider Program of Medicaid by implementing various cuts to providers. The rate cuts will vary by providers and range from 1.59% to 3.7%. Specific providers impacted include adult dentures, ambulatory surgical clinics, case management, durable medical equipment, EPSDT, family planning, hemodialysis, home health, ICF community homes, lab and x-ray, LT-PCS, PACE, physician services, hospice services, and other private providers.	-$41,416,068	-$90,592,881	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides savings ($6 M in SGF and $14,964,361 Federal) from changing the nursing home reimbursement methodology to a Nursing Home Resource Utilization Grouping System. This system will base acuity level only on Medicaid patients. The source of Federal funds is Title XIX federal financial participation. This adjustment is the net of 2 separate adjustments. The first adjustment eliminates reimbursement to nursing homes for Medicare Crossover claims associated with therapies. The other payment adjustment is an actual reduction in the daily rate paid to nursing homes. Elimination of Crossover claims ($8,465,143) Rate reduction ($12,499,218) FY 13 Total Adjustment ($20,964,361)	-$6,000,000	-$20,964,361	0
09 -306	Health & Hospitals	Medical Vendor Payments	Eliminates funding ($23,433,184 SGR; $7,061,818 Statutory Dedications; and $76,056,343 Federal) for non-recurring one-time expenses in FY 12 associated with Bayou Health implementation. This funding represents claims lag payments to cover the cost associated with making both Medicaid claims payments and simultaneous Per Member Per Month (PMPM) payments for individuals enrolled in Medicaid Managed Care in FY 12. Premium payments to the managed care networks are appropriated in the Medicare Buy-Ins & Supplements Program for FY 12. The source of Federal funds is Title XIX federal financial participation. The 2 other non-SGF match sources are Statutory Dedication revenues from the Medical Assistance Trust Fund and SGR from various DHH agencies.	$0	-$106,551,345	0
09 -306	Health & Hospitals	Medical Vendor Payments	Reduces Federal funds for Medicare Part A & B premiums increase.	$0	-$3,469,824	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides savings ($1.5 M in SGF and $3,714,090 Federal) from switching to a Pharmacy Average Acquisition Cost Methodology for pharmacy reimbursement. The source of Federal funds is Title XIX federal financial participation. DHH is projecting a 2.7% savings in the pharmacy program as a result of such payment methodology changes. Currently, DHH Medicaid reimburses based on an average wholesale price (AWP) methodology, but will transition to an Average Acquisition Cost (invoice cost of drug ingredient plus dispensing fee cost) plus 30%.	-$1,500,000	-$5,241,090	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides for Bayou Health (BH) implementation savings ($26,552,303 SGF and $66,223,066 Federal) from eliminating the Community Care Program which is no longer needed ($1,783,876 SGF and $4,449,094 Federal); and moving case coordination for NOW Waiver recipients ($3 M in SGF and $7,482,180 Federal) and non-waiver services for waiver recipients ($1.2 M in SGF and $2,992,872 Federal) under BH; pharmacy services into Bayou Health ($30,324,580 SGF and $12,158,720 Federal); and Private Providers reduction ($8,409,707 SGF and $20,974,340 Federal).	-$26,552,303	-$92,775,369	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Net decrease ($6,137,160 SGF and $15,306,444 Federal) in Public Providers resulting from Per Diem payment savings due to the FY 13 privatization of Public ICF/DD's. The source of Federal funds is Title XIX federal financial participation. This decrease is based on the reduction in per diems by changing from the public rate to the private rate as a result of privatization of the North Lake and Northwest ICF/DD. This adjustment reflects the increase in Medical Vendor Payments private provider reimbursement, reduction in the public provider program as a result of eliminating Medicaid payments to these facilities, and retaining a portion of the savings in Publics to IAT to OCDD to cover facility closure cost. **Per Diem payment comparison:** FY 13 payments to Private Providers: $18,499,728 FY 13 payment cut to North Lake and Northwest: ($43,865,722) Net payment impact from publics to privates: ($25,365,994) - savings Title XIX savings (IAT) to OCDD for closure cost: $3,922,390 Net savings to Medicaid: ($21,443,604)	-$6,137,160	-$21,443,604	0
09 -306	Health & Hospitals	Medical Vendor Payments	Reduces funding ($11,864,909 SGF and $29,591,798 Federal) in the Medicaid Buy-Ins Program. The source of Federal funds is Title XIX federal financial participation. This represents a cut to both the Bayou Health Managed Care Program and Behavioral Health Partnership Managed Care Program. The program cuts are reflected below: ($37,306,889) Bayou Health Program ($4,149,818) Behavioral Health Partnership ($41,456,707) Total program cut to managed care programs in the Buy-Ins Program	-$11,864,909	-$41,456,707	0
09 -307	Health & Hospitals	Office of Secretary	Eliminates non-recurring portion of IAT funding for the Generator Program. The original end date was April 2012, but has been extended through December 2012. Approximately $10 M is available for FY 13. In FY 10, the Office of the Secretary was appropriated approximately $32.2 M for a generator program that provides generators to eligible medical and special needs facilities. Funding was transferred from the Governor's Office of Homeland Security, and the original source of IAT funds is a FEMA Hazard Mitigation Grant. The grant is 100% Federal funds.	$0	-$15,796,000	0
09 -307	Health & Hospitals	Office of Secretary	Annualization of FY 12 mid-year reductions.	-$705,457	-$705,457	0
09 -307	Health & Hospitals	Office of Secretary	Reduction of 67 IT positions in Information Technology Section of the Office of the Secretary. Associated funding ($4,275,073) remains in the Office of the Secretary. DHH anticipates outsourcing the IT function in the Office of the Secretary. The cost of outsourcing this function is unknown at this time.	$0	$0	-67
09 -309	Health & Hospitals	South Central LA Human Services Authority	Reduces funding for contractual services, travel, and supplies (detailed below). According to SCLHSA, the reductions to contractual services will cause a reduction in available clinical services. ($5,000) Agency staff travel ($9,402) Operating supplies ($15,600) Equipment acquisition Mental Health contract reductions: ($25,000) Peer-to-peer support ($15,000) Respite camps ($40,000) Recovery centers ($42,452) Family supports/case management Developmental Disabilities contract reductions: ($46,440) Cash subsidy ($58,500) Family advocacy	-$257,394	-$257,394	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -320	Health & Hospitals	Aging & Adult Services	Reduces SGR ($172,090) and Federal funds ($125,884). The source of SGR is Federal funds from the Tenant Based Rental Assistance (TBRA) Program under the HOME Investment Partnership Program from the U.S. Department of Housing & Development (HUD). The HOME Investment Partnership Program is administered through the LA Housing Finance Agency. TBRA is a rental subsidy program funded by HUD that helped low-income individuals afford housing costs by providing assistance with security and utility deposits and short-term rent assistance (up to 2-months). OAAS used TBRA funds as well as the Permanent Supportive Housing (PSH) Program to assist individuals who are transitioning from institutional care to community living under the Money Follows the Person (MFP) Program. OAAS contracted with Quadel Housing Consultants to oversee the TBRA Program. The source of Federal funds is a Real Choice Systems Change Person-Centered Planning (PCP) Implementation grant from the Center for Medicare & Medicaid Services (CMS). The 3-year grant was used to develop programs which will enable people with disabilities to reside in their homes and participate fully in community life. The types of services offered to help these individuals could include assistance with dressing, bathing, shopping, preparing meals, eating, or help with personal budgeting. An individual needs assessment will be conducted to determine the types of services an individual may need.	$0	-$297,974	0
09 -320	Health & Hospitals	Aging & Adult Services	Reduces SGF for costs and expenses of the lease of the John J. Hainkel, Jr. Home & Rehabilitation Center in the Villa Feliciana Medical Complex Program. In FY 12, $595,149 ($195,149 SGF and $400,000 SGR) was budgeted for costs and expenses associated with the lease of the Hainkel Home. Act 933 (HB 971) of 2010 authorized the DHH/Office of Aging & Adult Services (OAAS) to lease the Hainkel Home located in New Orleans. In January 2011, DHH/OAAS entered into a 5-year lease with the New Orleans Home for Incurables starting 4/19/2011. The New Orleans Home for Incurables is a LA non-profit corporation domiciled in New Orleans. The lease agreement stipulates that lease payments will equal the actual out-of-pocket annual costs and expenses incurred by DHH/OAAS related to the Hainkel Home. Costs and expenses include termination pay, unemployment compensation, premiums payable to the Office of Risk Management, elevator maintenance contract, retiree group insurance, LEAF payoff, and any other unanticipated cost. The lease payments annual maximum is $400,000 and the annual minimum is $150,000. **Expenses** Office of Risk Management $281,090 Workforce Commission $128,440 Retiree Group Insurance $183,315 Elevator Maintenance $2,304 Total $595,149	-$195,149	-$195,149	0
09 -326	Health & Hospitals	Public Health	Reduction due to Executive Order BJ 2011-12 Hiring Freeze in FY 12 in which 28 positions were eliminated. Only the SGF portion of the total funding ($1,933,194) associated with the 28 positions was reduced during the hiring freeze in FY 12 on 12/16/2011, after the EOB freeze date of 12/1/2011. As a result, the funds must also be reduced from the base budget in FY 13. Reductions were made in the salaries ($115,022) and related benefits ($61,935) expenditure categories.	-$176,957	-$176,957	-28
09 -326	Health & Hospitals	Public Health	Annualization of FY 12 mid-year reductions in which 10 positions were eliminated from the Personal Health Services Program, of which 8 positions were unfunded vacancies and were reduced to properly align the total authorized positions in Public Health. In addition, recurring expenditure reductions were annualized including savings from reducing 15 fax lines at Benson Towers ($10,317), reductions to operating services within the Bureau of Emergency Medical Services with no service impact ($85,600), and savings from the annualized elimination of 2 positions through the consolidation of duplicative administrative functions and reductions in the Children's Special Health Services, Lead Poisoning Prevention, and Genetics Programs ($109,980). These programs were relocated to Benson Towers where management, data analysis, and clerical support could be integrated and shared.	-$205,897	-$205,897	-10
09 -326	Health & Hospitals	Public Health	Reduces Federal funds due to excess federal budget authority from expired federal grants in past years and an analysis of non-recurring expenditures. This will not have a significant service impact.	$0	-$2,373,216	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -326	Health & Hospitals	Public Health	Reduces funding due to personnel reductions. The regional administrative function and case management services will transition to the central office staff to provide administrative and case management support (10 positions will be reduced). Additionally, staff from the various offices in Region 2 will be consolidated into one office and 3 positions will be reduced. The Section of Environmental Epidemiology & Toxicology is also streamlining programmatic functions resulting in one position being reduced.	-$950,658	-$950,658	-14
09 -326	Health & Hospitals	Public Health	Reduces funding due to personnel reductions. The Amite office within the Office of Public Health will consolidate permitting and accounts receivable & reduce one position. Additionally, the Molluscan Shellfish, Commercial Seafood, and Food & Drug activities will consolidate in Region 5, thus enabling one position to perform the work currently done by two. As such, one position will be reduced.	-$117,101	-$117,101	-2
09 -326	Health & Hospitals	Public Health	Reduces funding and 4 positions from the Environmental Health Building & Premises Program. Building and premises inspections statewide will decrease from 12,000 to 9,800 per year.	-$166,257	-$166,257	-4
09 -330	Health & Hospitals	Behavioral Health	Non-recurring one-time Statutory Dedications funding from the Overcollections Fund for start-up and administrative costs for non-Medicaid populations in the LA Behavioral Health Partnership (LBHP). The $10.5 M consisted of the following expenditures: $4,191,200 8% administrative cost for SMO to manage adult non-Medicaid population $1,146,385 8% administrative cost for SMO to manage child non-Medicaid population $3,198,844 Transition costs associated with maintaining services as eligible populations are enrolled in expanded Medicaid package $750,000 Data warehouse, IT components, ongoing technical support $750,000 Workforce development program to initially train providers and staff through transition $500,000 Implementation costs associated with conversion of operational and oversight function from OBH to SMO	$0	-$10,536,429	0
09 -330	Health & Hospitals	Behavioral Health	Non-recurring SGR funding for behavioral health assessments, training, and services related to the BP Deepwater Horizon Oil Spill Event. Funds were from a contribution grant from BP which expired on 9/30/2011. Funds were disbursed to the human services districts and the Department of Children & Family Services (DCFS) for crisis relief and outreach services as follows: Jefferson Parish Human Services Authority ($669,855) Metropolitan Human Services District ($723,809) South Central LA Human Services Authority ($1,252,450) Dept. of Children & Family Services ($137,688) Office of Behavior Health ($398,769) **Total** **($3,182,571)**	$0	-$3,182,571	0
09 -330	Health & Hospitals	Behavioral Health	Non-recurring funding for the Strategic Prevention Framework State Initiative Grant (SPF SIG). LA was initially awarded $11.75 M to implement the "Governor's Initiative to Build a Healthy Louisiana." Funding was awarded from the Substance Abuse & Mental Health Services Administration (SAMHSA) Center for Substance Abuse Prevention. The goals of SPF SIG are to: 1) Prevent and reduce the progression of substance abuse, including childhood and underage drinking; 2) Reduce substance abuse-related problems in communities; and 3) Build prevention capacity and infrastructure at the State and community levels. The grant expired on 9/30/2011, by which time, according to the DHH, all objectives were met.	$0	-$5,155,360	0
09 -330	Health & Hospitals	Behavioral Health	Eliminates 23 positions and associated SGR funding due to the privatization of the 20-bed acute psychiatric unit at the University Medical Center (UMC) in Lafayette (OBH staffs the hospital psychiatric acute unit). Lafayette General Medical Center will take over operations and staffing of the acute unit at $581.11/day for both Medicaid and Uninsured patients.	$0	-$1,650,550	-23

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -330	Health & Hospitals	Behavioral Health	Savings attributed to the relocation of Central LA State Hospital (CLSH) to the northeast corner of the campus in Pineville. Currently, CLSH has 60 beds and consists of 84 buildings, many of which are vacant. DHH plans to consolidate CLSH patients into the Northeast corner of the campus and eliminate duplicative staff functions. As part of this consolidation, 82 filled positions (11 indirect positions & 71 direct care positions) and associated funding will be eliminated in the Hospital Based Treatment Program by 8/6/2012. Of the 82 positions being reduced, 19 are probational positions and 63 are permanent employees.	-$2,451,000	-$2,451,000	-82
09 -330	Health & Hospitals	Behavioral Health	Eliminates 4 positions and associated funding from the Access to Recovery (ATR) Program within the Behavioral Health Community Program since clinical services will now be reimbursable under Medicaid through the LA Behavioral Health Partnership (LBHP). The ATR Program was created to provide client choice among substance abuse clinical treatment services and recovery support providers, expand access to a comprehensive array of clinical treatment and recovery support options (including faith and community-based organizations), and increase substance abuse treatment capacity. Treatment options will now be provided through Magellan as the Statewide Management Organization and managed care provider; however, some services which are not reimbursable through the LBHP, such as transportation services, housing vouchers, and urine testing, will continue to be funded through ATR.	-$600,000	-$600,000	-4
09 -330	Health & Hospitals	Behavioral Health	Eliminates 115 positions and associated funding ($1,711,937) from the Behavioral Health Community Program due to the elimination of the behavioral health regional offices in regions 4, 5, 6, 7, and 8 with the planned creation of independently funded human service districts in those regions. In addition, $2,834,843 is being reduced from the administrative costs of each of the 5 existing human service districts (approximately $565,000 each). It is anticipated by OBH that these reductions will result in increased wait times and will impact clinical services. **Note:** In FY 13, Region 4 will begin its first year, breaking away from OBH as the newly created Acadiana Area Human Services District (Lafayette area). In addition, Regions 5 (Lake Charles area) and 6 (Alexandria area) currently have a board of regional and state stake-holders that meet to develop the fundamentals of the district's operations and services. Regions 7 (Shreveport area) and 8 (Monroe area) have not established their full board yet. According to DHH, funding for Regions 5 and 6 will be transferred to them as independent budget units in FY 14 and for Regions 7 and 8 in FY 15.	-$4,546,780	-$4,546,780	-115
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Non-recurring funding from the Community & Family Support System Fund (Statutory Dedication) in the Community-Based Program for 18 one-year restricted job appointments (temporary) statewide to increase regional capacity to focus on Supports Intensity Scale (SIS)/LA PLUS assessment training needs, reviews and waiver approval processes and one-time expenditures for support and services to enable people to live more independently in the community. Proceeds from the sale of Metropolitan Developmental Center were deposited into the Community & Family Support System Fund in FY 11 of $4,384,078. In FY 12, the agency expended the remaining $1,213,689 balance of the Community & Family Support System Fund. Therefore, in FY 13, the funding was non-recurred. FY 11 Appropriation $4,384,078 FY 11 Actuals ($3,170,389) FY 12 Appropriation $1,213,689 FY 12 Projected Expenditures ($1,213,689) Balance $0	$0	-$1,213,689	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Eliminates a Program Manager position and associated funding for salary ($91,855) and related benefits ($35,873) in the Administration Program.	-$127,728	-$127,728	-1

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces funding ($160,000 SGF and $600,000 Title 19 Medicaid IAT) and eliminates 20 non-T.O. positions (temporary workers and student workers) in the Community-Based Program ($160,000) as well as at Pinecrest Supports & Services Centers ($600,000). This will result in a reduction of $150,000 in salaries and $10,000 in related benefits. Eliminated Positions / Number / Program Specialty Student positions (10) Pinecrest Psychology Interns (4) Pinecrest Nurses (job appointments) (3) Pinecrest Project Coordinator (1) Community-Based Contract Reviewer 4 (1) Community-Based Admin. Program Specialist (1) Community-Based	-$160,000	-$760,000	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces Title 19 Medicaid IAT funding and eliminates 620 positions as a result of the privatization of North Lake Supports & Services Center (SSC). According to DHH/OCDD, a few organizations have expressed interest in entering into a cooperative endeavor agreement (CEA) to operate North Lake SSC. Presently, there are 220 residents at North Lake SSC. OCDD anticipates that a CEA would authorize the use of 214 of its existing licensed funded beds to a private provider. Cost savings from the privatization of North Lake SSC are anticipated 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 a private provider. OCDD projects that the Medicaid private reimbursement rate will be less than the current Medicaid public reimbursement at North Lake. Presently, the estimated private provider Medicaid rate is $208.49.	$0	-$28,928,373	-620
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces Title 19 Medicaid IAT funding and eliminates 360 positions as a result of the privatization of Northwest Supports & Services Center (SSC). According to DHH/OCDD, a few organizations have expressed interest in entering into a cooperative endeavor agreement (CEA) to operate Northwest SSC. Presently, there are 137 residents at Northwest SSC. OCDD anticipates that a CEA would authorize the use of 128 of its existing licensed funded beds to a private provider. Cost savings from the privatization of Northwest SSC are anticipated 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 a private provider. OCDD projects that the Medicaid private reimbursement rate will be less than the current Medicaid public reimbursement at Northwest SSC. Presently, the estimated private provider Medicaid rate is $208.49.	$0	-$16,436,000	-360
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces Title 19 Medicaid IAT funding and eliminates 2 positions as a result of the privatization of the Foster Grandparent Program effective 7/1/2012. The purpose of the Foster Grandparent Program is to enable low-income senior citizens to supplement their income in a meaningful way by providing volunteer service, one-on-one interaction to special needs children that provides a family type relationship thus enhancing socialization and quality of life for the children. The Foster Grandparent Program provides foster grandparents to 108 residents at Pinecrest and stipends to 75 foster grandparents who participate in the programs. This will result in a reduction of $99,992 in salaries and $27,998 in related benefits.	$0	-$127,990	-2
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces Title 19 Medicaid IAT funding and eliminates 13 positions as a result of the streamlining of the Quality Management & Improvement Section at Pinecrest Supports & Services Center. The services administered by the Quality Management & Improvement Section are required by various regulatory agencies and to ensure compliance with statutory requirements will be assigned to other sections such as maintenance, nursing, and health information. Only one positions will remain in the Quality Management & Improvement Section to provide oversight. This will result in a reduction of $664,243 in salaries and $185,989 in related benefits.	$0	-$850,232	-13
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces Title 19 Medicaid IAT funding and eliminates 3 positions in the Housekeeping Section at Pinecrest Supports & Services Center (SSC) as a result of a re-organization/restructure of the facility. This will result in a reduction of $56,493 in salaries and $15,281 in related benefits. A total of 24 housekeeping and janitorial positions remain after the reduction.	$0	-$71,774	-3

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces Title 19 Medicaid IAT funding and eliminates 74 positions at Pinecrest Supports & Services Center (SSC) as a result of a re-organization/restructure of the facility. The re-organization/restructure is to re-align the staffing patterns to be consistent with the current size of the facility and a more appropriate ratio of staff to resident. The reduction in positions are primarily non-direct support positions. This will result in a reduction of $2,942,741 in salaries and $823,984 in related benefits.	$0	-$3,766,725	-74
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces Title 19 Medicaid IAT funding and eliminates 9 Social Service Counselors positions in the Social Services Section at Pinecrest Supports & Services Center (SSC). The original source of the IAT revenue is SGF. Functions and duties performed by the Social Services staff will be assumed by the Active Treatment Section staff. Due to the positions being phased out in FY 13, the estimated partial savings for 3 months include salaries ($124,936) and related benefits ($55,572).	$0	-$180,508	-9
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces SGF in the Community-Based Program for Vocational Habilitation Services. Vocational Habilitation Services will continue to be provided with Title 19 Medicaid IAT funds. Vocational Habilitation Services assists a child with achieving developmental skills when impairments have caused delaying or blocking of initial acquisition of the skills. Habilitation can include cognitive, social, fine motor, gross motor, or other skills that contribute to mobility, communication, and performance of activities of daily living and enhance quality of life.	-$146,181	-$146,181	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduces SGF and eliminates 2 non-T.O. positions in the Administration & General Support Program ($50,000) and 6 positions in the Community-Based Program ($275,616). This will result in a reduction of $218,595 in salaries, $57,021 in related benefits, and $50,000 in other compensation. Eliminated Positions — Number — Program Administrative Specialist (non-T.O.) — (1) — Administrative & General Support Project Director (non-T.O.) — (1) — Administrative & General Support Program Manager 1 (T.O.) — (1) — Community-Based Community Services Professionals (T.O.) — (2) — Community-Based Program Monitors (T.O.) — (3) — Community-Based	-$325,616	-$325,616	-6
			Major Reductions for Health & Hospitals	**-$143,398,836**	**-$544,190,152**	**-1,487**
10 -360	Children & Family Services	Children & Family Services	Non-recurring Federal stimulus funding in the Prevention & Intervention Program. The source of the Federal funds is the TANF Emergency Funds from the American Recovery & Reinvestment Act (ARRA). In FY 11, the department received a total TANF Emergency ARRA allotment of $81.9 M that would expire in FY 13. Included in the $41 M reduction is $40.5 M of TANF Emergency funds sent to the Department of Education in FY 12 for LA-4 as a means of financing substitution to mitigate the loss of SGF. TANF Emergency funds expire in FY 13.	$0	-$41,000,000	0
10 -360	Children & Family Services	Children & Family Services	Non-recurring IAT funding in the Prevention & Intervention Program from DHH Office of Behavioral Health (OBH). The source of IAT funding is an original award amount of $8,253,954 from British Petroleum (BP) Exploration & Production, Inc. in FY 11 to provide behavioral health services to LA residents impacted by the Deepwater Horizon Oil Spill Event. Within the department, the funds from BP were used for training and counseling services related to treatment of domestic violence.	$0	-$145,413	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
10 -360	Children & Family Services	Children & Family Services	Non-recurring Federal funds in the Prevention & Intervention Program ($2 M), Community & Family Services Program ($13 M), and Field Services Program ($2,027,012). The source of Federal funds is Supplemental Temporary Assistance for Needy Families (TANF) Block Grant. As a result of the U.S. Congress not renewing the Supplemental TANF Block Grant, the DCFS is reducing the following TANF programs: Kinship Care Subsidy Program - $5.2 M Modernization & Administration - $3.6 M Strategies to Empower People Program (STEP) - $3.6 M Child Protection Investigations & Family Services - $2,027,012 Families in Need of Services - $1.5 M Microenterprise Development & Individual Development Accounts - $1.1 M	$0	-$17,027,012	0
10 -360	Children & Family Services	Children & Family Services	Reduces Federal funds from the Prevention & Intervention Program ($10 M), Community & Family Services Program ($21,575,686), and Field Services Program ($12 M) to reduce excess budget authority. In prior fiscal years, as federal grant funding decreased, the budget authority was never reduced. This adjustment realigns federal budget authority with federal revenues. No services are impacted.	$0	-$43,575,686	0
10 -360	Children & Family Services	Children & Family Services	Annualization of FY 12 mid-year reductions in the Prevention & Intervention Program ($233,500) and the Community & Family Services Program ($232,389).	-$465,889	-$465,889	0
10 -360	Children & Family Services	Children & Family Services	Reduces SGF in the Community & Family Services Program for the Child Support Enforcement Program for District Attorney contracts. The DCFS Child Support Enforcement (CSE) Division has contracted with 40 of the 42 District Attorneys in LA to provide child support enforcement services such as establishment of paternity and the establishment, enforcement, collection and distribution of all child support payments. In FY 13, the total amount for District Attorney contracts is $20,441,940 ($6,488,260 SGF and $13,953,680 Federal).	-$700,000	-$700,000	0
10 -360	Children & Family Services	Children & Family Services	Reduces SGF in the Administrative & Executive Support Program for the 211 LA-HELP-U toll free telephone number. The 211 LA-HELP-U is operated by the United Way as part of a contract with the DCFS. The toll free number is primarily used by United Way during disasters. Although all the funding from DCFS has been removed, the toll free telephone number is still active. United Way will continue to support and operate the toll free telephone number.	-$250,000	-$250,000	0
10 -360	Children & Family Services	Children & Family Services	Reduces SGF in the Prevention & Intervention Program for Early Day Treatment Program within the Office of Juvenile Justice (OJJ). DCFS notes that it will attempt to replace the SGF with Temporary Assistance to Needy Families (TANF) funds if such funds are available. Early Day Treatment services are anticipated at the same level.	-$1,500,000	-$1,500,000	0
			Major Reductions for Children & Family Services	**-$2,915,889**	**-$104,664,000**	**0**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 -431	Natural Resources	Office of Secretary	Reduces Federal funds due to fewer projects being funded with petroleum violation funds because resources were shifted to fund projects with American Recovery & Reinvestment Act funding. Petroleum violation funds originate from fines assessed energy companies.	$0	-$1,274,911	0
11 -431	Natural Resources	Office of Secretary	Eliminates vacant deputy undersecretary position and associated funding ($156,286 for salary and related benefits). This position is responsible for directing management and finance activities. Also, eliminates one vacant deputy assistant secretary position ($110,335 for salary and related benefits) in the Office of Coastal Management that is being abolished.	-$266,621	-$266,621	-1
11 -431	Natural Resources	Office of Secretary	Non-recurring IAT from the Governor's Office of Homeland Security & Emergency Preparedness due to completion of the Mississippi River Flood Project.	$0	-$94,998	0
11 -431	Natural Resources	Office of Secretary	Reduces Federal funds from American Recovery & Reinvestment Act (ARRA) to reflect anticipated expenditures for the State Energy Program (SEP) and the Energy Efficiency & Conservation Block Grant Program. FY 12 ARRA budget authority as of 6/30/2012 was $62 M and funding for FY 13 is $14.1 M.	$0	-$28,835,478	0
11 -432	Natural Resources	Conservation	Eliminates SGF for salaries and related benefits for 3 filled positions (1 petroleum analyst & 2 mineral production analysts) and 1 vacant petroleum analyst supervisor position.	-$249,127	-$249,127	-4
11 -435	Natural Resources	Coastal Restoration & Management	Reduces IAT from Office of Coastal Protection & Restoration that provided for support services performed by the Office of Coastal Restoration & Management which included issuing permits and working with the Office of Coastal Protection & Restoration on all projects.	$0	-$92,463	0
11 -435	Natural Resources	Coastal Restoration & Management	Eliminates vacant and unfunded deputy assistant secretary position.	$0	$0	-1
			Major Reductions for Natural Resources	**-$515,748**	**-$30,813,598**	**-6**
12 -440	Revenue	Office of Revenue	Reduces SGR due to the elimination of postage and printing as the department transitions to a debit card for income tax refunds instead of issuance of a paper check. The first offering of debit cards for income tax refunds occurred with the FY 11 filings which were relevant to the FY 12 budget. The FY 13 budget includes savings of $315,000 due to implementation of the debit card refund payment option. However, Act 818 of 2012 directs all payment formats for refunds to be offered as an option, whether filing online or manually. This means those filing online for FY 12 may opt for paper checks (additional cost) and those filing manually may now choose direct deposit (additional savings) or paper check (additional cost). It is not certain how the taxpayers will decide to obtain refunds and, until the offsetting impacts are determined, it is not clear whether savings or costs will result, especially savings in the amount specified in the FY 13 budget, given implementation costs of an estimated $250,000.	$0	-$315,000	0
12 -440	Revenue	Office of Revenue	Reduces SGR and eliminates 10 vacant positions from the Tax Collection Program (4) and Alcohol & Tobacco Control Program (6). These are the same positions affected by the hiring freeze imposed during FY 12 and will all be classified positions.	$0	-$855,144	-10
			Major Reductions for Revenue	**$0**	**-$1,170,144**	**-10**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
13 -	Environmental Quality	Department Wide	Annualization of FY 12 mid-year reductions in Statutory Dedications from the Environmental Trust Fund (ETF) and the elimination of 14 positions. The reduction for the department was $3,158,116 in ETF, along with 20 positions transferred to Unallotted. The FY 13 annualized reductions are as follows:	$0	-$2,622,418	-14

Category	Office of Sec.	Envirn. Comp.	Envirn. Svcs	Mgmt. & Fin.	Total
Personnel	($178,352)	($315,568)	($633,016)	$0	($1,126,936)
Travel	($30,000)	$0	($50,000)	($40,000)	($120,000)
Operating Svcs	$0	($95,000)	($50,000)	$0	($145,000)
Supplies	($35,000)	($90,000)	($40,000)	($260,482)	($425,482)
Professional Svcs	$0	($360,000)	$0	($400,000)	($760,000)
IAT	$0	($15,000)	($30,000)	$0	($45,000)
Total by Agency	($243,352)	($875,568)	($803,016)	($700,482)	($2,622,418)
T.O. Reduced	(2)	(4)	(8)	0	(14)

13 -851	Environmental Quality	Environmental Compliance	Non-recurring Federal funds for the evaluation and remediation of underground storage tanks (UST) impacted by hurricanes Katrina and Rita through the Gulf of Mexico Hurricanes Supplemental Funding for the Leaking Underground Storage Tank Program. Funding is used to provide site assessments at UST sites where releases have occurred and the responsible party is unknown, unwilling or unable to respond. DEQ employs contractors for assessment and remediation services to the affected sites. There is $2 M in remaining contract obligations for FY 13.	$0	-$3,000,000	0
13 -851	Environmental Quality	Environmental Compliance	Non-recurring Federal funds for expenditures associated with hurricane demolition monitoring. The funding was received by DEQ from the LA Land Trust (LLT) which allowed the department to continue a contract to monitor demolitions and hazardous waste disposal facilities in hurricane affected areas. The contractor's tasks involve evaluating demolition activities for compliance with regulatory requirements and the handling and disposal of demolition debris in landfills for compliance with each landfill's permit. The LLT is a nonprofit organization formed to manage the properties that have been purchased by the state under the Road Home Program as part of the recovery effort from hurricanes Katrina and Rita in 2005.	$0	-$354,543	0
13 -855	Environmental Quality	Management & Finance	Reduces Statutory Dedications funding from the Waste Tire Management Fund to match projected revenue based on historical revenues. The highest collection amount in the past 3 fiscal years was $10.6 M in FY11. The FY 13 expected revenue is $11.1 M and FY 13 expenditures are anticipated to be $10.8 M.	$0	-$700,000	0
			Major Reductions for Environmental Quality	**$0**	**-$6,676,961**	**-14**
14 -474	Workforce Commission	Workforce Support & Training	Reduces IAT funding due to federal cuts to the LA Employment Assistance Program (LEAP) provided to the Department of Children & Family Services. The LA Workforce Commission implements the program, which was funded in FY 12 at $4,830,990. After this reduction, the LEAP will be funded at $2,592,047 for FY 13. However, the FY 11 actual expenditures were $2,634,089. The LEAP helps transition participants from government programs to self-sufficiency by assisting with attainment and retention of employment.	$0	-$2,238,943	0
			Major Reductions for Workforce Commission	**$0**	**-$2,238,943**	**0**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
16 -512	Wildlife & Fisheries	Office of Secretary	Non-recurring IAT funding from the Governor's Office of Homeland Security & Emergency Preparedness to the Enforcement Program. The original source of funds is from a one-time Department of Homeland Security Maritime Response Grant for a cooperative endeavor agreement to provide training, supplies, and equipment for a maritime special response team. The team was composed of wildlife agents and state police. State police trained wildlife agents in SWAT training and wildlife agents train state police in boat crewmenship. This enabled the team to respond to emergencies on the water.	$0	-$281,347	0
16 -512	Wildlife & Fisheries	Office of Secretary	Non-recurring Federal funds related to a Port Security Grant from the U.S. Department of Homeland Security/FEMA. The grant allows the Enforcement Division to enhance the state's port and maritime infrastructure to prevent, protect, respond to, and recover from threats or acts of terrorism. Approximately $300,565 remains for this purpose in FY 13.	$0	-$875,629	0
16 -514	Wildlife & Fisheries	Office of Fisheries	Reduces excess federal budget authority to reflect the actual projected expenditures within the Office of Fisheries. This reduction is attributable to the continuing disbursement of available hurricane disaster assistance for the fisheries industry participants. Approximately $37 M remains for this purpose in FY 13.	$0	-$19,502,275	0
16 -514	Wildlife & Fisheries	Office of Fisheries	Aligns Public Oyster Ground Development Fund expenditures in the Fisheries Program with projected revenues. Revenues are derived from payments made by oil and gas companies for impacts to public oyster seed grounds. The amounts billed for each project vary greatly depending on the size and scope of the projects, as well as the locations. The budget authorization for the Public Oyster Ground Development Fund in FY 13 is $2,447,327.	$0	-$966,973	0
16 -514	Wildlife & Fisheries	Office of Fisheries	Aligns Aquatic Plant Control Fund expenditures in the Fisheries Program with projected revenues. Revenues are derived from an annual fee of $3.25 per boat trailer registered with the Office of Motor Vehicles. These revenues fluctuate depending on the number of people registered. The budget authorization for the Aquatic Plant Control Fund in FY 13 is $500,000.	$0	-$160,000	0
			Major Reductions for Wildlife & Fisheries	**$0**	**-$21,786,224**	**0**
19A-600	Higher Education	LSU System	Reduces IAT associated with Upper Payment Limit (UPL) payments due to the implementation of Bayou Health associated with the LSU Health Sciences Center at Shreveport, E. A. Conway Medical Center, and H. P. Long Medical Center. This adjustment reduces UPL payments from DHH to state hospitals because Bayou Health will allow LA citizens enrolled in Medicaid and LaCHIP to receive health care services from the following 5 statewide health plans available through Bayou Health: Amerigroup, Community Health Solutions, LaCare, Louisiana Healthcare Connections, and United Healthcare Community Plan.	$0	-$3,947,998	0
19A-600	Higher Education	LSU System	Non-recurring funding for the formula enhancement at LSU-Alexandria for public post-secondary institutions that experienced a 3% or greater reduction in SGF allocated by the cost component of the funding formula for FY 12.	-$153,549	-$153,549	0
19A-600	Higher Education	LSU System	Decreases IAT budget authority for E. A. Conway Medical Center for funds to be received from the DHH. This decrease in funds is the summation of adjustments related to the following items: loss of Federal funds due to the Disproportionate Share (DSH) audit rule (-$1,146,550), decreased Federal Upper Payment Limit (UPL) funds (-$19,355,914), decreased Medicaid claims (-$4,121,149) additional Federal Uncompensated Care (UCC) payments ($3,018,989), and increases in payments attributable to newly created Statewide Management Organizations (SMOs) ($5,036,145).	$0	-$16,568,479	0
19A-615	Higher Education	SU System	Non-recurring funding for the formula enhancements at Southern University New Orleans ($171,185), Southern University Shreveport ($129,317), and the Southern University Ag Center ($602,019) for public post-secondary institutions that experienced a 3% or greater reduction in SGF allocated by the cost component of the funding formula for FY 12.	-$902,521	-$902,521	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A-620	Higher Education	UL System	Eliminates funding for the LA Center for Women & Government at Nicholls State University. The LA Center for Women & Government at Nicholls State University encourages and promotes the leadership of women by providing resources and non-partisan support through educational workshops, training seminars and outreach programs. Loss of this $225,000 appropriation will result in closing the Center at Nicholls.	-$225,000	-$225,000	0
19A-620	Higher Education	UL System	Non-recurring funding for the formula enhancements at Grambling University ($322,965) and Southeastern University ($733,221) for public post-secondary institutions that experienced a 3% or greater reduction in SGF allocated by the cost component of the funding formula for FY 12.	-$1,056,186	-$1,056,186	0
19A-649	Higher Education	LCTCS System	Non-recurring funding for the formula enhancement at LA Delta Community College for public post-secondary institutions that experienced a 3% or greater reduction in SGF allocated by the cost component of the funding formula for FY 12.	-$87,744	-$87,744	0
19A-661	Higher Education	Student Financial Assistance	Eliminates funding for the Early Start Program administered by the LA Office of Student Financial Assistance. The Early Start Program provides tuition assistance to eligible 11th and 12th grade students from public high schools that enroll in eligible college courses for dual credit at an eligible public or private college or university. Students must meet general eligibility requirements as well as course requirements to enroll in college level, degree credit courses, enrichment/developmental courses or workskills/technical courses. This adjustment eliminates all funding for the Early Start Program. In the Fall 2011 term, 11,093 students participated in Early Start, earning 32,569 credit hours.	-$5,500,000	-$5,500,000	0
19A-671	Higher Education	Board of Regents	Non-recurring SGF provided to the Board of Regents for operation and maintenance of the LA Library Network (LOUIS). The Board of Regents will pass this reduction on to campuses participating in LOUIS. Campuses that cannot afford the additional fees will drop out of LOUIS and the LOUIS fees for the remaining campus fees will increase.	-$500,000	-$500,000	0
19A-671	Higher Education	Board of Regents	Eliminates all state funding provided to the Board of Regents for the LA Endowment for the Humanities. LA Endowment for the Humanities programs affected by the budget reduction include the LA Cultural Vistas Magazine and KnowLA: The Digital Encyclopedia of LA History & Culture. With this reduction, the LA Endowment for the Humanities will eliminate funding for these 2 programs.	-$500,000	-$500,000	0
19A-671	Higher Education	Board of Regents	Reduces SGF funding to higher education due to lower REC forecast adopted on 4/24/2012 (-$50 M) and the annualization of FY 12 mid-year reductions (-$50 M).	-$100,000,000	-$100,000,000	0
			Major Reductions for Higher Education	**-$108,925,000**	**-$129,441,477**	**0**
19B-653	Special Schools & Comm.	LA Schools for the Deaf & Visually Impaired	Reduces SGF in the Administration & Shared Services Program due to 8(g) Academic/Vocational Grant match not being utilized in FY 13. The LA Schools for the Deaf & Visually Impaired (LSDVI) are not required to provide state match funds for the 8(g) Academic/Vocational Grant.	-$92,500	-$92,500	0
19B-657	Special Schools & Comm.	LA School for Math, Science, & the Arts	Reduces IAT funding from the Minimum Foundation Program (MFP) based on the LA School for Math, Science & the Arts student count. Though traditionally, the LA special schools have not been a part of the MFP, by Act 656 of 2010, the LSDVI became part of the MFP formula starting in FY 12.	$0	-$47,695	0
19B-662	Special Schools & Comm.	LA Educational Television Authority	Non-recurring SGF funding in the Broadcasting Program as a result of completed LEAF payments.	-$299,973	-$299,973	0
			Major Reductions for Special Schools & Comm.	**-$392,473**	**-$440,168**	**0**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19 -678	Elem. & Secondary Educ.	State Activities	Annualization of FY 12 mid-year reductions. The State Activities agency reduced $75,000 from supplies and $164,168 from personal services contracts based on anticipated utilization. These reductions will not affect services in FY 13.	-$239,168	-$239,168	0
19 -678	Elem. & Secondary Educ.	State Activities	The Department of Education reduced funding from the following: both Table of Organization positions (41) and non-Table of Organization positions (10) and associated funding, personal services, other compensation, travel, professional services, other charges and supplies. The following reductions were made: Executive $389,980 and 3 positions; OMF $342,634 and 6 positions; Departmental Support $2,454,448 and 15 positions; Innovation Program $1,531,463 and 2 positions; and Student Centered Goal Office $2,697,475 and 15 positions. As of 6/22/2012 the State Activities agency had 69 vacancies.	-$7,416,000	-$7,416,000	-41
19 -678	Elem. & Secondary Educ.	State Activities	Annualization of Executive Order BJ 2011-12 Hiring Freeze. The State Activities agency had a FY 12 mid-year savings of $180,000 SGF from freezing 6 vacant positions. The annualization of this mid-year reduction includes a reduction of $272,626 in IAT and $113,374 in Federal funds associated with these positions. As of 6/22/2012 the State Activities agency had 69 vacancies.	-$180,000	-$566,000	-6
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Non-recurring federal budget authority for the following: Title I, Part A ARRA - $74,522,676; Title II Part D Enhancing Education through Technology $6,000,000; Individuals with Disability Education Act (IDEA) Preschool, Section 619 ARRA $4,780,141; IDEA Part B Section 611 ARRA $108,607,822; and the Homeless Children & Youth ARRA $662,622. The districts had until September 2011 to make expenditures related to their ARRA awards.	$0	-$194,573,261	0
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Annualization of FY 12 mid-year reductions. This reduction is a result of fewer educators participating in the Professional Improvement Program (PIP). The PIP budget for FY 13 is $9,108,007 with 5,657 participants down from approximately 6,400.	-$400,000	-$400,000	0
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Reduces Statutory Dedications funding from the Education Excellence Fund based on Revenue Estimating Conference projections. The source of the Education Excellence Fund is from one-third of the Millenium Trust funds received as a result of the Master Settlement Agreement.	$0	-$5,808,756	0
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Annualization of FY 12 mid-year reduction in the School Choice Pilot Program funding. The funding was reduced to a level of anticipated utilization for the remainder of the fiscal year. The budget for the program was $405,000 in FY 12. There are 40 students that previously attended public schools and 146 students that previously attended private schools participating in the program in FY 12.	-$245,000	-$245,000	0
19 -682	Elem. & Secondary Educ.	Recovery School District	Savings generated from the inclusion of the Recovery Service District into the state risk pool for insurance.	-$7,287,471	-$7,287,471	0
19 -697	Elem. & Secondary Educ.	Non-public Education Assistance	Annualization of FY 12 mid-year reductions. The funding for the textbook program was reduced to a level of anticipated utilization for the remainder of the fiscal year. The total budget for FY 13 is $3,031,805.	-$116,000	-$116,000	0
19 -699	Elem. & Secondary Educ.	Special School Districts	Annualization of Executive Order BJ 2011-12 Hiring Freeze (-$129,429 SGF and -$33,137 IAT) resulting in the elimination of 2 vacant positions. As of 6/22/2012 the Special School District agency had 24 vacancies.	-$129,429	-$162,566	-2
			Major Reductions for Elem. & Secondary Educ.	**-$16,013,068**	**-$216,814,222**	**-49**

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19E-610	LSU Health Care Services Division	LSU HSC-HCSD	Net reduction in IAT funding from the DHH associated with Supplemental Medicaid Upper Payment Limit (UPL) payments due to the implementation of Bayou Health at E. A. Conway (EAC). In FY 12, $42.3 M in UPL payments were funneled through EAC to the HCSD hospitals in order to offset the loss of Disproportional Share Hospital (DSH) payments as a result of the Federal DSH audit rule implemented in LA in 2010. This adjustment reduces UPL payments to state hospitals because Bayou Health will allow LA citizens enrolled in Medicaid and LaCHIP to receive health care services from the following 5 statewide health plans available through Bayou Health: Amerigroup, Community Health Solutions, LaCare, LA Healthcare Connections, and United Healthcare Community Plan. The following corresponding IAT adjustments are being implemented at each hospital: Medical Center of LA-NO ($13,342,067) E.K. Long $2,214,458 University Medical $886,170 W.O. Moss ($2,518,184) Lallie Kemp ($1,457,079) Washington-St. Tammany $1,350,451 L.J. Chabert $894,900 Total ($11,971,351)	$0	-$11,971,351	0
19E-610	LSU Health Care Services Division	LSU HSC-HCSD	Hospital-wide T.O. reduction based on mid-year reduction plan submitted by LSU on 1/13/2012. Of the positions reduced in FY 12, 276 were from reductions in the base budget made during the budgetary process, and only a reduction of an additional 324 positions is needed to annualize the number of position reductions at HCSD from its mid-year reduction plan in FY 12. As such, the 600 reduction in FY 13 reduces 276 more positions than the annualized amount. LSU and the Office of Planning & Budget (OPB) will determine any adjustments as needed during the budgetary process. In addition, all funding tied to the 600 positions was reduced from HCSD's base budget in FY 12 ($62,456,690); therefore, no funding has been reduced in FY 13. Reductions by program/hospital are below. Administration (13) Medical Center of LA-NO (195) E.K. Long (99) University Medical (89) W.O. Moss (40) Lallie Kemp (21) Washington-St. Tammany (77) L.J. Chabert (66)	$0	$0	-600
			Major Reductions for LSU Health Care Services Division	**$0**	**-$11,971,351**	**-600**
20 -452	Other Requirements	Local Housing of State Juvenile Offenders	Reduces funding to Local Housing of Juvenile Offenders through the annualization of FY 12 mid-year reductions ($500,000) and through reduced census counts ($704,000) for payments to non-state facilities for youth adjudicated to the Office of Juvenile Justice. There is a decrease in the number of juveniles being housed in local facilities. Since the beginning of FY 12, the average daily census has decreased from 227 in July 2011 to 212 in November 2011. The cost per day to house juveniles in local facilities is $106.70 for youth pending secure care and $24.39 for youth pending nonsecure care.	-$1,204,000	-$1,204,000	0
20 -901	Other Requirements	State Sales Tax Dedications	Reduces Statutory Dedications funding in various local funds to more closely match anticipated revenue. The funds consist of revenue generated from local hotel/motel sales tax. The specific reductions are for Claiborne Parish Tourism Economic Development Fund, which is inactive ($10,000), Shreveport-Bossier Convention & Tourist Bureau ($200,000), Iberville Parish Visitor Enterprise Fund ($300,000), and St. Mary Parish Visitor Enterprise Fund ($485,000).	$0	-$995,000	0

Major Reductions Analyst in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 -933	Other Requirements	Governor's Conference & Interstate Compacts	Annualization of the FY 12 mid-year deficit reduction plan that reduced the Governor's Conference & Interstate Compacts budget by $40,000 SGF ($15,431 - Executive Order and $24,569 - JLCB) for dues associated with the Southern Governor's Association (SGA). The FY 12 dues are $40,000, which will not be paid in FY 12 due to this SGF reduction. Although LA is not paying SGA dues in FY 12, SGA will allow LA to remain a member, but will not allow any leadership opportunities within the organization.	-$40,000	-$40,000	0
20 -945	Other Requirements	State Aid to Local Govt. Entities	Non-recurring Statutory Dedications funding from the Evangeline Parish Recreational District Support Fund which is inactive.	$0	-$237,500	0
20 -950	Other Requirements	Special Acts/Judgments	Net reduction of one-time Statutory Dedications funding from the Overcollections Fund for judgments.	$0	-$3,097,713	0
			Major Reductions for Other Requirements	**-$1,244,000**	**-$5,574,213**	**0**
			Major Reductions of FY 2013	**-$336,995,752**	**-$1,437,941,069**	**-2,765**

Section III

BUDGETARY OVERVIEWS

2012 Regular Legislative Session – Major Money Bills

Act 13 (General Appropriations Bill), Act 597 (Funds Bill), Act 53 (Supplemental Appropriations Bill) and Act 23 (Capital Outlay Bill) all played a role in crafting the FY 13 operating budget and the remaining FY 12 budget. Act 597 transfers approximately $379.1 M of various resources for utilization in the FY 13 budget of which $147.6 M is transferred to FY 12 and $231.4 M is transferred in FY 13. In addition, Act 23 rescinds approximately $58.6 M of prior-year capital outlay projects, which "frees-up" these SGF funding resources for the FY 13 operating budget. Due to these various fund transfers, the total amount of SGF resources appropriated for FY 13 exceeds the amount of FY 13 SGF resources projected to be collected. The adopted SGF revenue forecast is $8.1 B, while the total amount of SGF resources that have been made available for FY 13 appropriated is $8.3 B.

Below is a chart that summarizes the results of these various legislative measures for FY 13 and also attached are 5 flow charts that depict the additional resources utilized in the FY 13 operating budget and how these resources have been made available for FY 13 expenditure.

FY 13 SGF Available (in millions):	
State General Fund (4/24/2012 - REC)	$8,103.000
LA Tourism Promotion District (Act 597)	$2.800
FEMA Transfers (Act 597)	$10.000
Self-Insurance Fund (Act 597)	$56.000
LA Housing Finance Agency (Act 597)	$11.000
Coastal Protection & Restoration Fund (Act 597)	$20.104
Excess proceeds from sale of NOAH (Act 597)	$10.000
Consumer Enforcement Escrow Fund (Act 597)	$7.000
Rescinded SGF Capital Outlay Projects (Act 23)	$38.539
FY 12 Bond Premium	*$68.165**
Total FY 13 SGF Resources available	**$8,326.608**
Total FY 13 SGF Appropriated Expenditures (in millions):	
Debt Service (Non-Appropriated Requirements)	*$303.704***
Interim Emergency Board (Non-Appropriated Requirements)	*$21.842***
Revenue Sharing (Non-Appropriated Requirements)	*$90.000***
General Appropriations (Act 13)	*$7,731.909*
Ancillary Appropriations (Act 43)	$0
Judicial Appropriations (Act 63)	$142.862
Legislative Appropriations (Act 73)	$69.264
Capital Outlay Appropriation (Act 23)	$1.300
Total FY 13 SGF Appropriations	**$8,360.882**
LESS: Remaining OGB Preamble Reduction	*($10.254)****
LESS: Remaining SGF Preamble Reduction	*($8.372)****
FY 13 SGF Revenue Less FY 13 SGF Appropriations	***($15.648)*******

**One of the major funding resources supporting the FY 13 budget is a $68,164,515 bond premium received at the end of FY 12. In the August 2012 Joint Legislative Committee on the Budget (JLCB) meeting, the DOA "nets" this revenue against the FY 13 debt service payment. Thus, the debt service payment presented to the committee is approximately $235 M as opposed to the actual projected FY 13 payment amount of $303.704 M.*

***Non-Appropriated Requirements consist of general obligation bond debt service payments ($303.704 M), Interim Emergency Board allocation ($21.842 M) and Revenue Sharing ($90 M). The*

IEB allocation presented above is the projected FY 13 amount. The official FY 13 allocation will not be available until October 2012 when the FY 12 SGF actual receipts are known. Article VII, Section 7(C.) determines the amount allocated for IEB to be one-tenth of 1% of total state revenue receipts for the previous fiscal year.

At the August 2012 Joint Legislative Committee on the Budget (JLCB) meeting, the DOA presented an IEB allocation of $4.6 M, which represents the 3-year average for IEB as opposed the constitutional allocation for FY 13 that is projected to be $21.842 M in FY 13. The illustration above incorporates the entire constitutional IEB allocation of $21.8 M.

Also, the LFO budget tables presented within this document include the DOA IEB amount of $4.652 M and not the $21.842 M constitutional allocation, which is presented on the previous page.

****Act 13 included SGF preamble reductions in the total amount $37 M of which the Division of Administration (DOA) has only implemented approximately $18.4 M. For more explanation of the preamble reduction, see paragraph below.*

*****The chart on the previous page is an FY 13 SGF illustration that assumes all constitutionally allocated IEB resources will be completely expended in FY 13. To the extent the legislature does not approve IEB requests in excess of $4.6 M, the FY 13 SGF Revenue Less FY 13 SGF Appropriations would total approximately $5 M as opposed to a negative $15.6 M. For its SGF fiscal status statement that is presented monthly to the Joint Legislative Committee on the Budget (JLCB), the DOA only allocates the 3-year average for IEB, which is $4.6 M as opposed to the constitutional allocation (Article VII, Section 7(C.)), which is currently projected to be $21.842 M.*

Preamble Budgetary Reduction Authorizations

Included within Act 13 are 2 preamble budgetary reduction authorizations that reduce a total of $37 M in SGF. The SGF reductions are associated with $22 M in SGF savings for the Office of Group Benefits (OGB) annual premium rate decrease and $15 M in SGF overall general budget reductions. The language within the legislation states as follows:

> *Section 18 D. The commissioner of administration is hereby authorized and directed to reduce the State General Fund (Direct) appropriations contained in each department and budget unit contained in this Act and the Ancillary Appropriations Act for the office of group benefits for annual premium rate decreases to achieve a State General Fund (Direct) savings of not less than $22 M.*
>
> *Section 18 F. The commissioner of administration is hereby authorized and directed to reduce the State General Fund (Direct) appropriations contained in each department and budget unit contained in this Act in order to achieve a State General Fund (Direct) savings of not less than $15 M. The commissioner of administration is also authorized and directed to adjust other means of financing associated with such reductions.*

The FY 13 Appropriation Letters, which are the starting point of the fiscal year for each state agency, does not include the total reductions directed by the legislature to the commissioner of administration to reduce $37 M in SGF. Based upon the appropriation letters, the commissioner of administration has only reduced $11.7 M in SGF relative to the OGB reduction and only $6.6 M (via Governor Vetoes) relative to the $15 M in SGF reduction. Thus, there is approximately $18.6 M in SGF that the legislature authorized and directed the commissioner of administration to reduce that has not yet occurred.

FY 12 Resources Ultimately Being Utilized in FY 13

Of the approximately $296 M of various SGF transfers/capital outlay resources, approximately $155.4 M of FY 13 resources are being transferred into the SGF for expenditure in FY 13 *(see above)* and approximately $141.5 M of FY 12 resources are being transferred into the SGF, which ultimately "frees-up" statutory dedicated resources being utilized in FY 13 *(see attached flow chart)*. Of the $141.5 M in FY 12 resource transfers, approximately $138.8 M of these resources were utilized in Act 53 (FY 12 Supplemental Appropriations Bill). These SGF resources are being budgeted in FY 12 to "free-up" a like amount of LA Medical Assistance Trust Fund (MATF) resources, which are being appropriated in FY 13.

These FY 12 SGF transfers previously described are from the following sources:

$3.7 M	Adult Probation & Parole Officer Retirement Fund
$0.864 M	Academic Improvement Fund
$78.348 M	Go Zone Repayments, by local entities
$27.529 M	Various funds sweeps
$27.25 M	Various legal settlements
$3.831 M	SGR transferred from the Department of Revenue
$141.5 M	**TOTAL**

Other Resources Transferred Into Statutorily Dedicated Funds for FY 13 Expenditure

In addition to the $138.8 M of MATF "freed-up" for FY 13 expenditure, Act 597 transfers approximately (at a minimum) $79.5 M of various resources into the LA Medical Assistance Trust Fund for FY 13 expenditure.

These resources include:

$22 M	Additional receipts from legal settlements
$20 M	Morial Convention Center, revenues
$25.9 M	Go Zone Bond repayments, from local entities
$11.6 M	Various fund balance transfers
$79.5 M	**TOTAL**

Note: *Act 597 further authorizes the state treasurer to transfer the proceeds from any additional settlements in any other suit involving Average Wholesale Price (AWP) other than the ones provided by name in the law to the LA Medical Assistance Trust Fund (MATF). The Division of Administration (DOA) is projecting $22 M. However, depending upon legal settlements, this amount could be greater. Thus, the amount of resources transferred into the MATF is at a minimum $79.5 M, with the potential to be higher.*

Act 597 also transfers approximately $41.1 M (at a minimum) into the Overcollections Fund for FY 13 expenditure.

These resources include:

$35 M	Sale proceeds from NOAH
$6.1 M	Go Zone Bond repayments
$41.1 M	**TOTAL**

Note: *Act 597 further authorizes for the state treasurer to transfer the proceeds from the sale of the former DOI parking site, excess receipts from FEMA over $10 M and excess receipts from property insurance recovery in the Self-Insurance Fund over $56 M. Thus, at a minimum the amount of resources transferred into the Overcollections Fund is $41.1 M with the potential to be higher.*

Summary of Resources (other than SGF) in the FY 13 Operating Budget

Below is a listing of the major resources utilized in FY 13 to prevent further FY 13 SGF reductions. These resources were transferred by Act 597. The total major resources utilized equate to approximately $397.1 M. The specific resources are as follows:

- $18 M (Title 22 Change – LA Medical Assistance Trust Fund) – Act 597 provides for any premium taxes collected from Medicaid enrolled managed care organizations to be deposited into the LA Medical Assistance Trust Fund (MATF). Currently, R.S. 22:842 imposes a tax on premiums written (collected) related to life, accident, and health insurance (2.25% of premiums). 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 (22:842) for Medicaid Managed Care. Based upon the current premiums paid by DHH to the Medicaid Managed Care HMOs, a 2.25% tax would equate to approximately $18 M in tax revenue collections in FY 13. According to DOI, these taxes are historically collected on a quarterly basis a year after incurred. Absent this legislation, these tax receipts would flow into the SGF and not the MATF.

- $110,385,578 Go Zone Bond Repayments (SGF/MATF/Overcollections Fund) – Act 597 provides for the transfer of all loan repayments received from political subdivisions into the SGF, the MATF or the Overcollections Fund in the amount of $110,385,578. Absent this legislation, the $110.4 M of payments would otherwise flow into the SGF. $78,348,303 is being transferred into the SGF, $25,978,881 is being transferred into the MATF and $6,058,394 is being transferred into the Overcollections Fund. Act 41 of the 2006 First Extraordinary Legislative Session authorized the state to issue state general obligation bonds pursuant to the Gulf Opportunity Zone Act of 2005 (Go Zone), which provided debt relief to various political subdivisions. The provision of the congressional act provided for $200 M in gulf tax credit bonds with a state match of $200 M (General Obligation Bonds). There are 13 political subdivisions that owe the DOA a total of approximately $408 M in principal and $157.9 M in interest ($575.4 M). Each of the 13 political subdivisions signed cooperative endeavor agreements (CEA) with the DOA, with the first interest payment being due January 2012 and the last payments being in the year 2027. To date, the DOA has collected approximately $82.1 M in payments, which includes $79.7 M from the New Orleans School Board (paid entire debt in full) and the remaining is interest payments paid from other local entities.

- $27,528,709 Various Fund Transfers (SGF) – Act 597 provides for the transfer of $27,528,709 into the SGF from over 34 funds with fund transfers ranging from $13 to $10 M. A complete listing of those resources is contained in the attached flow charts.

- $27.25 M Average Wholesale Price (AWP) Legal Settlement (SGF/MATF) – Act 597 provides for $27.25 M of legal settlement proceeds (6 different cases settled) to be transferred into the SGF. The specific settlements are from the following companies: Dey Pharma - $3 M, Boehringer - $3.25 M, Actavis, Inc. - $4 M, Schering Plough - $5 M, GlaxoSmithKline - $10 M, and Purdue - $2 M. Absent this legislation, approximately $4.8 M of the $27.25 M of settlement funds would have been deposited into the DOJ Legal Support Fund, approximately $150,000 would have been deposited into the Medical Assistance Programs Fraud Detection Fund, and $22.3 M would have been classified as SGR within DHH's budget. The lawsuits accused these pharmaceutical firms of defrauding the LA Medicaid Program with dishonest pricing schemes. All of these fund transfers are effective upon the governor's signature (FY 12 impact). In addition, Act 597 also provides for the state treasury to transfer the proceeds from any other settlements in any other suit involving AWP other than the ones listed in the bill into the MATF. According to the DOA, there is approximately $22 M currently appropriated from these additional anticipated settlements in Act 13 for FY 13 expenditure. To date, the DOJ anticipates receiving a minimum of $70.25 M ($27.25 M + $43 M = $70.25 M) in settlement proceeds of which $27.25 M is associated with the 6 settlements listed above and $22 M is anticipated legal settlement proceeds. _Note: The anticipated $22 M included within the FY 13 budget is a portion of the total additional settlements of $43 M of which $27.3 M is state only anticipated proceeds of these settlements_***. The FY 13 budget appropriates $22 M of the $27.3 M of anticipated additional legal settlement resources***.

- $3,831,168 Excess SGR collections from the Department of Revenue (SGF) – Act 597 provides for the transfer of $3,831,168 of excess SGR collections within the Department of Revenue to be transferred into the SGF.

- $20 M Ernest Morial New Orleans Exhibition Hall Authority (MATF) – Act 597 provides for the Ernest Morial New Orleans Exhibition Hall Authority to transfer $20 M to the MATF. This authority is a political subdivision of the state created by Act 305 of 1978. According to the latest audit available (5/23/2011), as of December 2010, the authority had approximately $106.2 M in cash assets and $43.8 M in investments. However, according to the Ernest Morial New Orleans Exhibition Hall Authority, this fund balance is an accounting mechanism that does not reflect an unobligated amount. According to the authority, the current financial obligations in 2012 include: 1) $20 M property insurance deductible; 2) $18.6 M debt service payments in 2012; 3) Portion of "The Great Hall Project," which is $54 M internally financed; and 4) Annual capital improvement program of $10 M. Included within Act 23 is a capital outlay appropriation in the amount of $20 M ($10 M in Priority 2 funding and $10 M in Priority 5 funding). For FY 13, the state will essentially be utilizing the cash of the political subdivision in exchange for general obligation bond debt issuance in the capital outlay bill.

- $11,565,432 Various Fund Transfers (MATF) - This bill provides for the transfer of $11,565,432 from 10 various funds, ranging from approximately $21,000 to approximately $2.3 M, into the MATF. A complete listing of these resources is included in the attached flow charts.

- $35 M Sale Proceeds from NOAH (Overcollections Fund) – Act 597 provides for the proceeds from the sale of New Orleans Adolescent Hospital (NOAH) to be transferred into the Overcollections Fund. These proceeds are being utilized in the FY 13 budget of LSU HCSD by increasing the agency's statutory dedications and decreasing SGF in a like amount. Absent this legislation, the proceeds from this sale would have been deposited into the SGF. In addition, Act 597 provides for excess receipts of the sale over $35 M to be deposited into the SGF. The Division of Administration (DOA) anticipates the sale of this hospital to generate approximately $45 M. The excess $10 M is included in the FY 13 budget, which is to be transferred into SGF.

- Former DOI Building Site - $??? Million (Overcollections Fund): Act 597 provides for the 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 (Act 597) assumed approximately $5 M generated from this sale.

- $10 M FEMA Reimbursements (SGF) – Act 597 provides for the transfer of $10 M in FEMA reimbursements to the SGF. According to GOHSEP, the anticipated FEMA reimbursements are associated with direct administrative costs (force account labor) that FEMA previously did not allow reimbursement for Gustav and Ike project worksheets (PWs). Force account labor is the administrative services of the state professional staff working directly with the hurricane recovery project. Because direct administrative cost of a PW typically involves state employees doing their normal day-to-day operations, which are currently funded in Act 13, these reimbursements may not be necessary to reimburse the state agency for its costs. Thus, Act 597 seeks to transfer these receipts to the SGF in the amount of $10 M. From this point forward, any PW completed by state agencies will now have its direct administrative costs reimbursed by FEMA. However, this will require all state agencies to properly maintain current records and may require training from GOHSEP. To the extent state agencies do not properly track their direct PW time, the state will not receive any reimbursements for direct administrative costs from this point forward. In addition, the proposed legislation provides for any excess FEMA reimbursements be deposited into the Overcollections Fund.

- $56 M Self-Insurance Fund (SGF) – The $56 M transfer is from Risk Management's Self Insurance Fund to the SGF. According to Risk Management (ORM), the $56 M is anticipated excess insurance proceeds to be received in FY 13 from Katrina/Rita insurance claims by the state. ORM has been in negotiations with these insurance carriers for the past 6 years for claims payments not yet received. ORM anticipates these carriers making a "good faith effort" to pay some of the proceeds in FY 13. Thus, the $56 M has yet to be received. To the extent the state were to receive an amount in excess of $56 M, these proceeds would be deposited into the Overcollections Fund.

- $11 M LA Housing Finance Agency (SGF) – Act 597 provides for the LHFA (or the newly created LA Housing Corporation) to transfer $11 M to the SGF.

- $2.8 M LA Tourism Promotion Board (SGF) – Act 597 provides for the transfer of $2.8 M from the LA Tourism Promotion District to the SGF. Act 1038 of 1990 created the LA Tourism Promotion District (LTPD) 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. According to the latest adopted revenue forecast, the promotion district is anticipated to collect approximately $23.3 M in FY 13.

- $20,104,310 Coastal Protection & Restoration Fund (SGF) – Act 597 provides for the transfer of $20,104,310 of non-recurring SGF from previous capital outlay projects originally appropriated in various Acts from 1999 to 2010 into the Coastal Protection & Restoration Fund. Act 597 also provides for the transfer of $20,104,310 from the Coastal Protection & Restoration Fund into the SGF. This $20,104,310 resource transfer is a portion of the $58,643,780 of SGF rescinded capital outlay resources utilized in the FY 13 operating budget *(see attached flow charts)*.

- $7 M Consumer Enforcement Escrow Fund (SGF) – This bill provides for the transfer of $7 M from the Consumer Enforcement Escrow Fund to the SGF.

- $4,586,491 Adult Probation & Parole Officer Retirement Fund/Academic Improvement Fund (SGF) – Act 597 provides for the transfer of $864,176 from the Academic Improvement Fund to the SGF. Act 597 provides for the transfer of $3,722,315 from the Adult Probation & Parole Officer Retirement Fund to the SGF.

Capital Outlay Resources Utilized in FY 13 Operating Budget - $58,643,780

Overall, there is $58,643,780 of SGF capital outlay resources that have been re-appropriated in the FY 13 operating budget. These resources are broken down into $38,232,698 of non-recurring SGF projects and $20,411,082 of SGF projects *(see attached flow chart).* These numbers represent excess funding from completed or ongoing projects. Below is the step-by-step process by which these resources will now be utilized in the FY 13 operating budget.

- **Step 1** – Act 23 swaps $58,643,780 of previously appropriated capital outlay projects of which $38,232,698 is non-recurring SGF projects and $20,411,082 are recurring SGF (Direct) projects.

- **Step 2** – Of the $38,232,698 non-recurring SGF projects, $20,104,310 is deposited into the Coastal Protection & Restoration Fund via Act 597.

- **Step 3** – Act 597 then transfers the same amount, $20,104,310, from the Coastal Protection & Restoration Fund to the SGF for FY 13 expenditure.

- **Step 4** – Of the $38,232,698 non-recurring SGF projects, $18,128,388 of non-recurring SGF resources is being "swapped" for recurring SGF resources of other currently appropriated capital outlay projects. This budgetary mechanism in Act 23 "frees-up" $18.1 M of recurring SGF resources for FY 13 expenditure.

- **Step 5** – According to the DOA, all of the $20,411,082 of recurring SGF projects have been replaced with Priority 5 funding in Act 23, except for approximately $880,000. This allows for $20,411,082 of prior-year SGF appropriated capital outlay resources to be utilized in the FY 13 operating budget.

- **Conclusion** – Thus, the net result of these capital outlay projects is $58,643,780 of previously appropriated SGF resources is now being utilized in the FY 13 operating budget. To the extent these resources are completely expended in FY 13, these resources may have to be replaced with another means of financing in future fiscal years.

Non-Recurring SGF

Pursuant to Article VII, Section 10(D), any money designated in the official forecast as nonrecurring shall be made for the following 6 purposes:

- Defeasance of bonds in advance or in addition to the existing amortization requirements of the state;

- Payments against the unfunded accrued liability (UAL) of the public retirement systems, which are in addition to any payments required for the annual amortization of the UAL;

- Funding for capital outlay projects;

- Allocation to the Budget Stabilization Fund;

- Allocation to the Coastal Protection & Restoration Fund;

- Providing for new highway construction for which federal matching funds are available.

Flow Chart of Resources Utilized in FY 13 as SGF Equivalent

Coastal Protection & Restoration Fund

$20,104,310

(Via Capital Outlay)

Dept. of Revenue (SGR)

$3,831,168

Go Zone Bond Repayments

$78,348,303

Legal Settlements

$27.25 M

Self-Insurance Fund (ORM)

$56 M

State General Fund

FY 12 SGF Transfer	$141,544,671
FY 13 SGF Transfer	$116,904,310
Total SGF Transfer	$258,448,981

Note: $138.8 M is being utilized in FY 12 to" free-up" like amount of MATF.

Excess NOAH Sale

$10 M

LA Housing Finance Agency

$11 M

FEMA Reimbursements

$10 M

Various Other Funds

$240	Algiers Economic Development Foundation Fund
$41,366	Automobile Theft & Insurance Prevention Authority Fund
$1,198	Beautification Project for New Orleans Neighborhoods Fund
$7,689	Bossier Parish Truancy Program Fund
$1,760	Casino Gaming Proceeds Fund
$243,326	Concealed Handgun Permit Fund
$202,373	DOJ Debt Collection Fund
$436,812	DOJ Legal Support Fund
$58,240	Entertainment Promotion & Marketing Fund
$2,164,131	Environmental Trust Fund
$95,326	FEMA Reimbursement Fund
$1,240	Friends of NORD Fund
$330	Greater New Orleans Sports Foundation Fund
$312	Higher Education Initiatives Fund
$50,000	Incentive Fund
$10,000,000	Legislative Capitol Technology Enhancement Fund
$1,415	Litter Abatement & Education Fund
$3,752	LAFA Fund
$8,158,250	LA Economic Development Fund
$183,949	LA Filmmakers Grant Fund
$4,132	LA Highway Safety Fund
$3,400,000	Mega Project Development Fund
$17,634	Mineral & Energy Operation Fund
$1,295	New Orleans Urban Tourism & Hospitality Training in Economic Dev.
$563,330	Oil & Gas Regulatory Fund
$1,000,000	Penalty & Interest Account
$4,025	Right to Know Fund
$145,660	Small Business Surety Bonding Fund
$13	Teacher Educational Aid for Children Fund
$3,604	Tobacco Control Special Fund
$690,000	2% Fire Insurance Fund
$22,920	Underground Damages Prevention Fund
$1,245	UNO Slidell Technology Park Fund
$23,142	Variable Earnings Transaction Fund
$27,528,709	**TOTAL**

LA Tourism Promotion District

$2.8 M

Consumer Enforcement Escrow

$7 M

Academic Improvement Fund

$864,176

Adult Probation & Parole Officer Fund

$3,722,315

LA Medical Assistance Trust Fund (MATF)

Go Zone Bond Repayments

$25,978,881

Ernest Morial New Orleans Exhibition Hall

$20 M

Legal Settlements

$22 M

LA Medical Assistance Trust Fund

$344,754,959 – Act 13

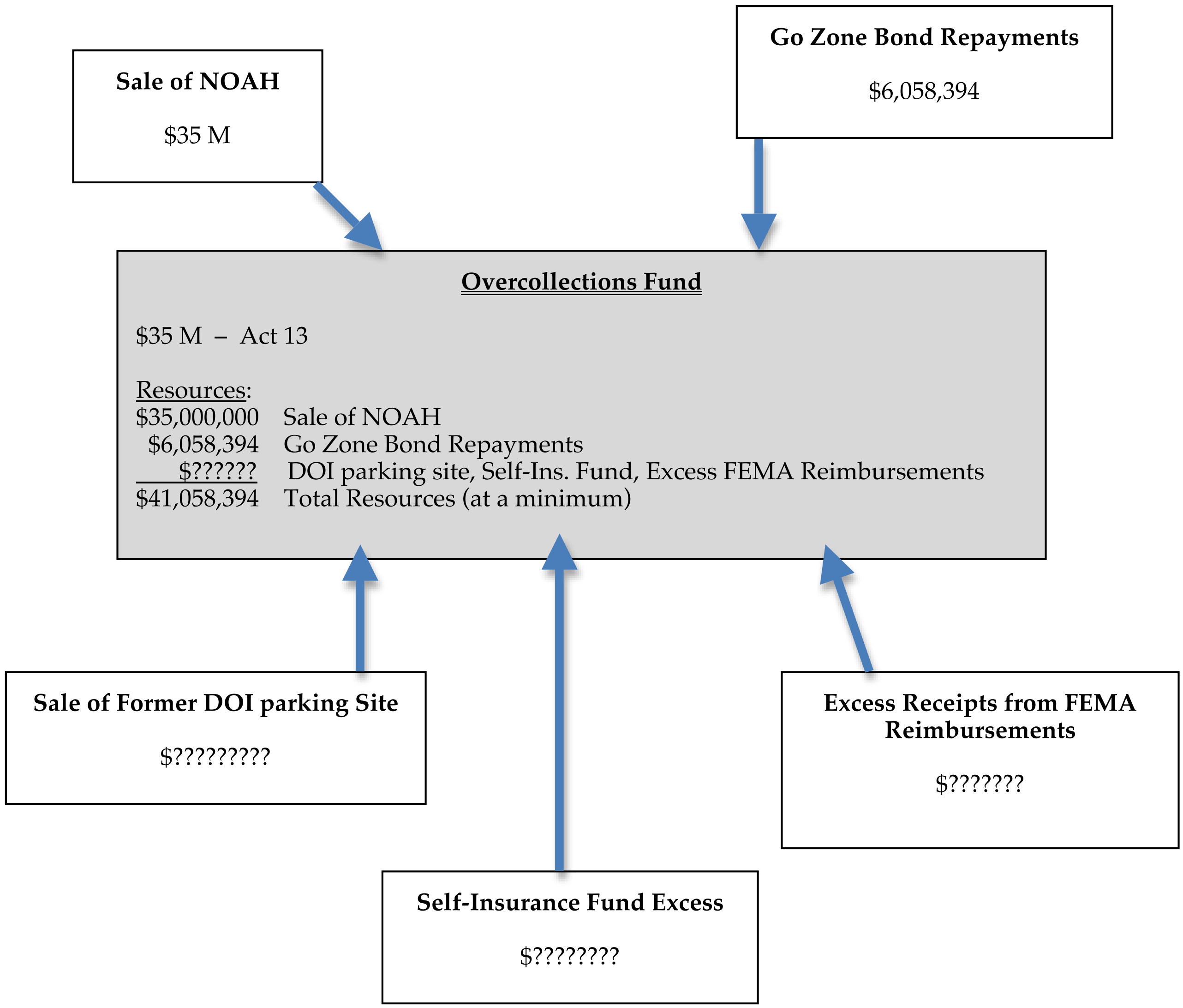
Resources:

$108,412,206	Adopted Forecast
$18,000,000	Title 22 Change (Act 597)
$79,544,313	**Funds Bill (Act 597)**
$138,798,440	Supplemental Bill (Act 53)
$344,754,959	Total FY 13 MATF Resources
$0	Current FY 13 Surplus/Shortfall in MATF

	Various Fund Transfers:
$96,743	DOI Administrative Fund
$3,950,000	Incentive Fund
$759,107	LA Fire Marshal Fund
$21,485	LA Help Our Wildlife Fund
$34,288	Motor Carrier Regulation Fund
$2,291,112	OMV Customer Service & Technology Fund
$1,808,462	Riverboat Gaming Enforcement Fund
$119,900	Telephonic Solicitation Fund
$1,724,285	Traumatic Head & Spinal Cord Injury Fund
$760,050	Utility & Carrier Inspection & Supervision Fund
$11,565,432	**TOTAL**

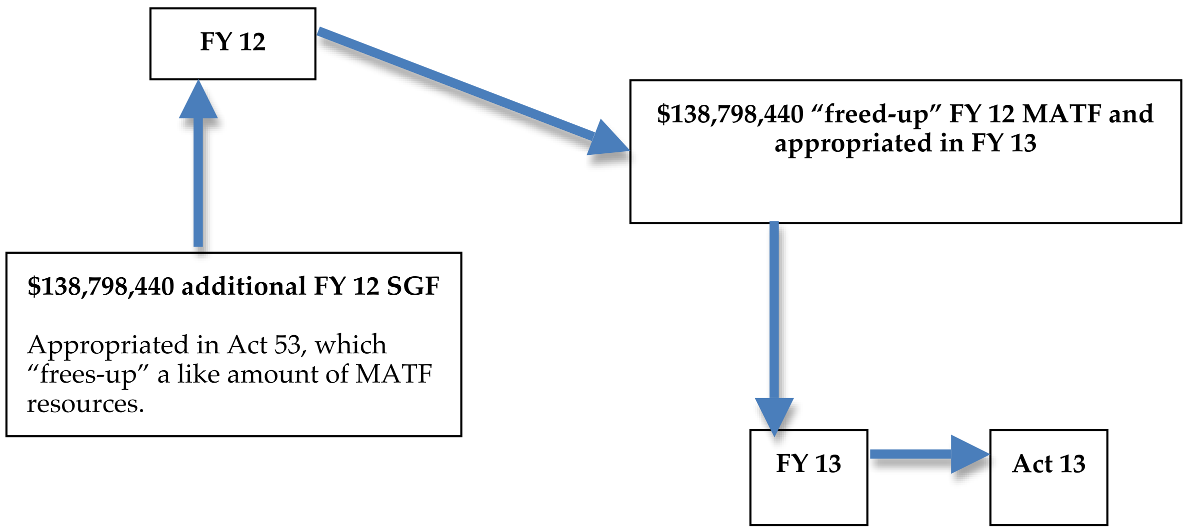
Note: *$138,798,440 of resources transferred into the SGF in Act 597 are being utilized in Act 53 (FY 12 Supplemental Appropriations Bill). These SGF resources are being budgeted in FY 12 to "free-up" a like amount of LA Medical Assistance Trust Fund resources, which are being appropriated in FY 13.*

Overcollections Fund



Note: The items with question marks have not been appropriated within Act 13 for FY 13 expenditure.

FY 12 Supplemental Appropriations Bill "Frees-up" Approximately $138.8 M in MATF Resources to be Utilized in FY 13



Additional SGF Resources that "frees-up" FY 12 MATF to be utilized in FY 13 include:

- $3,722,315 – Adult Probation & Parole Officer Retirement Fund
- $864,176 – Academic Improvement Fund
- $78,348,303 – Go Zone Bond Repayments
- $27,528,709 – Various Fund Sweeps *(see previous chart)*
- $27,250,000 – Average Wholesale Price (AWP) legal settlements
- $3,831,168 – Excess SGR collections within the Department of Revenue

How Capital Outlay Resources are Being Utilized in Act 13

SGF

$18,128,388

"Freed-up" for use in Act 13

Step 4

Capital Outlay (Act 23)

Non-Recurring SGF Projects being swapped for SGF

$18,128,388

Step 4

Previously Appropriated Capital Outlay Projects (Act 23)

SGF (Direct) Projects

$20,411,082

The entire $20.4 M amount, except for $880,000, was replaced with Priority 5 in Act 23.

Step 1

Previously Appropriated Capital Outlay Projects (Act 23)

Non-Recurring SGF Projects

$38,232,698

Step 1

Coastal Protection & Restoration Fund (Act 597)

$20,104,310

Step 2

Step 3

Step 5

Act 13

$58,643,780 of additional SGF resources

Capital Outlay Resources Utilized in Operating Budget

- $20,411,082 – All SGF projects being swapped with Priority 5 funding in Act 23.
- $20,104,310 – Coastal Protection & Restoration Fund transfer into SGF (Act 597), which originated as previously appropriated non-recurring SGF capital outlay projects.
- $18,128,388 – Non-recurring SGF appropriated capital outlay projects that are swapped for SGF (Direct) in Act 23, which in turn "frees-up" $18,128,388 of SGF (Direct) for use in Act 13.

Step 1 – Act 23 swaps $58.6 M of previously appropriated capital outlay projects to be utilized in the operating budget.
- $38.2 M are non-recurring SGF projects.
- $20.4 M are recurring SGF (Direct) projects.

Step 2 – Of the $38.2 M of non-recurring SGF projects, $20.1 M is deposited into the Coastal Protection & Restoration Fund via Act 597.
Step 3 – Act 597 then transfers the same $20.1 M from the Coastal Fund to the SGF for FY 13 expenditure.
Step 4 – Of the $38.2 M of non-recurring SGF projects, $18.1 M of non-recurring SGF resources (Act 23) are "swapped" for recurring SGF resources of other capital outlay projects. This budgetary mechanism "frees-up" $18.1 M of recurring SGF resources for FY 13 expenditure in the operating budget.
Step 5– According to the DOA, all of the $20.4 M of recurring SGF projects are being replaced with Priority 5 funding in Act 23, except for approximately $880,000. This allows for $20.4 M of SGF resources for FY 13 expenditure in the operating budget.

FY 12 Mid-Year Deficit Reduction Plan

After the 12/14/2011 Revenue Estimating Conference (REC) reduced FY 12 revenue forecast by $197.8 M, the Commissioner of Administration notified the Joint Legislative Committee on the Budget (JLCB) of a budget deficit. The Division of Administration (DOA) and JLCB approved the FY 12 Mid-Year Reduction Plan in December 2011, which attempted to solve a $251.3 M in SGF problem (see tables below). A portion of FY 12 mid-year reductions has been annualized in Act 13 for FY 13.

FY 12 SGF Mid-Year Problem

$197.8 M	SGF revenue forecast reduction
$42.6 M	MFP October 2011 child count
$10.9 M	FY 11 ending year SGF deficit
$251.3 M	Total FY 12 SGF deficit problem

$119.3 M was alternatively financed with 3 basic funding sources listed below:

- $66.2 M of tobacco settlement receipts made available by the adoption in October 2011 of the constitutional amendment contained in Act 386 of 2011 (settlement receipts were budgeted in TOPS and the SGF funding was freed up). An off-budget resource was brought on-budget.

- $50.4 M of cost reports in DHH operations were utilized (more federal funds due to LA were budgeted and SGF was freed up). Another off-budget resource was brought on-budget.

- $2.4 M of additional Transportation Trust Funds (TTF) funding was allocated to State Police, which reduced the amount of SGF need in FY 12. The Constitution permits expenditures from TTF to fund traffic operations of State Police. Pursuant to Article VII, Section 27 (B), state generated tax monies from the TTF appropriated for ports, the Parish Transportation Fund, the Statewide Flood Control Program and state police for traffic control purposes shall not exceed 20% annually of the state general tax revenues in the TTF.

$38.2 M of the SGF problem was funded by cutting various statutory dedication appropriations and transferring these funds to the SGF. This prevents reductions to SGF programs at the expense of programs funded by statutorily dedicated funds. The significant statutorily dedicated cuts include: $24.4 M - TTF projects/activities, $3.2 M - Environmental Trust Fund activities, $1.8 M - Rapid Response Fund activities; and numerous other dedicated funds. A total of 56 statutorily dedicated funds were impacted. Essentially, these budget cuts will "force" a fund balance at the end of the fiscal year.

$93.8 M of the SGF problem was resolved by reductions in SGF programs and activities. The significant reductions include:

- $50 M - Higher Education to be allocated by the Board of Regents;

- $13.4 M - DHH (net impact of a $63.9 in M in SGF cut offset by $50.5 M of alternative financing);

- $8 M - DCFS, of which half of this reduction is association with IT maintenance contracts;

- $6.3 M - Corrections from hiring freezes across state institutions;

- $6 M - Youth Services from hiring freezes and operational/contract services reductions;

- $1.5 M - Secretary of State election program;

- $1.3 M - Education from hiring freezes, Professional Improvement Program (PIP) reductions, School Choice Pilot cuts;

- $1.2 M - Agriculture & Forestry from hiring and travel freezes; and

- $1.1 M - CRT from hiring freezes, operational cuts and cuts to local library aid.

Previous Mid-Year Budget Deficits

Since December 2008, the state budget has been subject to mid-year SGF budget deficits every fiscal year (FY 09, FY 10, FY 11 & FY 12). These deficits have been "solved" in various ways from SGF budget reductions, maximizing other means of financing and reducing statutory dedicated funds. Below is table summarizing the SGF reductions/SGF actions incorporated to solve these various mid-year SGF budget deficits. An example of a SGF action could be a means of financing substitution that increases another revenue source and decreases the SGF by a like amount.

Department	BJ 2008-114* (FY 09)	BY 2009-21 (FY 10)	BJ 2010-20 (FY 11)	BJ 2011-25* (FY 12)
01-EXEC	($6,257,189)	($7,740,854)	($6,094,311)	($2,196,294)
03-VETS	($1,454,402)	($637,278)	($350,495)	($228,476)
04-STATE	($4,213,831)	($1,632,209)	($2,430,964)	($1,490,918)
04-JUSTICE	($1,388,370)	($619,232)	($350,000)	($119,000)
04-LT. GOV.	($121,766)	($122,053)	($93,129)	($46,371)
04-TREAS	($116,640)	($46,881)	$0	$0
04-AGRI	($2,732,951)	($1,554,442)	($1,646,031)	($1,183,683)
05-LED	($1,005,750)	($1,714,480)	($1,195,191)	($564,373)
06-CRT	($5,506,033)	($2,188,047)	($1,350,618)	($1,138,189)
07-DOTD	($6,806,761)	($132,296)	$0	$0
08-CORR	($11,032,707)	$0	($5,071,813)	($6,272,005)
08-DPS	($5,840,693)	($2,740,923)	($3,485,973)	($2,351,002)
08-OJJ	($11,744,321)	$0	($4,564,339)	($6,024,629)
09-DHH	($118,070,508)	($108,056,551)	($20,804,466)	($62,627,895)
10-DCFS	($20,445,097)	($14,129,547)	($11,711,646)	($8,000,000)
11-DNR	($1,959,852)	($375,881)	$0	($158,111)
12-REV	($3,393,660)	($1,060,656)	$0	$0
13-DEQ	($1,815,028)	($321,667)	$0	$0
14-WORK	($1,017,500)	($137,514)	($275,000)	$0
17-CIVIL	$0	$0	($152,859)	($174,695)
19-HIED	($55,182,262)	($83,961,506)	($34,745,030)	($116,223,039)
19-SPECIAL	($3,324,982)	($94,116)	($461,981)	($273,425)
19-DOE	($11,146,641)	($15,983,432)	($6,320,266)	($3,481,265)
19-HCSD	$0	($2,454,084)	($5,307,534)	$0
20-OTHER	($20,493,234)	($2,024,315)	($319,900)	($540,000)
21-ANCIL	($1,000,000)	$0	($1,000)	$0
22-NON-APPROP.	($20,000,000)	$0	$0	$0
26-CAP	($500,000)	$0	$0	$0
Statutory Dedicated Funds	***($24,378,056)***	***$0***	***$0***	***($38,186,107)***
Total Mid-Year Deficit	**($340,948,234)**	**($247,727,964)**	**($106,732,546)**	**($251,279,477)**

**Includes Joint Legislative Committee on the Budget (JLCB) approval. The mid-year SGF budget deficits in FY 09 and in FY 12 required executive order action as well as JLCB approval. Thus, the two columns listed above include executive order actions and JLCB actions to solve the SGF budget* *deficit and those two executive order columns do not accurately reflect the specific total SGF reduction actions actually presented within the specific executive orders.*

Budget Stabilization Replenishment Fund

In addition to the various fund transfers within Act 597, this legislative measure also created the Budget Stabilization Replenishment Fund, which provides for the state treasurer to deposit into the fund the difference between the official forecast of revenue available for expenditure in FY 12 adopted on 4/24/2012 and actual collections for revenue available for expenditure in FY 12 not to exceed $204.7 M (see SCR 128 of 2012). The specific amount to be deposited into this fund will not be known until the FY 12 Actuals are completed in October 2012. SCR 128 of 2012 allowed the legislature to utilize $204.7 M from the Budget Stabilization Fund for FY 12 due to the projected revenue shortfall at the 4/24/2012 revenue estimating conference (REC). Should there be more than $204.7 M of FY 12 actual receipts in excess of the 4/24/2012 REC forecast, those additional receipts would be incorporated into the overall FY 12 budget and CAFR balance calculations.

Restore Act

On 6/29/2012, President Obama signed the Moving Ahead for Progress in the 21st Century Act (MAP-21, P.L. 112-141), which provides a 2-year reauthorization of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, P.L. 109-59). The legislation primarily focuses on reauthorization and reform of the federal transportation program, but also includes other significant provisions not related to transportation but with significant impact to Louisiana such as a revision to the disaster-recovery Medicaid matching rate formula and assistance for Gulf Coast restoration. The most significant provisions of the Restore Act are detailed below.

British Petroleum Oil Spill

The federal RESTORE Act dedicates 80% of British Petroleum (BP) penalties paid under the federal Clean Water Act to Gulf coast states to restore coastal ecosystems and rebuild local economies damaged by the 2010 Deepwater Horizon Oil Spill. Thirty-five percent (35%) of the 80% is allocated directly and equally to the 5 Gulf Coast states for expenditure by the state and must be spent in the coastal zone or land, water, or watersheds within 25 miles of the coastal zone. The balance of the 80% is allocated to a federal-state task force that will determine its use, to state entities or task forces based on an impact formula, and to endowments for gulf coast science research and monitoring. The federal-state task force is comprised of 5 governors and 7 federal agencies. Funds would be applied Gulf-wide based on the comprehensive plan, which must be approved by the federal chair and a majority of the governors. The formula is based on the states' proximity to the oil spill, number of shoreline miles oiled, and average population of coastal counties/parishes. State entities must submit this plan to the chairperson of the task force for use of the funds.

The Federal Clean Water Act allows the Environmental Protection Agency (EPA) to collect $1,100 per barrel of oil spilled, or $4,300 per barrel if there is a finding of gross negligence, from any party found responsible for an oil spill in federal waters. Based on the estimated 4.9 M barrels of oil spilled in the Gulf of Mexico, BP could face fines between $5.4 B and $21.1 B.

Transportation Funding – Moving Ahead for Progress in the 21st Century – MAP-21

With regard to the federal transportation program, MAP-21 authorizes funding for 2 full federal fiscal years plus the 3 remaining months of the current fiscal year. The legislation extends the Highway Trust Fund (HTF) and tax collections through FY 16 and guarantees a minimum 95% return to states of HTF contributions. The legislation transfers $18.8 B in general funds into the Highway Trust Fund over the life of the bill with a variety of offsets to cover the transfer. The Congressional Budget Office (CBO) estimates that the Highway Trust Fund's Highway and Transit Accounts will be made whole through FY 15, when they will again face new deficits. The legislation continues the existing 80-20 funding split between highways and transit. The funding for FY 13 is maintained at the current level, or standstill, and increases slightly in FY 14 for inflation (1.1%).

FMAP Decrease

A provision of the federal transportation bill modified the formula related to Louisiana's Disaster Recovery federal matching rate, which resulted in a reduction in federal financial participation for FY 13. The Medicaid budget for Act 13 was initially based on a blended Federal Medical Assistance Percentage (FMAP) of 71.38 %. The blend represents the merger of 2 federal fiscal years, or 69.78% federal match for the first 3 months of the state fiscal year, and 71.92% for the remaining 9 months of the state fiscal year. However, the formula adjustment decreased the Disaster Recovery FMAP from 71.92% to 65.51%, or a blended 66.58% for the FY 13 state fiscal year. This resulted in a loss of over $800 M in federal matching funds after the passage of Act 13.

Department of Economic Development

The Mega-Project Development Fund

The Mega-Project Development Fund is reserved for projects that create over 500 new jobs or offer at least $500 M in federal dollars or private capital investment (not including the state's contribution). The state's share of the project can comprise no more than 30% of the total project cost as specified in the cooperative endeavor agreement (CEA). Projects associated with companies in bankruptcy threatening at least 500 jobs or military bases subject to realignment or closure are also eligible.

The fiscal history of the fund:

Revenue		
FY 07 Initial Deposit	$150,000,000	
FY 07 Surplus Funds	307,100,000	
Interest to date*	15,691,490	
TOTAL REVENUE	$472,791,490	
Total Uses with CEA commitments		
Support Worker Supplement	$48,600,000	
ULM School of Pharmacy	4,209,000	
Federal City	125,000,000	
NASA/Michoud[1]	55,500,000	
Foster Farms	50,000,000	
SNF Holdings	26,550,000	
ConAgra	37,400,000	
CenturyLink[2]	3,300,000	
Schumaker	9,000,000	
TOTAL COMMITMENTS	$359,559,000	
Act 22 of 2011 Regular Session[3]		(81,448,446)
Act 597 of 2012 Regular Session[4]		(3,400,000)
FUNDS AVAILABLE (as of 7/26/2012)		**$28,384,044**

* Interest will continue to accrue until the money is removed from the fund, so additional funds could be available depending on the timing of the use of the fund (as of 7/26/2012).

1 The NASA/Michoud project is on informal hold by LED until the federal government's commitment to the space program is clarified.

2 The CenturyLink Cooperative Endeavor Agreement committed the state to a total cash incentive of $19.4 M with $3.3 M appropriated from the Mega-Project Development Fund in FY 12. The remaining $16.1 M has not yet been associated with a means of finance.

3 In Act 22 of 2011, this amount was transferred from the Mega-Project Development Fund to the Overcollections Fund for use by various agencies.

4 In Act 597 of 2012, this amount was transferred from the Mega-Project Development Fund to the SGF for use by various agencies.

LED Debt Service/State Commitments (Schedule # 20-931)

Over the last 2 fiscal years, the appropriation for LED debt service and state commitments related to the LED projects is allocated under Other Requirements (Schedule 20). Increasingly, these payments are being made from SGF instead of funds originally designated as the source of the payment. In FY 13, the amount of SGF increased by $10,246,242 to $22,445,300 to continue payments on existing and new projects. In total, economic development projects funded with SGF in FY 13 include:

Northrop Grumman near New Orleans	$25,000	
Union Tank Car in Alexandria	$3,296,625	
CG Railway, Inc. in New Orleans	$734,788	
Nucor in St. James Parish	$4,012,725	(previously Mega-Fund)
St. Gobain Container in Simmesport	$1,200,000	
EA Sports in Baton Rouge	$1,465,000	
SNF Holdings in Iberville Parish	$1,280,000	(previously Mega-Fund)
Global Star in Covington	$352,782	
Blade Dynamics at Michoud in New Orleans	$2,678,380	
Lighthouse for the Blind in Baton Rouge	$150,000	(previously Rapid Response Fd)
KPAQ at the paper mill in St. Francisville	$2,250,000	
Gameloft in New Orleans	$200,000	
Ronpak in Shreveport	$300,000	
Sundrop Biofuels in Central LA	$4,500,000	
TOTAL	**$22,445,300**	

Some of these projects were previously funded with LA Economic Development Fund ($2,104,006), Mega-Project Development Fund ($5.3 M) and the Rapid Response Fund ($150,000) but are now funded with SGF. Projects now funded with SGF that have received in the past and are currently qualified to receive funding through the Mega-Project Development Fund include Nucor ($4,012,275) and SNF Holdings ($1.28 M). The LED Fund swap is payment for debt service related to the Northrup Grumman debt payment in FY 12 ($2,104,006), which was reduced to $25,000 in FY 13. However, the remainder of the appropriation was spread across numerous projects in FY 13, replacing payments initially made through the LED Fund.

Several projects announced in the press but not finalized include Methanex, GE and Union Pacific. It is not clear whether the incentive package for these projects contain direct payments, which are what would appear in this agency's budget. However, the effect on incentive programs such as Quality Jobs and Industrial Tax Exemption will only appear in the budget by inclusion in the revenue estimate.

Corrections Services

The Department of Corrections FY 13 budget totals $463.5 M, a $32.1 M decrease from the FY 12 budgeted amount of $495.6 M and inclusive of a $17.5 M supplemental appropriation (Act 53 of 2012). The major changes in the FY 13 budget:

1. $17.9 M decrease in funding ($16,957,675 SGF; $322,513 IAT; and $590,120 SGR) by eliminating a total of 325 authorized positions.

2. $2.6 M reduction in IAT authority due to non-recurring FEMA funding associated with Hurricane Gustav. The funding was being used to develop a new Offender Management System that will replace the antiquated CAJUN system. Approximately $1.3 M will purchase the equipment for the system and the remaining $1.3 M will be used by the contractor, Methods Technology Solutions, to development the new system.

3. $0.6 M decrease in SGF due to a contract with Johnson Controls that will guarantee reduced utility costs at facilities and headquarters through the design and implementation of energy savings projects. The total savings of $617,846 is expected department wide in FY 13. The savings realized department wide will be used for bond payments to update the facilities. The facilities will realize an electricity and natural gas savings of $612,474 and a water savings of $5,373 in FY 13. The company will install more efficient lights, new HVAC controls, and new boilers and chillers at the facilities.

FY 13 funding for Local Housing of State Adult Offenders totals $181.1 M. For FY 13, there was one major adjustment:

1. $10.4 M increase in SGF based on actual and projected occupancy rates. Occupancy rates did not decrease as a result of Acts 649 and 792 of 2010. Act 649 provides that offenders incarcerated after 1/1/1992, can receive good time at the current rate of 35 days for 30 days served, retroactively. Act 792 provides credit for good behavior while on parole. In FY 12 the Department of Corrections anticipated 1,500 offenders would be released as a result of Acts 649 and 792 resulting in a $13.3 M SGF savings. However, less than 400 offenders have been released. The increase of $10.4 M ($24.39 per day x 365 days x 1,167 offenders) is a result of almost 1,200 offenders remaining in local facilities.

For FY 13, the per diem for the housing of state adult offenders is $24.39. The per diem for work release programs will range from $12.25 (contract and private) to $16.39 (non-contract). The number of adults housed per day based on the Performance Standard for FY 12 for Local Housing is 15,651 inmates and Work Release is 3,670 inmates.

According to the latest report from the Department on 6/15/2012, the number of inmates in state facilities is 18,258 and local jail facilities are 21,988 for a total of 40,246 inmates.

Youth Services

Youth Services' FY 13 budget totals $121.1 M, a $15 M decrease from the FY 12 budgeted amount of $136.2 M. The major changes in the FY 13 budget include:

1. $5.3 M reduction in SGF and $0.3 M reduction in IAT in the Contract Services Program for day treatment (special schools). The day treatment centers are alternative schools for youth who had problems in their local school districts. OJJ contracts with 1 Volunteers of America facility in the Lafayette region and 8 Associated Marine Institute facilities in the regions of Tallulah, Lafayette, Alexandria, Thibodaux, Baton Rouge, Lake Charles, Shreveport, and Metro New Orleans. The youth will be placed back into alternative schools in their respective school districts. The IAT funding of $290,344 is federal Titles I grants from the Department of Education that was used at each of the day treatment facilities.

2. $0.825 M reduction in SGF and 12 positions associated with the consolidation of back office functions of GOHSEP and OJJ within the Department of Public Safety & Corrections - Public Safety Services. OJJ has 5 positions within its IT Section, 12 positions within its Human Resources Section, and 15 positions within its Management & Finance Section. Due to this consolidation, 2 IT positions, 6 HR positions, and 4 M&F positions will be eliminated for a savings of $496,650 in salaries and $328,350 in related benefits. OJJ will also transfer 20 positions, which include 6 HR positions, 3 IT positions, and 11 M&F positions, and associated funding of $796,627 in salaries and $524,029 in related benefits to DPS to provide the back office function for the agency.

3. $6 M increase in IAT in the Contract Services Program. The IAT funding will come from the Department of Children & Family Services through TANF funds. There are youth supervised by OJJ that may be eligible for the department to receive TANF funds. In the event youth are eligible, then OJJ will be able to use TANF funds to pay for certain programs.

FY 13 funding for Local Housing of State Juvenile Offenders totals $5.3 M. Local Housing of State Juvenile Offenders was reduced $1.2 M for FY 12, based on historical analysis that indicated the agency has not expended the total appropriation on youth in custody. For FY 13, the rate for pending non-secure youth was $24.39 and the rate for pending secure care $106.70 (adjusted yearly pursuant to consumer price index).

Department of Health & Hospitals
Medicaid

In FY 13, the Department of Health & Hospitals (DHH) is appropriated $7.42 B for the Medicaid Program (Medical Vendor Payments). This represents an overall increase of $669 M, or 9.9%, from the 12/1/2011 budget freeze date. However, prior year actual expenditures for Medicaid indicate total actual expenditures of $6.64 B in FY 12. Based on these actuals, the Medical Vendor Payments appropriation reflects an overall increase of $788.3 M, or approximately 11.9%, from FY 12.

The total increase from FY 12 is mainly the result of funding a historical (prior two years) Medicaid budget shortfall in the Private Providers program. Additional specific and significant increases in the Payments to Private Provider Program include the following:

- Projected utilization increase
- Projected pharmacy utilization increase
- Funding a primary care provider rate increase
- Funding for the annualization of 877 NOW waiver slots
- Upper Payment Limit funding for Emergency Ambulance providers
- Restoring a FY 12 one time decrease related to delaying check-writes to providers

Major Changes from FY 12

As provided by Act 13 (GAB), the Medicaid budget for FY 13 was adopted by the Legislature at a program size of $7.42 B.

•For FY 13, the budget is based on a blended state match rate 28.62% / 71.38% federal (excludes UCC state match rate, which is 38.76%) on Medicaid programmatic expenditures. The FMAP reflects a blend of federal fiscal years. Note: The budgeted FMAP in FY 13 represents an enhanced rate due to federal disaster recovery FMAP authority. The net result is a 69.78% federal match for the 1st quarter which spans 7/1/ 2012 to 9/30/2012, and 71.92% federal match for the final 3 quarters of the state fiscal year (from 10/1/2012). However, the FY 13 FMAP is reduced during FY 13 due to adjustments in the federal Restore Act. This adjustment required DHH reductions in the 1st quarter of the FY 13 budget.

•The FY 13 appropriation for Medical Vendor Payments (Payments to Privates, Payments to Publics, Medicare Buy-ins, and Uncompensated Care Costs) increased expenditures by approximately $790.5 M from FY 12 actual expenditures. The program changes are allocated as follows:

•$399.2 M decrease in Payments to Private Providers Program

•$214.5 M decrease in Payments to Public Providers Program

•$1.24 B increase for Medicare Buy-ins & Supplements Program

•$164.2 M increase in Uncompensated Care Costs Payments Program

Note: The significant increase in Medicare Buy-ins & Supplements Program and decrease in Payments to Private Providers Program is mainly the result of a transfer of funds across programs to account for the annualized costs associated with Medicaid managed care payments.

•Act 13 appropriates funding by program, not by provider line item. Preamble language in Schedule 09 of Act 13 requires DHH to "submit a plan detailing the programmatic allocations of appropriations for the Medical Vendor Program" to JLCB for review no later than 10/1/2012. Sub program projections are not direct appropriations in Medicaid.

Major Programmatic Specific Funding

•Provides $418,134,100 in funding ($119,669,979 SGF and $298,464,121 Federal) to align the FY 13 base budget with FY 12 projected expenditures in the Private Providers Program. The source of Federal funds is Title XIX federal financial participation. The adjustment is anticipated to address a projected year end deficit in the Payments to Private Providers Program of approximately $456,172,517.

•Provides $106,662,861 in funding ($30,526,911 SGF and $76,135,950 Federal) for a projected utilization increase. The source of Federal funds is Title XIX federal financial participation.

•Provides $29,201,791 in funding ($1,509,278 SGF and $27,692,513 Federal) for primary care provider rate increase. The source of Federal funds is Title XIX federal financial participation. Information provided by DHH indicates that LA Medicaid will be required to reimburse certain physicians for certain procedure codes at the higher of one of two rates (100% of Medicare's 2009 or 2013 fee schedule). These Medicaid rate payments 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. The projected increase is based on the following calculations:

FY 11 claims for these codes: 19,422
FY 11 payments for claims: $164,597,968
Estimated claims cost based on priced at 7/1/2009 LA Medicaid fee schedule: $169,871,475
Estimated claims cost based on the Medicare 2009 Medicare rate: $193,799,759

LA cost: $169,871,475 minus $164,597,968	$5,273,507 ($1,931,686 SGF)
100% Federal cost: $193,799,759 minus $169,871,475	$23,928,284
Total cost (state and federal)	**$29,201,791**

•Provides $14,441,539 in funding ($4,133,168 SGR and $10,308,371 Federal) for the Emergency Ambulance Upper Payment Limit (UPL) Program. The source of Federal funds is Title XIX federal financial participation. The source of the SGR is local government revenue that will be used by DHH Medicaid as a state match source to draw federal match to make these payments. Information provided by the department indicates these supplemental payments will result in payment rates to ambulance providers that are up to the private insurance rates. Total funding for Ambulance UPL in FY 13 is $28,941,539.

Medicaid Outlook for FY 13

For FY 13, a portion of the recurring Medicaid budget is financed with approximately $219.9 M in revenue sources that likely will need to be replaced with other means of financing in FY 14. The significant one-time funding sources are as follows:

1) $218,342,753 in Statutory Dedication funding from the Medical Assistance Trust Fund (MATF) appropriated in the Payments to Private Providers Program. These revenues are used as a state match source to draw federal financial participation in order to pay Medicaid claims. Other MATF funding is considered recurring (provider fees and insurance assessment revenue generated under R.S. 22:842).

2) $1,651,166 in revenue from the New Opportunities Waiver (NOW) Fund appropriated in the Medical Vendor Administration Program in FY 13. Act 481 of 2007 created the NOW Fund. Approximately $50 M of one-time surplus revenues was deposited into the NOW Fund in FY 09.

Medicaid Administration

In FY 13, Medical Vendor Administration Program is appropriated $332.4 M. This represents an overall increase of $26.1 M, or 8.5%, from the 12/1/2011 budget freeze date. In addition, the FY 13 Medical Vendor Administration budget reflects a net decrease of 260 positions from FY 12. The reduction in positions is mainly the result of a transfer of the Health Standards function and associated positions from Medical Vendor Administration to the Office of the Secretary.

Significant Increases in Medicaid Administration

•Provides $8,268,588 in funding ($4,134,294 SGF and $4,134,294 Federal) related to Bayou Health that will be used mostly for the enrollment broker contract for DHH Coordinated Care Networks and a Call Center for resolution of Managed Care recipient questions and concerns. Specifically, the enrollment broker is responsible for managed care provider enrollment, dis-enrollment, and provide call in and web-based access for managed care choice. The source of Federal funds is Medicaid Administration federal financial participation. The following is the increased amount associated with existing contracts:

$7,622,170	Maximus Enrollment Broker contract ($1.9 M for a Call Center)
$161,701	IPRO contract increase
$75,000	CPA contract increase
$164,917	Ombudsman contract increase
$225,000	ULM/GEO contract increase
$19,800	CLM contract increase
$8,268,588	Total

•Provides $563,650 in funding ($281,825 SGF and $281,825 Federal) for a new state plan option for Personal Care Services. Information provided by the department indicates that the Affordable Care Act authorizes enhanced match funding for personal care services to the extent the department implements a new state plan option for Long Term Personal Care Services (LT-PCS). This option requires implementation of consumer directed services (recipients allowed to pick their provider and services under federal guidelines) and provides for additional reporting requirements of DHH (including reports of critical incidences related to recipients). This funding increases an existing LT-PCS contract as a result of increasing deliverables of the contract. The contractor, ACS, will now be required to investigate and submit reports related to consumer critical incidents (ie, accidents, falls, injury or abuse). The contract increase (budget adjustment) is based on an average cost per critical incident report of $65.61 on 8,590 recipients.

•Provides $6,729,143 in funding ($672,914 SGF and $6,056,229 Federal) for the replacement of the Medicaid Management Information System (MMIS) for Dual Fiscal Intermediary. A replacement MMIS contract was awarded on 6/9/2011. In FY 13 funding will be needed for the design, development and implementation phase of the project. The source of the Federal funds is Medicaid Administration federal financial participation. The replacement project intends to modernize the system used to enroll and pay Medicaid providers. The MMIS contractor processes 51 million Medicaid claims annually for approximately 30,000 Medicaid providers. There are 2 vendor contracts associated with the MMIS replacement project, including an independent validation contract to assist the department with meeting all federal guidelines (the Public Consulting Group), and the actual MMIS vendor/replacement fiscal intermediary (Client Network Services, Inc.)

$25,895,813	FY 13 projected MMIS replacement funding
($19,166,670)	FY 12 base funding
$6,729,143	FY 13 requested increase adjustment

•Provides $840,938 in funding ($420,469 IAT and $420,469 Federal) for the Greater New Orleans Community Health Connections (GNOCHC) administrative professional services costs associated with an enrollment broker service contract to link GNOCHC recipients to a participating Patient Centered Medical Home. The source of the IAT is Community Development Block Grants (CDBG) funds from the Division of Administration. The GNOCHC is a primary and behavioral health access program in the greater New Orleans area implemented after Hurricane Katrina. The program provides a medical home through clinic care to low income uninsured adults, and is authorized under the Medicaid Section 1115 demonstration waiver. GNOHC providers are limited to the providers that were awarded under the Primary Care Access & Stabilization Grant. Information provided by DHH indicates there are approximately 19 organizations and 39 service sites available to eligible recipients under this demonstration. This funding does not represent payments to providers, but funding for administrative costs associated with the enrollment broker contract which will link GNOCHC recipients to a participating patient centered medical home.

Department of Health & Hospitals
Office of Behavioral Health

In FY 13, the Office of Behavioral Health (OBH) is appropriated $316 M by total means of finance (MOF). This represents an overall decrease of $25 M, or approximately 7.4%, from the FY 12 budgeted amount of $341 M. The total decrease from the prior year is mainly the result of non-recurred funding and statewide adjustments, privatization and consolidations strategies, programmatic changes, and the LA Behavioral Health Partnership (LBHP).

Major Changes from FY 12

Non-recurred funding and Statewide Adjustments – ($15.1 M decrease)
($3.2 M) – SGR funding from a BP contribution for behavioral health assessments, training, and services related to the BP Deepwater Horizon Oil Spill. The contribution grant expired on 9/30/2011. Funds were disbursed to the human services districts and the Department of Children & Family Services for crisis relief and outreach.

($5.1 M) – Federal funding for the Strategic Prevention Framework State Initiative Grant (SPF SIG) in order to implement the "Governor's Initiative to Build a Healthy Louisiana." The grant was specifically used for the prevention of substance abuse progression, including childhood and underage drinking. The grant expired on 9/30/2011, and according to OBH, all objectives were met.

($6.8 M) – Statewide adjustment reductions, including non-recurring the 27th pay period, annualization of the Executive Order 11-12 Hiring Freeze and personnel reductions (14 positions).

Privatization and Consolidation – ($4 M decrease)
($1.6 M) – In FY 13, OBH will privatize its 20-bed acute psychiatric unit at the University Medical Center in Lafayette. It is anticipated that this will generate a savings of $1.6 M in SGR due to a reduction of 23 positions. Lafayette General Medical Center will take over operations and staffing of the acute unit at $581.11/day for both Medicaid and Uninsured patients.

($2.4 M) – SGF savings attributed to consolidation of patients at the Central LA State Hospital in Pineville into the Northeast corner of the campus. This will result in the elimination of duplicative staff functions and a reduction of 82 positions, of which 11 are indirect care positions and 71 work in direct patient care. Currently, the hospital houses 60 beds.

Programmatic Changes - ($6.6 M decrease)
($2.1 M) – SGF reduction to the Access to Recovery Program for FY 13. This reduction includes eliminating 4 positions. Clinical services will be reimbursable under Medicaid through the LBHP. The Access to Recovery Program was created to provide client choice among substance abuse clinical treatment services 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. As the SMO, treatment options will now be provided through Magellan.

($4.5 M) – SGF reduction due to the elimination of the behavioral health regional offices in Regions 4, 5, 6, 7, and 8 as newly independent service districts develop ($1.7 M). Region 4 (Lafayette) will begin its first year of independent operations outside of OBH in

FY 13. Regions 5 (Lake Charles) and 6 (Alexandria) are expected to become independent budget units in FY 14, and currently have a board of regional and state stakeholders in place to develop the fundamentals of the district's operations and services. Regions 7 (Shreveport) and 8 (Monroe) have not established a full board, but are expected to begin independent operations in FY 15. In addition, each currently existing service district's administrative costs are being cut by approximately $565,000 ($2.8 M total). This is expected to increase wait times and impact clinical services.

LA Behavioral Health Partnership (LBHP) – ($2.4 M decrease)
The LBHP is a cross-departmental project between DHH, the Office of Juvenile Justice (OJJ), the Department of Children & Family Services (DCFS), and the Department of Education (DOE) to organize a coordinated, managed care network for LA's behavioral health populations. Services are 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., who 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 who 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. The LBHP launched March 2012, and will have its first full year of operations in FY 13.

($10.6 M) – In FY 13, OBH is non-recurring one-time funding relative to start-up costs associated with launching the LA Behavioral Health Partnership. These funds were mainly for administrative fees payable to Magellan Health Services, Inc. for managing behavioral health care services for the state's adult and child non-Medicaid populations. In addition, the funds were used to transition the state's Medicaid population to a managed care system, and for IT start-up equipment and maintenance.

$8.2 M – Increased payments from Magellan for services provided under the LBHP. In FY 13, $259.5 M in additional funding is appropriated in the Medical Vendor Payments Program to be used by the SMO to reimburse 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 in SGR to be received from the SMO. Projected collections are based on figures provided by Mercer, which is a consulting firm hired by DHH to analyze the state's transition to a coordinated system of behavioral health care.

Department of Children & Family Services

Modernization Project

The Modernization project will reduce the number of clients that need to visit a physical DCFS office location to apply or receive information about services. Clients will be able to apply for services in multiple ways. The Modernization project includes: (1) customer service call center; (2) electronic case records and document imaging; (3) customer portal that has a web based application for services and allows clients to access their case record to view basic case information; (4) a provider portal that allows providers to view and update basic information regarding invoices, payments, and fees; and (5) worker portal that allows DCFS staff to update and maintain client case information therefore reducing duplicate work effort and increasing efficiency. A detailed outline of the Modernization project is included in Section IV.

In FY 13, the department will continue the implementation of the service delivery Modernization project with a total budget of $33.5 M and 98 non-T.O. positions.

FY 13 MODERNIZATION PROJECT	
MEANS OF FINANCING	**AMOUNT**
State General Fund	$8,300,000
IAT	$2,616,270
Federal	$22,657,602
TOTAL	**$33,573,872**

Temporary Assistance

The recommended TANF initiatives budget for FY 13 is $94 M, which is a decrease of $33.4 M from FY 12. Significant changes to TANF initiatives include the decrease of $40.5 M in funding for LA 4 due to expiration of TANF Emergency ARRA funds and $4.2 M for the Day Treatment programs in the Office of Juvenile Justice. Also, the FY 13 TANF initiatives budget has an increase in funding of $13.2 M for Child Abuse/Neglect. A breakdown of TANF initiatives and funding allocations for FY 12 is included in Section V.

Retirement

Overview
The FY 13 Executive Budget reduced the overall state budget $57.6 M in SGF and $142.2 M Total MOF contingent upon the approval the governor's retirement package. HAC amendments restored the original retirement reductions of $57.6 M in SGF and $142.2 M Total MOF and enhanced the overall FY 13 budget in the amount of $22.8 M in SGF and $55.5 M Total MOF. SFC amendments enhanced the retirement expenditures in the amount of $16.2 M in SGF and $47 M Total MOF for a total retirement rate increase of $38.9 M in SGF and $102.5 M Total MOF. The Governor vetoed $511,279 SGR within the State Treasury. Thus, the total retirement increase was reduced to $102.0 M. See Table Below

	SGF	Total
FY 13 Executive Budget Adjustment	($57.6 M)	($142.2 M)
FY 13 HAC Amendments	$80.4 M	$197.7 M
FY 13 SFC Amendments	$16.2 M	$47.0 M
FY 13 Governor Veto	$0	($0.5 M)
Retirement Enhancement	$39.0 M	$102.0 M

The additional retirement funding is needed due to the anticipated normal and UAL cost increase in FY 13. The total cost (normal/UAL) percent of payroll is increasing from approximately 25% to 28% in FY 13.

Cash Balance Retirement Plan
Act 483 (HB 61) of 2012 provides for the creation of the Cash Balance Plan for new hires (effective 6/30/2013). A cash balance plan is very similar to a defined benefit plan, but with some elements of a 401(k) plan. Like a defined benefit plan, members do not direct the investments or investment choices. However, as a member of a cash balance plan, 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) would contribute a percent of salary to the employee's account. In addition, the notional funds are credited with interest at a rate determined by the employer; this interest credit is like the "return" for the assets in the account. The interest credit is often benchmarked to a specified rate, such as that on long-term Treasury bonds or on the performance of the systems overall investment returns.

Nebraska is currently the only state in the country that offers the cash balance plan for state employees. Participants in the cash balance plan have a contribution rate of 4.8%, to which the state contributes 156% of the employee's contributions, or 7.5%. All employees hired on or after 1/1/2013 participate in the cash balance plan. Members are vested in the plan after 3 years and are eligible to begin drawing from the plan at the age of 55. Participants in the cash balance system receive an interest credit rate based on the federal mid-term rate plus 1.5%. Participants are also guaranteed a minimum annual rate of return of 5%.

Major differences between Louisiana's proposed cash balance plan and Nebraska's current cash balance plan include:

*Employee contribution rate – Louisiana: 8%, Nebraska: 4.8%

*Employer contribution rate – Louisiana: 4%, Nebraska: 7.5%

*Total contribution rate – Louisiana: 12% (cap), Nebraska: 12.3%

*Vesting – Louisiana: 5 years, Nebraska: 3 years

*Retirement age – Louisiana: 60 years old, Nebraska: 55 years old

*Annual Interest Credit – Louisiana: 100 basis points less the actuarial rate of return for the system with no percentage floor, Nebraska: federal mid-term rate plus 1.5% with a percentage floor of 5%. The bill is unclear as to if the retirement system keeps the 1% less the actuarial rate of return.

*Social Security – Louisiana state employees do not contribute to Social Security, while Nebraska state employees do contribute to Social Security.

Note: Nebraska moved from a defined contribution plan to a defined benefit plan and allowed current state employees in the defined contribution plan the ability to transfer their complete retirement plan balance to the new cash balance plan. The proposed legislation appears to prevent current Louisiana defined benefit individuals from transferring their prior year LASERS/TRSL contributions to the new plan as their starting balance. This would freeze contributions to the defined benefit plan and these individuals would not be eligible for a defined benefit until age and vesting requirements are met.

Lack of Portability - When changing employers, cash balance plans enable participants to transfer the full account balances, which includes the full value of both the employee/employer contributions, if such an employee has at least 5 years of cash balance plan membership to the private sector. However, the proposed legislation does not provide the same portability for those individuals who leave the private sector to work in state government. Although this plan has been advertised as portable, it is only portable from one perspective, which is portable out of state government. Individuals who begin work in state government will not be allowed to transfer their existing 401k assets into the cash balance plan.

Potential Administrative Costs - The bill is silent as to whether LASERS or a private contractor would be the entity that actually annuitizes the cash balance plan for participants at retirement. To the extent LASERS is required to provide this service, additional staff will be necessary to complete this task. Potential cost for additional staff is unknown, but may be significant. To the extent a private contractor provides this service, either the individual or the state will be required to pay for this service. The specific cost of such a service is indeterminable at this time.

Cash Balance Plan Impact on the UAL - Offering a cash balance plan for new hires only going forward does not eliminate the UAL that LA is constitutionally required to pay. The cash balance plan 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. To the extent the retirement systems do not change their actuarial methodology from Projected Unit Credit to Entry Age Normal and if the current defined benefit plan is closed for new hires, the current active defined benefit plan payroll will decrease every year (as individuals retire), which will increase the normal cost for the defined benefit plan, which will result in an increase in cost to the state. Also, any market gains from future new hire contributions that would have been utilized to offset the UAL of the defined benefit program may be contained within the cash balance plan. Thus, to the extent the state completely closes the current defined benefit plan to new hires and only offers a cash balance plan to this group; the costs of the defined benefit plan will increase until all current and retired participants are deceased. <u>This will ultimately depend upon how the cash balance plan is structured with the existing defined benefit plan</u>. Determining the specific state impact of such a situation would require an actuarial analysis.

<u>Unfunded Accrued Liability (UAL)</u>

Many years of insufficient contributions from the State resulted in a large initial UAL, or IUAL. However, in 1987 a constitutional amendment was passed that required all state retirement systems be funded on an actuarially sound basis, which ultimately requires the IUAL be eliminated by FY 2029. The UAL equates to the difference between the total amount 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 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 is approximately $18.5 B ($6.4 B – LASERS; $10.8 B – TRSL; $0.3 B – State Police Retirement; and $0.9 B – School Employees). In FY 12, the total UAL payment is anticipated to be $1.44 B with escalating payments in subsequent fiscal years, which are projected to peak at $1.91 B in FY 2029.

As of 6/30/2011, the UAL for each system is as follows:

Teachers	$10,810,458,897
LASERS	$6,457,954,026
School Employees	$904,521,699
State Police	$339,111,263
TOTAL	$18,512,045,885

Note: Funded percentages of the 4 state retirement systems as of June 30, 2011 are as follows: State Police - 54.19%; School Employees - 59.9%; LASERS - 57.6%; and TRSL - 55.1%. The funding percentages represent the percentage of assets on hand to pay all current/future liabilities.

The LASERS UAL, which represents approximately 35% of the total debt, will begin making principle payments in FY 14, which decreases the amount of the UAL balance. According the existing debt payment schedule (not including any changes from the administration's proposals to the retirement law), in 10 years the debt balance will have decreased by approximately $1 B and in 20 years the debt balance will have decreased by approximately $4 B.

Based upon its latest actuary reports, Louisiana has approximately 60% of its pension obligations funded within the state retirement systems. According to the Pew Center on States 2010 Report, there are 21 of 50 states with their state retirement system funding levels less than 80%. The average among those states that do not offer social security to its state employees (Alaska – 76%, Colorado – 70%, Nevada – 76%, Ohio – 87%, Maine – 80%, Massachusetts – 63%, Louisiana – 60%) is approximately 73% future pension obligations funded.

Note: *Article X, Section 29(E)(2)(a) states that upon elimination of the unfunded accrued liability (UAL), a member's contribution shall not exceed an amount contributed on his behalf as an employer contribution.*

Elementary & Secondary Education

SCR 99 of 2012 provides for the FY 13 Minimum Foundation Program (MFP) as adopted by the Board of Elementary & Secondary Education on 2/27/2012. Details of the resolution and funding for the MFP are described below.

FY 13 Minimum Foundation Program (MFP):

Appropriation:
Act 13 of 2012 appropriates $3.422 B to the MFP agency for the MFP formula. When comparing the Act 13 appropriated amount to the initial appropriation for FY 12, the MFP increased approximately $34.9 M. The initial appropriation each year is based on a February 1 student enrollment count. The total number of students counted on 2/1/2012 and included in the FY 13 MFP is 679,963. This is an increase of 9,642 students from the 2/1/2011 count of students included in the FY 12 MFP. There is no 2.75% increase in the base per pupil amount; it remains at $3,855 for FY 13. The last time the 2.75% increase was implemented was FY 09 when the base per pupil amount increased from $3,752 to $3,855. However, while funding for the MFP has not been cut during this time period the real buying power of the local school districts has been reduced.

Choice System:
According to SCR 99, "the ultimate goal of the Choice System is to improve student outcomes by providing opportunities for parental choice regarding the delivery of educational services to students. City, parish, and other local school systems shall provide choice opportunities to eligible students and support the cost of those opportunities with the MFP state and local share per pupil allocations." The following are choice opportunities included in the MFP resolution:

- Student Scholarship for Educational Excellence Program – The program provides parental choice for certain students attending low performing public schools to attend eligible nonpublic and public schools.
- Educational Service Providers – The program will be fully implemented in FY 14. For FY 13, city, parish and other local school systems shall ensure that sufficient funding is available for dual enrollment courses to meet the needs of students. Educational service providers are entities approved by the state to provide educational courses to students statewide, for example, on-line course providers.
- Early High School Graduation Scholarship Program – The program will begin in FY 14. The program will provide tuition and fee assistance to students graduating early from a public high school including state-funded scholarship students enabling them to attend college in any public or private institution of higher education in LA.

Inclusion of students outside of the city/parish districts in the MFP membership:
Students attending the following schools are included in the MFP student membership:

- Recovery School District (RSD) – 32,011 students
- LA School for Math, Science & Arts (LSMSA) – 295 students
- New Orleans Center for Creative Arts (full-day students) (NOCCA) – 112 students
- LA Schools for the Deaf & Visually Impaired (LSDVI) – 221 students
- Special School District (SSD) – 286 students
- Office of Juvenile Justice (OJJ) – 330 students

- Student Scholarships for Educational Excellence Program (SSEEP) – 2,250 students (estimate) in Orleans Parish plus the statewide expansion TBD
- Type 2 Charter Schools (Legacy and Non-Legacy) – 7,903 students

SCR 99 provides guidelines to calculate the state and local support for the students attending each of the above schools. The state share and local share will be based upon the number of students enrolled in each school. The Department of Education will make the calculation to determine the amount of funding that each local school district is responsible for depending on how many students from their district are attending any of the schools listed above. The Department of Education will withhold the portion that the local school district is responsible for from their monthly MFP allocation/payment from the state and send the payment to the appropriate school.

Student Membership:
There will be 2 mid-year student adjustments. Student membership counts will be taken on 10/1/2012 and 2/1/2013. If either count is more or less than the previous count taken, a mid-year adjustment to per pupil funding will be made for each student gained or lost. If a district's 10/1/2012 student membership count is more or less than the 2/1/2012 membership a mid-year adjustment will be made equal to the district's MFP per pupil amount times the number of increased or decreased students. If a district's 2/1/2013 student membership is more or less than the 10/1/2012 membership, a mid-year adjustment will be made equal to one-half of the district's MFP per pupil amount times the number of increased or decreased students.

Student Membership Weights and Mandated Costs:
The at-risk weight factor for student membership and mandated costs remain the same as the previous year.

Hold Harmless:
Hold Harmless - The FY 07 Hold Harmless amount of $76 M is frozen. The $76 M amount will be reduced by prior year pay raise amounts and insurance supplements totaling $38 M. The pay raise amounts will be continued in Level 3. The remaining amount of $38 M will be reduced by 10% over 10 years, or $3.8 M per year. Beginning in FY 13, the annual 10% reduction will be utilized as rewards for student progress. Reward schools shall include high performing schools, and schools achieving significant student progress, as defined by the Board of Elementary & Secondary Education.

Consequences:
Local school districts must ensure that 70% of the local school system's general fund expenditures are in the area of instruction and school administration at the school building level. Any district or school failing to meet the 70% expenditure requirement and has a District Performance Score below the state average will be required to conduct a study to determine what operational activities could be streamlined to save money and redirect any savings to instructional services.

Education Reform Initiatives

Acts 1, 2 and 3 of 2012 are significant education reform measures. Each Act is discussed below.

Act 1 (HB 974) - Teacher Tenure:

Tenure

- A teacher who has acquired tenure before 9/1/2012 retains tenure, but is subject to the revised tenure statutes.
- A teacher who is rated "highly effective" for 5 years within a 6-year period shall be granted tenure. Otherwise the teacher remains an at-will employee until rated "highly effective" for the prescribed period.
- Beginning with the 2013-14 school year, a tenured teacher who receives an "ineffective" rating will immediately lose tenure.

Termination of Employment

- "Poor performance" is added to the list of potential charges for removal of tenured teachers. Receiving an "ineffective" rating is considered sufficient proof of poor performance, incompetence, or willful neglect of duty.
- A teacher is prohibited from being terminated for an ineffective rating until the grievance procedure has been completed.

Employment and Salaries

- All school personnel employment decisions are to be based upon performance, effectiveness, and qualifications. Tenure and seniority will not be the primary criterion used when making personnel decisions.
- All public school governing authorities are required to establish salary schedules for certified personnel based upon: effectiveness, demand based on certification area, school needs, geographic areas, and subject areas (which may include advanced degrees).
- Teachers and administrators with an "ineffective" rating are prohibited from receiving a higher salary in the year following such evaluation.

Act 2 (HB 976) – School Choice:

Student Scholarship for Educational Excellence Program

- The student scholarship program is expanded from Orleans Parish to statewide, by allowing eligible students attending a "C", "D" or "F" school an opportunity to attend an eligible public or nonpublic participating school in the program.
- Student eligibility is based on family income. Income must not exceed 250% of the federal poverty guidelines. For example, a family of four currently may not have a household income exceeding $57,625. Students from all grades are eligible to participate.
- Initially, more than 10,000 students applied for scholarships while there were only 7,450 seats in 125 schools. The Department of Education reviewed the participating schools requests and reduced the available seats to 6,600.
- Approximately 5,600 students will receive scholarships. The students not receiving a scholarship award did not select any of the remaining seats as a choice on their applications.

- Approximately 54% of the students were matched with their first choice, 2% were matched with their second choice, and 1% were matched with their third choice. Of the eligible students submitting an application, 42% did not receive an offer.
- Funding for the program will be provided through the Minimum Foundation Program (MFP) instead of a line item appropriation from the state. The state previously paid for the total cost of the program. The program cost will be shared between the state and local school districts.
- The tuition and fees for participating nonpublic schools may not exceed the total MFP allocation for the student. If the tuition and fees and costs for administering the accountability tests are less than the total MFP allocation, then the remaining funds will be returned to the state and local school district based on the pro rata share of the MFP per pupil allocation (the percentage share per pupil).
- The average annual tuition is approximately $5,300 (as reported by the Department of Education). The actual tuition amount for each participating school will be paid to the school by the Department of Education from the calculated MFP allocation for the student. The district where the student resides will be responsible for a portion of the calculated share. The amount calculated to be the local share will be withheld from the local school district's MFP payment from the state.
- The average state and local MFP share for FY 13 is $8,537 ($5,031 from the state or 58.93% of the total; and $3,506 from the local school district or 41.07% of the total). Example of funding using the aforementioned averages:

  Tuition and fees are $5,300. The total MFP per pupil share ($8,537) exceeds the tuition and fees by $3,237 ($8,537 - $5,300). The excess amount will be retained by the state and local school district based on their percentage share as shown below:

  $2,437 * 58.93% state share percentage = $1,908
  $2,437 * 41.07% local share percentage = $1,329

- The Department of Education estimates that $18 M will be retained by the state and local school districts.

Course Choice

- By the 2013-14 school year, eligible students may take courses offered by course providers, such as dual enrollment courses. The following entities may be authorized course providers: Institutions of Higher Education, On-line Course Providers, Industry Based Certification Programs, and other providers approved by the Board of Elementary & Secondary Education.
- Eligible students include the following: 1) students attending a "C", "D" or "F" public school, 2) students attending a school that does not offer the course, and 3) Student Scholarship for Educational Excellence Program students. Students attending "A" and "B" public schools, nonpublic school students and approved home study students may take the courses but must pay their own tuition. Eligible students will use MFP funds allocated to their district to take these courses.
- Course providers will be paid no more than 15% of the total per pupil allocation from the MFP. Using the total state average MFP per pupil allocation of $8,537 as an example, a course provider would be paid no more than $1,281 per course.

Act 3 (SB 581) – Early Childhood Education Act:

- The Act requires the creation of a comprehensive and integrated network to manage and oversee publicly funded programs that provide early childhood education services. A uniform assessment and accountability system will be created for these programs that includes a letter grade indicating student performance.
- The Board of Elementary & Secondary Education will coordinate with the Department of Children & Family Services and the Department of Health & Hospitals to align the standards for the licensing of child care facilities.

Higher Education

Overview
SGF revenues (General Appropriations Bill) have decreased $1.1 B (12.5%) from $8.8 B in FY 09 to $7.7 B in FY 13 (Appropriation Letters). SGF for higher education has decreased by $559 M (36%) from a high of $1.553 B in FY 09 to $994 M in FY 13 (Appropriation Letters). SGF for higher education represented approximately 17.6% of all actual SGF revenues in FY 09. This percentage has fallen to 12.9% in FY 13 (Appropriation Letters). If SGF for higher education were to represent 17.6% of the total SGF budget for FY 13, higher education would receive $371 M more in SGF in FY 13.

Funding for higher education from all means of finance represented approximately 11.9% of total state funding in FY 09. This percentage has declined to 11% in FY 13 (Appropriation Letters). If funding from all means of finance for higher education were to represent 11.9% of the total means of finance for FY 13, higher education would receive $232 M more in FY 13. Furthermore, SGR (primarily tuition) increased $444 M (60.3%) from $736 M in FY 09 to $1.18 B in FY 13 (Appropriation Letters).

Higher Education Funding Sources	**FY 09 Actuals**	**FY 10 Actuals**	**FY 11 Actuals**	**FY 12 6/30/2012**	**FY 13 Approp.**
State General Fund	$1.553 B	$1.153 B	$1.146 B	$939 M	$994 M
Self-Gen. Revenues *	$736 M	$809 M	$801 M	$1.150 B	$1.18 B
ARRA	$0	$190 M	$290 M	$0	$0
Overcollections Fund	$0	$0	$0	$97 M	$0
Other Sources	$694 M	$681 M	$728 M	$794 M	$737 M
Total	**$2.983 B**	**$2.833 B**	**$2.964 B**	**$2.980 B**	**$2.911 B**
Statewide Funding					
State General Fund	$8.799 B	$7.144 B	$7,026 B	$7.654 B	$7.732 B
Total	**$25.120 B**	**$24.676 B**	**$25.391 B**	**$27.121 B**	**$26.469 B**
Higher Education Funding as a % of statewide Funding					
State General Fund	17.6%	16.1%	16.4%	12.3%	12.9%
Total – All MOF	11.9%	11.5%	11.7%	11.0%	11.0%

* 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).

LOSFA/TOPS ($172.2 M) TOPS (Taylor Opportunity Program for Students) is a program of state scholarships for LA residents who attend any one of the LA public colleges and universities. TOPS funding from all sources increased $5.3 M, from $166.9 M in FY 12 to $172.2 M in FY 13 appropriated amounts. The number of estimated awards in FY 12 is approximately 43,623 awards.

LA Go Grants ($26 M) The Go Grant program is a need-based grant program for low and moderate-income students who need additional funding to be able to attend college. Go Grant program costs for FY 12 were $26.4 M for 26,164 students. FY 13 funding for the GO Grant program is $26 M in SGF for approximately 33,289 awards. The BOR developed the program in accordance with the mandates of Act 695 of 2004 to create a comprehensive student aid plan, and BOR and LASFAC entered into a Memorandum of Understanding providing that LA Student Financial Assistance Commission (LSFAC) would administer the program in accordance with the framework developed by BOR.

Early Start Funding for the Early Start Program was eliminated for FY 13. Previously, Early Start provides $100 per credit hour or a maximum of $300 per course per semester for eligible public and private colleges to enroll eligible 11th and 12th grade students from public high schools in college courses. Early Start was funded with SGF ($5.5 M) in FY 11 and FY 12 for approximately 12,000 students.

LSU HSC Health Care Services Division

The FY 13 Health Care Services Division (HCSD) appropriated budget increased by $2.9 M in total means of finance from FY 12 budgeted as of 6/30/2012. Of this amount, $49.5 M in SGR is increased as Bayou Health and LA Behavioral Health Partnership (LBHP) payments are now reflected as SGR from the managed care entities as opposed to IAT funding from the Department of Health & Hospitals (DHH). Likewise, this new payment methodology resulted in a $46.6 M reduction in IAT. In addition, $35 M in SGF is being swapped with a like amount of Statutory Dedications contingent upon the sale of the New Orleans Adolescent Hospital (NOAH). The $2.9 M increase can primarily be attributed to an anticipated increase in SGR collections from Bayou Health and the LBHP.

	FY 11 Actual	FY 12 EOB (as of 12/1/2011)	FY 12 Budgeted (as of 6/30/2012)	FY 13 Appropriated
Means of Finance:				
State General Fund	$72,220,023	$64,296,464	$64,296,464	$29,261,831
Interim Emergency Board	$0	$0	$0	$0
Statutory Dedications	$300,000	$0	$0	$35,000,000
Interagency Transfers:				
IAT - Medicaid	$226,714,973	$187,519,346	$187,519,346	$97,904,081
IAT - UCC	$385,669,391	$330,250,541	$330,250,541	$418,346,763
IAT – Other*	$63,372,356	$77,275,996	$77,275,996	$32,143,087
Sub-Total IAT	$675,756,720	$595,045,883	$595,045,883	$548,393,931
Self-Generated Revenue	$71,109,858	$65,788,131	$78,988,131	$128,516,746
Federal	$78,082,167	$79,447,612	$84,347,612	$84,347,612
Total	**$897,468,768**	**$804,578,090**	**$822,678,090**	**$825,520,120**

*__Notes:__ IAT – Other consists primarily of the Central Office budget in FY 11, DSH replacement funds, Ryan White funds, and UPL funds in FY 12 and FY 13. Additionally, the difference between FY 12 EOB and the FY 12 Budgeted amounts ($18.1 M) is due to the restoration of $13.2 M in SGR for the outpatient pharmacy program and an increase of $4.9 M in Federal funds due to an anticipated increase in Medicare collections.

Major Increases/Decreases in FY 13 HCSD Budget

SGF/Statutory Dedications
In FY 13, $35 M in SGF will be reduced and swapped with a like amount of Statutory Dedications funding from the Overcollections Fund. These funds are contingent upon the sale of the New Orleans Adolescent Hospital to Children's Hospital in New Orleans, which currently leases the facility.

Medicaid Funding
The Medicaid funding within the IAT means of financing will decrease by approximately $89.6 M. This is primarily due to Bayou Health reimbursements, which are now categorized as SGR from the various health plans as opposed to IAT directly from Medicaid within DHH. As a result, SGR will increase by $49.5 M and Medicaid collections are anticipated to decrease by approximately $40 M from FY 12.

IAT-Other - DSH Replacement Funds
Funding within the IAT – Other means of financing is primarily used by HCSD to offset the losses caused by the DSH audit rule. In FY 13, IAT – Other is reduced by a total of $45.1 M from FY 12. Approximately $39.3 M of this amount is from HCSD's DSH audit replacement funds.

This is due to the elimination of $27.4 M in SGF from DHH and an $11.9 M cut in EAC UPL payments due to reduced collections caused by Bayou Health ($39.3 M total). For further details concerning HCSD's DSH audit rule solutions, refer to the Major Budget Issues Section (Disproportionate Share Hospital (DSH) Payment Audit Rule Impact). The remaining $5.8 M cut to IAT – Other is a result of the reallocation of payments from the Statewide Management Organization (SMO) for the LBHP from IAT – Other to SGR.

Outpatient Pharmacies
Due to reorganization of its pharmacy services in FY 12, HCSD did not have to eliminate outpatient pharmacy services as originally anticipated in FY 12. As a result, $13.2 M in SGR is restored to HCSD's budget for FY 13.

<u>LSU Medical Centers Appropriations</u>

	FY 11 Actual	FY 12 EOB (as of 6/30/2012)	FY 12 Budgeted (as of 6/30/2012)	FY 13 Appropriated
Hospital:				
Earl K. Long	$144,745,417	$118,773,315	$123,273,315	$121,050,745
University	$110,664,186	$108,842,650	$113,342,650	$101,223,662
W.O. Moss	$44,984,624	$31,461,148	$36,761,148	$42,633,475
Lallie Kemp	$40,447,704	$41,967,261	$41,967,261	$40,384,239
Bogalusa	$63,855,830	$61,009,788	$61,709,788	$59,629,986
L.J. Chabert	$102,871,499	$96,695,017	$99,795,017	$93,240,355
MCLNO	$368,684,627	$321,775,812	$321,775,812	$343,353,339
Total:	$876,253,888	$780,524,991	$798,624,991	$801,515,801
Central Office:	$21,214,881	$24,053,099	$24,053,099	$24,004,319
HCSD - Total	**$897,468,768**	**$804,578,090**	**$822,678,090**	**$825,520,120**

Section IV

BUDGETARY ISSUES

FY 13 MAJOR BUDGET ISSUES

DEPT/AGY: Executive / Division of Administration

ISSUE: Office of Group Benefits (OGB) – Morgan Keegan Contract

On 11/2/2011, the Division of Administration (DOA) signed a contract with Morgan Keegan that provides for the following goals and objectives:
•Provide financial advice including strategic planning, business planning, fiscal policy formulation, economic analysis, benchmarking and provide recommendations as needed/requested with regard to strategic and financial alternatives for current OGB programs.
•Assist in exploring other methods by which OGB can perform its statutory responsibilities through a transaction or contract involving the book of business or services provided by OGB and in the formulation of alternative methods of benefit delivery while retaining the same or improved level of services and benefits.
•Determine the value of the business, the value of the book of business and the market value of the tangible and/or intangible assets of OGB.
•Devise and utilize a Solicitation For Offers (SFO) process to identify potential contractors that match the alternative methods selected by OGB. Develop and initiate the marketing material and conduct a targeted marketing process. After selection of the winning proposer, Morgan Keegan shall assist OGB in the negotiation process to confect a contract for implementation of the selected alternative method, the start date of which shall be at the beginning of the plan year beginning on 1/1/2013.
•Provide recommendations to OGB for contracting in light of the assessment and negotiations.
•Assist in drafting and final execution of any contract resulting from the assessment and negotiations.
•Provide testimony before any committee of the LA legislature or other group that may conduct hearings regarding any contract resulting from the assessment and negotiations.

The contract terms are from 11/2/2011 to 12/31/2012 and the State has agreed to pay Morgan Keegan a maximum fee of $900,000. The contract provides for Morgan Keegan to receive compensation as follows:
•Morgan Keegan shall receive <u>$150,000</u> upon completion of the Strategic Options Assessment.
•Morgan Keegan shall receive <u>$50,000</u> upon completion and submission to the DOA of the Solicitation For Offers (SFO) document.
•Morgan Keegan shall receive a payment of 3% of the cumulative transaction value of any contract entered into as a result of the Solicitation For Offers (SFO) process, provided however that the minimum fee shall be <u>$300,000</u> and the maximum fee of <u>$700,000</u>.
•Morgan Keegan shall not be paid more than the maximum amount of this contract, which is <u>$900,000</u>.

Because the policy decision has been made to utilize a third party administrator and not sell the health plans, the DOA does not need the full services of Morgan Keegan. <u>The DOA paid $150,000 for the Strategic Options Assessment in FY 12.</u>

DEPT/AGY: Executive / Division of Administration

ISSUE: Office of Group Benefits (OGB) – Third Party Administrator

Included within the Office of Group Benefits' FY 13 budget is a reduction of $13.25 M and 161 positions due to the policy recommendation associated with a third party administrator (TPA) for the Office of Group Benefits' health insurance plans (HMO/PPO). The projected savings by the administration of $13.25 M is for only 6 months (January 2013 - June 2013) as the administration anticipates having the TPA in place by January 2013, which equates to annualized savings of approximately $26.5 M and 161 positions. These positions will likely be converted to non-T.O. FTE positions from July 2012 to December 2012 as the agency transitions to the new TPA.

In addition to offering 2 TPA plans (HMO - Blue Cross Blue Shield, CD-HSA - United Healthcare), OGB currently administers its own health plan called the PPO. Currently, a large percentage of OGB employees provide eligibility determination, premium collections, network administration (contracts with providers), medical claims payments and customer service for the PPO plan, while only providing eligibility determination and premium collections for the current TPA plans (HMO, CD-HSA).

The per member per month (PMPM) rate charged by Blue Cross Blue Shield (BCBS) for the health insurance plans, which is $23.50, equates to approximately $10.8 M annually (38,417 PPO members x $23.50 PMPM = $902,800 x 12 months = $10.8 M). Thus, the true annualized savings from utilizing BCBS for the health insurance plans is $26.5 M less $10.8 M, which equates to approximately $15.7 M of actual savings ($26.5 M - $10.8 M = $15.7 M). According to the OGB, the BCBS administrative fee will be $23.50 per member per month in FY 13, $24.50 in FY 14 and $25.50 in FY 15.

DEPT/AGY: Executive / Division of Administration

ISSUE: Enterprise Resource Planning (ERP) - LaGov

According to the DOA, the total implementation costs for the state's new financial system are approximately $100 M. Due to FY 11, FY 12 and FY 13 budget constraints, the DOA chose to pilot the implementation of the system for the Department of Transportation & Development (DOTD) in FY 11 and the Department of Environmental Quality (DEQ) in FY 13. Thus, there will be no statewide rollout in FY 12 or FY 13 due to lack of funding. However, included in Act 13 is $881,000 ($381,000 SGF and $500,000 IAT from the DEQ's Environmental Trust Fund) to bring DEQ online within the state's new financial system (LaGov) with a go-live date of 7/1/2014. Original projections of the total cost of the system were approximately $100 M. Due to the decision to pilot DOTD & DEQ, the projected cost estimate to bring the entire state online increased to approximately $133 M, or an increase of $33 M.

According to the Division of Administration (DOA), approximately $125,000 of the $500,000 from DEQ will be utilized for salaries and related benefits for DEQ staff that will be housed at the DOA during the year of implementation (FY 13), an additional $125,000 will be utilized for training DEQ agency personnel on using the system and approximately $250,000 will be utilized for modifications to the current federal grant tracking module within the system to better service the federal grant needs of DEQ. The SGF will be utilized to pay any hardware and software maintenance costs ($136,000), software licenses ($225,000) and any hardware acquisitions ($20,000). At this time, DEQ is the only other state agency coming on-line with the system in FY 14.

The hardware and software infrastructure are in place for a statewide rollout. The basic consulting services costs for converting the entire state include data conversion and training for a projected total cost of approximately $32.9 M. If additional funding is appropriated in FY 13, the statewide rollout costs would be as follows: $7.1 M - FY 13; $19.2 M - FY 14; and $6.7 M - FY 15. Approximately $25.3 M of the $32.9 M would be for professional service contracts for the full implementation statewide. However, the further the statewide rollout is delayed, the less relevant the LaGov system becomes and the increased risk that the current 16-year old legacy systems will crash beyond repair. To the extent the DOA is appropriated the needed $7.1 M of funding in FY 13 to begin the statewide rollout, the earliest the system could go live statewide is 7/1/2015 (FY 16).

The FY 13 budget for LaGov includes approximately $5.5 M of which $4.7 M is for the ongoing maintenance of the existing system ($1.3 M in TTF-R and $3.4 M in SGF). The Transportation Trust Fund - Regular (TTF-R) costs are for the ongoing maintenance of Agile Assets (DOTD), which are increasing by $22,541 for FY 13 (hosting and software maintenance increases).

The LaGov system as it exists today will require annual maintenance costs of approximately $5 M with a major software upgrade scheduled in FY 15, which is projected to cost approximately $3.4 M (one-time costs).

DEPT/AGY: Executive / LA Stadium & Exposition District

ISSUE: Community Development Block Grant Funds (CDBG) within the LSED

Included in FY 13 budget is $11,321,670 of CDBG funds from hurricanes Katrina & Rita for the continued support of the financial obligations of the district.

FY 13 MAJOR BUDGET ISSUES

The LSED originally received hurricane Katrina and Rita CDBG grant funds in the amount of $40 M that was spread over 3 fiscal years (FY 10, FY 11, and FY 12). The $40 M grant from the Office of Community Development (OCD) covered non-reimbursable costs incurred in the renovation and restoration of the Superdome following Hurricane Katrina. These funds were provided through the Local Government Infrastructure Program. The LSED utilized approximately $10 M of the grant to fund the FY 10 budget deficit and budgeted approximately $20 M in FY 11 and the remainder in FY 12, or $11,974,692. These grant funds were to be completely expended in FY 12. However, according to OCD, there will be an action plan amendment submitted to the U.S. Department of Housing & Urban Development (HUD) for approval to allow OCD to reprogram approximately $11.3 M from 2 hurricane recovery programs to the Local Government Infrastructure Program.

The funds to be reallocated include: $2.2 M from the Fisheries Assistance Program and $4.5 M from the Soft Seconds Housing Program with the remaining $4.6 M coming from resources currently allocated to the Local Government Infrastructure Program. The original Action Plan for Katrina/Rita allocated $95 M to the Local Government Infrastructure Program. There is currently $168.9 M allocated to the Local Government Infrastructure Program. Upon the approval of this action plan amendment that will move $11.3 M into the program, there will be approximately $180.2 M allocated to the Local Government Infrastructure Program.

To the extent the action plan amendment is not approved by HUD, the district will not have enough funds to meet its projected FY 13 financial obligations.

DEPT/AGY: Public Service Commission / Public Service Commission

ISSUE: Community Development Block Grant Funds (CDBG) within the LSED

In June 2010, the Public Service Commission (PSC) filed suit against the LA Legislature and the Governor claiming that the state unconstitutionally swept the accrued balances of the funds of the PSC in the amount of $8.5 M ($4 M in 2009 and $4.5 M in 2010) and placed the money in the SGF for use in any area of state government. The PSC contends that those balances were the proceeds of industry-specific fees (in particular, inspection and utility fees, motor carrier registration fees and telephonic solicitation registration fees) collected under the auspices that the fees were to be used in the regulation and enforcement of industry standards. In transferring these fees to the SGF, the PSC contends that the state treated them as a general tax, which is prevented by the Constitution. The Legislature indicates that the fund balance sweep was an allowable use of these funds. Should the PSC be successful in this effort, the state could eventually be required to return hundreds of millions of dollars to these and similar funds that have been swept over the years.

The Attorney General filed exceptions to the case in 19th Judicial District State Court which the PSC opposed. On 2/2/2011, the court ruled that the state did not violate the Constitution in sweeping the funds for use in the general operating budget. The PSC has appealed the District Court ruling and is currently filing briefs with the Court of Appeals. According to the PSC, a judgment should be known before the end of FY 13. Once that ruling is in place, there are further appeals available, but it is uncertain whether they will be utilized. If the appellate ruling is in favor of the PSC, the Attorney General indicates that an appeal to the Supreme Court would be requested. If the PSC prevails in the end, a precedent could be set to disallow past and future funds sweeps, which could reduce anticipated available revenue in the budget by disallowing certain funds sweeps that are regularly utilized in the budget. Because a ruling is not in place, it is not clear whether the impact would be applied retroactively to demand the refunding of past sweeps.

Both the state (represented by the Attorney General) and the PSC are using in-house attorneys so there is no additional administrative cost to the state as a result of this case.

DEPT/AGY: Agriculture & Forestry / Office of Agriculture & Forestry

ISSUE: Debt Service Payments

FY 13 MAJOR BUDGET ISSUES

After FY 12 debt service payments, there will be approximately $53.6 M in outstanding debt for the Department of Agriculture & Forestry related to various building projects and equipment purchases. R.S. 27:392(B)(4) dedicates $12 M of racetrack slot proceeds into the LA Agricultural Finance Authority Fund (LAFAF). Per R.S. 3:277, these funds are to be expended for securing revenue bonds for the needs of the Boll Weevil Eradication Program (debt service payments) or other agricultural associated expenditures at the discretion of the department. Additional debt service payments are paid off-budget by the LA Agricultural Finance Authority (LAFA) from proceeds deposited into the Feed Commission Fund, the Fertilizer Fund and the Pesticide Fund (FF&P).

After the department makes the projected FY 12 debt service payments, the remaining debt of $53.6 M is associated with the following projects:

$16.2 M	Lacassine Sugar Syrup Mill project (original 2004 debt issuance)
$31.0 M	Firefighting equipment, $22 M, and multiple buildings
$1.9 M	Various construction projects in 2006 - $9.6 M
$4.5 M	Various construction projects in 2007 - $6 M
$53.6 M	Total debt still owed

Included in the FY 13 budget is $9.9 M in budget authority from the LA Agricultural Finance Authority Fund (R.S. 3:277) for debt service payments. Information provided by the department projects total debt service payments at $9.2 M in FY 13. From this fund, the agency is projected to pay approximately $2,059,738 in total bond interest payments and $7,155,000 in total principal payments in FY 13. LAFA will make additional payments of $228,603 in interest payments and $2,221,687 in total principal payments in FY 13. The debt service payments projected in FY 13 are:

$7,587,238	Interest and principal on Lacassine Syrup Mill project (LAFAF)
$1,627,500	Interest only payments on Firefighting equipment and buildings (LAFAF)
$1,946,890	Interest and principal on various construction projects in 2006 (FF&P)
$503,400	Interest and principal on various construction projects in 2007 (FF&P)
$11,665,028	TOTAL ($9,214,738 LA Agricultural Finance Authority Fund and $2,450,290 FF&P)

To the extent that the interest rates do not change and the department does not pre-pay outstanding debt services, the various construction projects in 2006 should be *paid in full at the end of FY 13*, the Lacassine Syrup Mill bonds should be *paid in full at the end of FY 15,* and the firefighting equipment and buildings should be *paid in full by FY 18*. The various construction projects issued in 2007 should be *paid in full at the end of FY 27*. To the extent that the department does not borrow more funding through additional bond issues, all state debts will be paid off by FY 27.

Even though these debts are considered Net State Tax Support Debt, according to an audit of LAFA conducted by the Legislative Auditor (August 2008), these bonds are *"limited to special obligations of the authority and do not constitute a general, special or moral obligation of the State."* Currently, out of the approximate $53.6 M the department owes, only $31 M is associated with the firefighting equipment and buildings cannot be paid off earlier than its projected final payment date (FY 18), due to a prepayment penalty.

DEPT/AGY: Agriculture & Forestry / Office of Agriculture & Forestry

ISSUE: Lacassine Syrup Mill

The Lacassine Syrup Mill was financed by the state for $56 M. Construction and operating expenses totaled $45 M which was financed through revenue bonds secured by slot machine proceeds dedicated to the LA Agricultural Finance Authority (LAFA) in 2003. Interest due over the term of the $45 M bond issue totaled approximately $11 M.

The mill was to be used to make sugarcane syrup from cane grown is Southwest LA. The syrup would be used to produce ethanol on site or to be transported to other mills in LA for processing into raw sugar.

FY 13 MAJOR BUDGET ISSUES

Although construction began in May 2004, due to several delays the mill was not commissioned until March 2006.

In June 2006 LAFA signed a lease/purchase agreement with Lake Charles Cane - Lacassine Mill, LLC (LCCLM). In November 2006, LCCLM exercised its option to purchase the mill for $60 M. Other than a $300,000 security deposit, no upfront cash was put down. The terms of the sale included a 3% interest rate and 44 annual installment payments payable on December 31 of each year beginning in 2007. The first 4 installment payments were $100,000 each. After these 4 installments, the balance of principal and interest due was to be amortized over the remaining 40 years. LCCLM made the initial 4 payments of $100,000. The fifth mortgage payment of $2,948,147 was due on 12/31/2011 and has not been paid.

In addition, LAFA guaranteed $11 M of debts by LCCLM of which $6.2 M is unpaid to private banks. LCCLM owes this $6.2 M to the banks, in addition to the $70.6 M to the state. In March, the Commissioner of Agriculture announced plans to foreclose the facility.

The commissioner has reduced the bond debt from $45 M to $16.1 M and all bonds should be paid in full at the end of FY 15. Act 122 of 2009 provided a $15 M appropriation to make bond payments. In November 2009, the remaining bonds were converted from a variable rate to a fixed rate.

DEPT/AGY: Culture, Recreation & Tourism / Tourism

ISSUE: LA Tourism Promotion District

Act 1038 of 1990 created the LA Tourism Promotion District (LTPD) 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 13, a number of initiatives which have been funded with SGF historically 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 13:

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
Shreveport CVB (Bassmasters)	$425,000
Senior Olympics (Office of Elderly Affairs)	$33,750
Super Bowl	$6,000,000
NCAA Women's Final Four	$1,000,000
Total	$10,514,713

Additionally, funding for the following initiatives will be transferred to other agencies within the department:

ENCORE Louisiana	$465,356
LA Book Festival	$100,000
World Cultural Economic Forum	$675,000
LA Sports Hall of Fame	$677,786
Kent House	$56,000
Office of the Secretary administrative costs	$446,600
Decentralized and Statewide Arts Grants	$1,500,000
Total	$3,920,742
Total pass-throughs and programs to be absorbed by the LTPD	$14,435,455

FY 13 MAJOR BUDGET ISSUES

The recommended funding level for the LTPD (excluding the Administrative and Welcome Centers Program within the Office of Tourism) for FY 13 is $24,764,257. After the pass-throughs and programs are absorbed by the LPTD, $10,328,802 remains for normal expenditures related to advertising and promoting tourism in LA.

DEPT/AGY: **Health & Hospitals / Medical Vendor Payments**

ISSUE: **Federal Medical Assistance Percentage (FMAP) changes for Title 19 claims and DSH (Uncompensated Care Costs)**

Title XIX claims payments and DSH FMAP:

Title XIX history:

FY 11: 74.76% federal financial participation (25.24% state match)
FY 12: 69.34% federal financial participation (30.66% state match)

Title XIX Disaster Recovery Rate:

FY 13: 71.38% budgeted federal financial participation (28.62% state match), blended match rate

The FY 13 Budget is based on a federal medical assistance percentage (FMAP) of 71.38% federal match. Original FFIS (Federal Funds Information for States) projections reflected a projected drop in Title XIX FMAP to 63.37% federal financial participation for FY 13 (as reflected in the Medicaid budget request). However, the budgeted match rate is higher based on the state qualifying under a federal law that results in disaster adjusted (enhanced) FMAP's. According to the Federal Register (issuing the 2013 FMAP rates), "Section 2006 of the Patient Protection and 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 law. The initial impact in FY 13 is a reduction of approximately $95 M in SGF requirement from the prior year.

Note: After the 2012 legislative session, the federal transportation bill included an adjustment to the Disaster Recovery Rate formula that resulted in a reduction in federal financial participation for FY 13, from the budgeted 71.38% to a new blended rate of 66.58%. Based on the new formula, DHH loses approximately $859 M in federal support during the FY 13 year.

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)

The impact in FY 13 is a reduction of approximately $900,000 in SGF requirement.

DEPT/AGY: **Health & Hospitals / Medical Vendor Payments**

ISSUE: **Medicaid Outlook**

A portion of the recurring Medicaid budget in FY 13 is financed with approximately $219,993,919 in revenue sources that likely will need to be replaced with other means of financing in FY 14. These funding sources are as follows:

FY 13 MAJOR BUDGET ISSUES

1) $218,342,753 Revenues deposited into the MATF (excludes $108,412,206 in provider fees and $18 M in revenues generated from R.S. 22:842)
2) $1,651,166 Revenues from the NEW Opportunities Waiver (NOW) Fund appropriated in MVA

LA Medical Assistance Trust Fund:
The FY 13 level of funding in the Medical Assistance Trust Fund (MATF) is approximately $344,754,959. This funding includes the following specific deposits:

$108,412,206	Annual deposits from provider fees (pharmacy scripts, ICF/DD & Nursing Home beds)
$79,544,313	Funds Bill (Act 597 of 2012)
$138,798,440	Supplemental Bill (Act 53 of 2012)
$18,000,000	Funding derived as a result of R.S. 22:842 (annual ins. premium tax on health insurers)
$344,754,959	

Note: The Funds Bill includes the following revenue sources and amounts that are deposited into the MATF: Go Zone Repayments ($25,978,881), Ernest Morial New Orleans Exhibition Hall ($20 M), certain legal settlements ($22 M), and various fund transfers ($11,565,432).

Note: Annual funds collected in the MATF are from fees imposed on Nursing Home providers, ICF/MR providers, and Pharmacy scripts. 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 Actual	FY 12 Budget	FY 13 Appropriation
$403,715,644	$451,471,418	$344,754,959

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 is appropriated in FY 13 and deposited in the MATF for general Medicaid expenditures (will be used as a state match source).

DEPT/AGY: Health & Hospitals / Medical Vendor Payments

ISSUE: DSH Allocation & UCC Community Hospital Pool

The Uncompensated Care Costs (UCC) Program in Medical Vendor Payments 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 13, the federal match for DSH is 61.24% (38.76% state requirement). 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).

Act 13 (GAB) appropriates $828,780,813 M in the UCC Program for various providers. FY 13 DSH funds are allocated as follows:

$418,346,762	HCSD
$3,018,990	E.A. Conway
$29,325,831	H.P. Long
$160,158,279	Shreveport
$1,026,000	Villa Feliciana Medical Complex
$66,027,408	OMH public Psyc free standing units

FY 13 MAJOR BUDGET ISSUES

$106,312,998	Other DSH hospitals (non-rural)**
$ 7,531,320	Rural Hospitals and rural hospital-based health clinics
$7,000,000	Non rural hospitals
$2,000,000	Community Hospital Pool***
$28,033,225	GNOCHC****
$828,780,813	

***Note**: E.A. Conway received no DSH funding in FY 12 as a result of Upper Payment Limit (UPL) financing. In FY 13, E.A. Conway DSH funding increased to $3,018,990.

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

$100,000,000	DSH for the Low Income Needy Collaborative
$6,312,998	DSH for Mental Health Emergency Room Extensions (MHERE's)
$106,312,998	

*****Note:** Uncompensated Care Costs payments in the Community Hospital Pool are paid to non-state and non-rural hospitals that historically did not qualify under the Medicaid state plan (before 2007). Funding for the community hospital pool is maintained at $2 M for FY 13.

Community Hospital Pool Funding History

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

******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. Act 13 provides a funding increase to the Greater New Orleans Community Health Connection by $2,798,359, providing total DSH funding for this initiative to $28,033,226 in FY 13.

DEPT/AGY: **Health & Hospitals / Medical Vendor Payments**

ISSUE: **Medicaid UPL Payments, Low Income & Needy Care Collaborative in FY 13**

There are several UPL programs in which the Department currently participates. UPL allows the state to supplement payments made to providers. Under federal law, a state's UPL is the maximum a state can pay for Medicaid services (or the amount that would be paid for Medicaid services under Medicare payment principles). UPL's are capped in aggregate based on hospital classification (i.e., private, public, non-state public) and within each classification providers are bound by an individual cap.

Low Income & Needy Care Collaborative Agreements (LINCCA):
In FY 11, DHH made supplemental payments to private hospitals that entered into Low Income & Needy Care Collaborative Agreements (LINCCA) with a public entity. The FY 11 appropriation provided both Medicaid claims funding (approximately $266 M) and DSH funding (approximately $100 M) for such agreements between a public entity and private hospitals. Funding for this program was maintained in FY 12. The supplemental Medicaid Payments to private, non-state, non-rural hospitals for inpatient and outpatient services were made using an Upper Payment Limit (UPL) payment methodology. Act 13 of allocates $423 M for continuation of this program in FY 13.

A. LINCCA Between DHH State Agency and Private Hospitals
Beginning in FY 11 and continuing into FY 12, various private hospitals provided charity care to low income and needy LA patients (including various non-hospital related services) at the location that these patients were currently receiving care. To accomplish this, the providers set up a non-profit corporation that entered into contracts with individual physicians/providers to provide services that were previously provided by DHH. As a result of the DHH terminating contracts funded with 100% SGF, the department realized cost avoidance. In FY 13, DHH will continue to save approximately $8.6 M in SGF for contracts. Although there is no obligation, the state will continue to make supplemental Medicaid (UPL) payments

to the private hospitals in FY 13.

B. LINCCA Between a Governmental/Public Entity and Private Hospitals
Continuing through FY 13, the department will receive LINCCAs entered into between various public entities and private hospitals. Through these LINCCAs, the private hospital is eligible to receive Medicaid UPL payments. The match source for these supplemental payments will be an Intergovernmental Transfer (IGT) from the public entity (a non-state match source). The department made approximately $28.5 M in supplemental UPL payments in FY 12 from IGTs received from public entities that entered into a LINCCA with private hospitals. According to DHH, it is unknown exactly how much of the $266.4 M in appropriated UPL funds in FY 13 will be from IGTs.

C. LINCCA Between LSU and Private Hospitals
Beginning in FY 11, contracts with providers for indigent care services that were non-allowable for DSH reimbursement were terminated by LSU. These contracts were assumed by 7 different private hospitals seeking to expand their charity care (LSU continues payments for contracts for allowable services). The private hospitals involved in the LSU hospital LINCCA include Woman's Hospital, Willis Knighton, Our Lady of Lourdes, Lafayette General, Lake Charles Memorial, Women & Children's (Lake Charles), and the Northern LA Medical Center. Services picked up by the private hospitals expanding their charity care include radiology, emergency room services, surgical and primary care, and various physician specialties. Patients will continue to receive these services at their current locations. LSU has an increased savings of approximately $46.8 M at HCSD and $2.8 M at the LSU-S hospitals in FY 13. Information provided by DHH and LSU indicates that the state match source for FY 13 will be the SGF portion of excess Title XIX Medicaid funds allocated to the LSU hospitals, which LSU does not anticipate being able to generate. In addition, DHH is currently negotiating with the LINCCA providers to have a quarterly payment withheld in FY 13, and if or when this payment will be subsequently made in FY 14 without interruption of services.

State Hospital UPL (LSU/E. A. Conway UPL):
In order to offset the loss of funds from the Disproportionate Share Hospital (DSH) audit rule, LSU will be receiving UPL payments through E. A. Conway Hospital (EAC) as opposed to 100% SGF in DSH replacement funds. Under the Centers for Medicare & Medicaid Services (CMS) rules, EAC cannot receive above 100% of costs if participating in the DSH Program. In order to draw down UPL payments above 100% of cost, EAC was removed from the DSH program. As such, LSU has reduced the entirety of EAC's DSH budget. In addition, the State cut all Medicaid inpatient rates by 40% in public hospitals (excluding EAC) as per an emergency rule in FY 11. The 40% cut in Medicaid inpatient payments was offset at each hospital by an equal amount of DSH budget authority, except at EAC whose entire DSH budget was eliminated. LSU will receive approximately $46.4 M in UPL payments through EAC to be used as DSH replacement funds as a result of the DSH audit rule in FY 13. EAC will receive an additional $27.4 M from the UPL payments to replace its lost DSH budget. Total EAC UPL payments in FY 13 will be $73.9 M. This represents a $15.9 M decrease from FY 12. The state match source for this payment is SGF in the amount of $21,154,538 in FY 13. The following UPL payments are allocated to LSU in FY 13 for DSH replacement funds:

LSU-HSC	$16,106,071
HCSD	$30,354,369
Total DSH replacement from UPL payments	**$46,460,440**
EAC DSH budget replacement	$27,454,786
Total UPL Payments	**$73,915,226**

Hospital Based Physician UPL Program:
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 at least the Medicaid supplemental payment to the hospital. The match source for these supplemental payments is an Intergovernmental Transfer (IGT) from the public hospital (a non-state match source). In FY 11, DHH made approximately $6 M in payments to public hospitals under this program and approximately $45.6 M in FY 12. In FY 13, DHH expects to make approximately $45 M in payments under this program.

FY 13 MAJOR BUDGET ISSUES

Non-State, Non-Rural Public Hospital UPL:
In FY 12, DHH was approved by CMS to make supplemental payments to non-state, non-rural public hospitals. The match source for these supplemental payments is an Intergovernmental Transfer (IGT) from the public hospital. In FY 12, DHH has made $72 M in payments under this program. In FY 13, DHH expects to make approximately $72 M in payments under this program.

Small Rural Hospital UPL:
In FY 11, DHH was approved CMS to make supplemental payments to continue to help the state's rural hospitals maximize health care dollars to preserve access for Medicaid recipients. In FY 11, DHH made approximately 37.2 M in payments through this program. In FY 12, DHH paid approximately $35.8 M. The state match for this program is funded through appropriation of SGF in the amount of $11 M. In FY 13, DHH expects to make approximately $35.8 M in payments under this program.

Other UPL Programs:
The FY 13 Budget includes an additional $14 M in UPL funding for ambulance services provider. This is in addition to the $14.5 M in the base budget. DHH is still in negotiations with CMS for approval of the state plan amendment.

DEPT/AGY: **Health & Hospitals / Medical Vendor Payments**

ISSUE: **Bayou Health – Medicaid Managed Care**

Act 13 (GAB) contains $1.1 B in premium payments for Medicaid Managed Care statewide for approximately 880,000 Medicaid recipients (for Per Member Per Month (PMPM) payments for Prepaid Health Plans and the management fee for Shared Savings Health Plans).

The Bayou Health Program is DHH's new program to manage the care of approximately 900,000 LA Medicaid and LaChip recipients. Bayou Health 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 (SSHP)). As a result of the benefit package in both models being at least those offered under the LA Medcaid state plan (in amount, duration, and scope of services), the department implemented Bayou Health 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 Plan delivery model will reimburse 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 health plan will be reimbursed a monthly amount (administrative or management fee) for each member to ensure coordination of care. The monthly reimbursement is $11.81 for children and parents and $18.16 for people with disabilities and pregnant women based on the current contracts. The Prepaid Health Plan is a full risk bearing financial model. Provider networks will be assembled and will 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 $174.

Information provided by the department suggests some benefits will be 'carved out' for purposes of fee-for-service 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 Bayou Health. Based on the February 2011 rule, eligible recipients were projected to be evenly enrolled between the 2 types of networks. However, with 3 Prepaid Health Plan contracts and 2 Shared Savings Health Plan contracts awarded, the latest projection reflects an enrollment pattern of approximately 60% of eligible recipients enrolled in a Prepaid Health Plan. According to the department, all individuals currently enrolled in LA's PCCM system (Community Care) will be required to enroll (current PCCM enrollees is approximately 775,000). In addition, Medicaid enrolled pregnant women and Medicaid eligibles over age 65 will be required to enroll. In FY 12, the fiscal impact is based on phased in enrollment of approximately 866,000 Medicaid eligibles in both plans (estimated 50%/50% plan enrollment allocation).

Contracts:
DHH has entered into contracts with 5 separate entities. Each Health Plan will provide services statewide. The 3 Prepaid Health Plans are Amerigroup, LaCare, and Louisiana Healthcare Connections. The 2 Shared Savings Health Plans are managed by Community Health Solutions and United Healthcare. Medicaid and LaCHIP recipients will have an option to enroll in any of the 5 health plans. The contracts are based on $928 M paid to each Prepaid Health Plan over 3 years (3-year contract), and approximately $68 M to each Shared Savings Plan over a 3-year period.

FY 12 Enrollment:
Enrollment timeline for Managed Care statewide implementation: DHH enrolled all projected Medicaid eligibles in June of 2012, based on the following schedule from February 2012 to 6/1/2012 by geographical service area (GSA).

February 2012	GSA 1 enrollment, includes DHH Administrative Regions 1 & 9
April 2012	GSA 2 enrollment, includes DHH Administrative Regions 2, 3, & 4
June 1 2012	GSA 3 enrollment, includes DHH Administrative Regions 5, 6, 7, & 8

Fiscal Impact:
FY 12 appropriation for Bayou Health 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 Per Member Per Month Payments for prepaid plan and management fee for shared savings plan.

The FY 13 appropriation (payments) for Bayou Health is approximately $1,091,779,279. This appropriation is based on the following adjustments:

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

FY 13 MAJOR BUDGET ISSUES

Note: Information provided by DHH indicates that a portion of the funding from the Community Hospital Stabilization Fund (approximately $18.8 M as reflected above) will be provided to certain non-state public hospitals in the full risk plans to offset hospital rate cuts applied during the budget process.

Note: DHH is covering the majority of the cost of the managed care payments with dollars from the Medicaid base budget (as reflected in the transfer adjustment from Privates to Buy-Ins). This level of funding in FY 13 includes a reduction in Medicaid payments by $29,384,056 from FY 12 ($8,409,717 SGF) as a result of projected savings from Bayou Health implementation (based on Mercer projections). <u>In addition to the $29 M savings built into Medicaid for FY 13, the Payments to Private Providers Program was reduced $14,675,052 as a result of moving acute services for all waiver participants under Bayou Health, and as a result of moving the case management function for NOW Waiver recipients under Bayou Health in FY 13.</u> In addition, the Payments to Private Providers Program was reduced by $42,483,300 in total funding as a result of moving pharmacy as a benefit under 3 prepaid Bayou Health plans. Amerigroup, LaCare, and LA Healthcare Connections will manage this benefit in FY 13.

DEPT/AGY: Health & Hospitals / Aging & Adult Services

ISSUE: Waivers & Other Community Service Programs

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 additions 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. This waiver is administered by the Office of Aging & Adult Services.

No. of Slots Funded FY 13:	*5,303 (200 slots for Pitts vs. Greenstein settlement)*
No. of Slots Funded FY 12:	*4,603*
Filled Slots as of 12/31/2011:	*4,415*
Slots Funded but not Filled:	*188*
*Registry and/or Waiting List:**	*25,667*
Average Cost/Capped Cost:	*$29,720 ($40,046 cap)*
Expenditure Forecast as of 12/31/2011:	*$111,556,413*

Population Served: Ages 21 years old or older, Medicaid eligibility, and meet nursing facility level of care criteria
*Registry and/or Waiting List as of 12/31/2011

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. This waiver is administered by the Office of Aging & Adult Services.

No. of Slots Funded FY 13:	*825*
No. of Slots Funded FY 12:	*825*
Filled Slots as of 12/31/2011:	*715*
Slots Funded but not Filled:	*110*
*Registry and/or Waiting List:**	*1,571*
Average Cost/Capped Cost:	*$21,572 ($46,292 cap)*
Expenditure Forecast as of 12/31/2011:	*$8,873,616*

Population Served: Ages 22 years old or older, Medicaid eligibility, and meet nursing facility level of care criteria
*Registry and/or Waiting List as of 12/31/2011

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. This program is administered by the Office of

FY 13 MAJOR BUDGET ISSUES

Aging & Adult Services.

Filled Slots as of 12/31/2011: 14,435
Average Cost/Capped Cost: $15,300 ($19,236 cap)
Expenditure Forecast as of 12/31/2011: $188,453,713
Population Served: Ages 21 years old or older 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. This program is administered by the Office of Aging & Adult Services.

Filled Slots as of 12/31/2011: 277
Average Cost/Capped Cost: $41,269 ($50,880 cap)
Expenditure Forecast as of 12/31/2011: $10,847,130
Population Served: Ages 55 years of age or older, 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.*

Filled Slots as of 12/31/2011: 18
Registry and/or Waiting List: 50*
Average Cost/Capped Cost: $15,943
Expenditure Forecast as of 12/31/2011: $633,229
Population Served: Ages 22 years of age or older with a severe physical and/or cognitive disability that manifested after attainment of age 22 but prior to age 55
*Registry and/or Waiting List as of 12/31/2011

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.*

Filled Slots as of 12/31/2011: 6
Registry and/or Waiting List: 44*
Average Cost/Capped Cost: $22,359
Expenditure Forecast as of 12/31/2011: $633,229
Population Served: Ages 18 - 60 years of age, a significant disability, capable of hiring, firing, and supervising the persons who provide personal assistance services.
*Registry and/or Waiting List as of 12/31/2011

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. This program is administered by the Office of Aging & Adult Services.

FY 13 MAJOR BUDGET ISSUES

Filled Slots as of 12/31/2011: *552*
*Registry and/or Waiting List:** *309*
Average Cost/Capped Cost: *$5,065 ($15,000 cap)*
Expenditure Forecast as of 12/31/2011: *$3,129,204*
Population Served: An individual must meet the definition of traumatic head injury or spinal cord injury.
*Registry and/or Waiting List as of 12/31/2011

Note: Waiver slots are not 100% filled. Although the agency fills waiver slots as quickly as possible, processing an individual for a waiver slot can take a considerable amount of time.

DEPT/AGY: Health & Hospitals / Behavioral Health

ISSUE: The LA Behavioral Health Partnership and Coordinated System of Care (CSoC)

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 Department of Health & Hospitals (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. An additional $24.8 M was appropriated in the Medical Vendor Administration (MVA) in FY 13 (as well as $590,879 for 30 employees to process the influx of Medicaid applications) to annualize the $25.3 M appropriated in FY 12 ($50.1 M total--see below). 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 who are in, or at, imminent risk of out-of-home placement. The Office of Behavioral Health (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 funding for the LBHP will be primarily through the Medicaid Medical Vendor Payments (MVP) Buy-Ins Program via a selective services 1915(b) Medicaid waiver to allow automatic enrollment in a single managed care provider (Magellan). DHH received approval by the Centers for Medicare & Medicaid Services (CMS) on 10/18/2011 for the waiver. Allocations in Medicaid (MVP and MVA) for the LBHP are listed below.

	FY 12 Allocated	FY 12 Actual	FY 13 Allocated	Total Allocated Funding
State funds	$48,579,784	$25,548,303	$69,026,387	$117,606,171
Federal	$110,317,813	$52,805,686	$212,583,616	$322,901,429
TOTAL	**$158,897,597**	**$78,353,989**	**$281,610,003**	**$440,507,600**
MVA	$25,295,350	$9,452,616	$25,432,717	$50,728,067
MVP	$133,602,247	$68,901,373	$256,177,286	$389,779,533
TOTAL	**$158,897,597**	**$78,353,989**	**$281,610,003**	**$440,507,600**
Existing Funds	$105,046,140		$157,384,859	$262,430,999
New Funds	$53,851,457		$124,225,144	$178,076,601
TOTAL	**$158,897,597**		**$281,610,003**	**$440,507,600**

Note: Due to the Federal Transportation Bill, the blended FMAP in FY 13 was decreased from 71.38% to 66.58%. This has changed the original budget allocation between State and Federal funds within Medicaid for the LBHP; however, the total funding amount has not changed. FY 12 Actual is unofficial.

The funding in MVP will be used by the SMO to reimburse 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 $43 M in SGR to be received from the SMO for services provided. The projected non-Medicaid administrative costs for OBH, DCFS, and OJJ are based on 8% of expenditures for the non-Medicaid service populations in the agencies and are estimated at $7.7 M in FY 13.

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. Adults with addictive disorders and serious mental illness, who have been eligible for services through OBH in the past, will also be managed by Magellan. Adult services will continue to be funded with federal grants and SGF from OBH. OBH will also pay Magellan an estimated 8% administrative fee (through Medicaid) for managing and coordinating care for the non-Medicaid adult and children populations.

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. The average projected length of treatment within the WAA for each child is 270 days. Among the participating departments, DCFS will assess children in foster care and residential facilities who are at-risk for out-of-home placement. Within OJJ, only youth in the nonresidential programs and on probation in non-secure residential programs who are Medicaid eligible will be served through the CSoC. School districts and charter schools, known as Local Education Authorities (LEAs), and the DHH agencies will also recommend children who are at-risk for out-of-home placement to be enrolled in the CSoC.

Medicaid Expansion

1) Early Periodic Screening, Diagnosis, & Treatment (EPSDT): State plan amendments were submitted to allow for claims reimbursements for medically necessary mental health and substance abuse services to any/all Medicaid eligible children as part of the EPSDT program. Covered services under the EPSDT state plan amendments include therapeutic services (diagnosis and treatment), rehabilitation services (community psychiatric support & treatment and psychosocial rehabilitation), crisis intervention, and outpatient and residential treatment for substance abuse. Payments will be made through a fee-for-service reimbursement methodology.

2) Psychiatric Residential Treatment Facilities (PRTF): PRTFs provide an entirely new service through intensive inpatient psychiatric and residential services to children and youth under 21. Covered services at PRTFs include physician/psychiatric services, pharmacy services, diagnostic and radiology services, laboratory services, dental and vision services, occupational therapy, physical therapy, speech-language therapy, and transportation services. There are currently 7 PRTFs which will be reimbursed at a $335.49 per diem rate. CMS approved the state plan amendments for the psychiatric residential treatment facilities on 10/17/2011.

3) Therapeutic Group Homes (TGH): TBHs provide community-based residential services in a homelike setting for children and youth under 21 in need of 24-hour behavioral health care under the supervision of a psychiatrist or psychologist. Services provided at TGHs include screening and assessment, therapy (individual, group, and family), ongoing psychiatric assessment & intervention, and skill-building. There are currently 5 TGHs, which will be reimbursed at a $202.80 per diem rate.

4) School-based Behavioral Health Services: Within LEAs, school-based health services for children ages 3 to 21 will be expanded to include community psychiatric supportive treatment & addiction services in addition to the counseling, social work, and psychological services already being offered. The SMO will coordinate services provided by school staff, but the claims will be paid directly by the Medicaid Fiscal Intermediary based on expenditure data from the LEA's Payroll/Benefits and Accounts Payable System. All other school-based services provided to youth by non-school providers will be managed and paid by the SMO. The state plan amendments to authorize Medicaid reimbursements for school based services were approved by CMS on 10/12/2011.

5) Adult Mental Health Services: Services for adults with acute stabilization needs & major mental disorders or serious mental illnesses will be covered by the 1915(i) state plan amendments, which were approved by CMS in December 2011. In addition, substance abuse services for adults will be newly covered by Medicaid under the state plan amendments. Covered services will include therapeutic services (diagnosis and treatment), rehabilitation services (community psychiatric support and treatment and psychosocial rehabilitation), crisis intervention, and outpatient and residential treatment for substance abuse.

DEPT/AGY: Health & Hospitals / Behavioral Health

ISSUE: Construction of New Central LA State Hospital (CLSH)

Central LA State Hospital (CLSH) is a freestanding inpatient facility that provides acute, intermediate, and long-term mental health care, treatment, and rehabilitative services to children, adolescents and adults. Currently, CLSH has 60 beds and consists of 84 buildings, many of which are vacant and in disrepair. In Act 203 of 2007, $27 M in SGF was allotted for supplemental capital outlay appropriations for a new psychiatric hospital at CLSH in Pineville. In Act 52 of 2011, $25 M was replaced with Community Development Block Grant funding to build the new hospital and $2 M in SGF. Of the $2 M in SGF, $1,740,816 was obligated for contracts with Barron, Heinberg & Brocato Architects & Engineers to design the new hospital (as of 2/3/2012 only $1,091,354 expended). The new hospital was originally designed to be a 90-bed inpatient facility for the intermediate care of adults and adolescents. However, the project was put on hold in FY 12 while DHH developed different design scenarios with Barron, Heinberg, & Brocato.

The final design involves a 2-phased transitional approach. Initially, DHH plans to consolidate CLSH patients and staff into the Northeast corner of the campus in order to save on staffing, security and maintenance costs while the new hospital is being built. As part of this consolidation, 82 filled positions will be eliminated throughout FY 13 with a corresponding $2,451,000 reduction in SGF to the Hospital Based Treatment Program within the Office of Behavioral Health in FY 13 (155 positions will remain at CLSH). A breakdown of the 82 positions is shown below. This will also eliminate the need for transporting patients across the campus for medical, clinical, entertainment and vocational needs. Second, DHH will build a new 60-bed hospital on State land adjacent to the Pinecrest Supports & Services Center. Construction is expected to take 12 to 18 months and will cost approximately $6 M from the appropriated capital outlay funds. In addition, DHH will refurbish some of the vacant buildings on the current campus to use for ancillary purposes such as administrative offices. According to DHH, the exact cost associated with refurbishment of buildings for ancillary purposes is unknown at this time.

Personnel Reduction Plan (T.O.)	
Administrative Assistant (3)	($98,311)
Administrative Coordinator (3)	($116,314)
Human Resources Analyst (1)	($51,688)
Social Worker (2)	($83,389)
Psychologist (3)	($259,771)
Associate Psychologist (1)	($70,346)
Maintenance (3)	($114,816)
HVAC Master Mechanic (1)	($33,197)
Custodian (4)	($83,658)
Therapist (4)	($158,538)
Rehab Instructor (1)	($27,955)
IT Tech Support (1)	($73,715)
Phlebotomist (1)	($35,131)
Registered Nurse (8)	($509,642)
Psychiatry Aide (39)	($978,681)
Food Service Specialist (7)	($171,132)
TOTAL (82)	**($2,866,284)**
Transition costs	$415,284
Total FY 13 Reduction	**($2,451,000**

FY 13 MAJOR BUDGET ISSUES

DEPT/AGY: **Health & Hospitals / Behavioral Health**

ISSUE: **Acadiana Area Human Services District**

Act 13 (GAB) appropriates $20,805,218 in IAT from agencies within the DHH to the newly created Acadiana Area Human Services District (AAHSD) so that AAHSD may begin operations as an autonomous agency under schedule 09-325 (services will continue uninterrupted during the transition). AAHSD will service the parishes of DHH Region 4 including: Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermillion. Transfers from each agency are detailed below.

T.O.	IAT	Agency
0	$297,000	Office of the Secretary
113	$16,757,879	Office of Behavioral Health (OBH)
30	$3,750,339	Office for Citizens with Developmental Disabilities (OCDD)
143 (non-T.O.*)	$20,805,218	TOTAL

***Note:** Personnel will be redesignated as non-T.O. 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.

Note: In FY 13, there is $891,000 SGF within the Office of the Secretary in DHH for salaries associated with hiring an executive board at the remaining 4 human service districts to be created. Currently, all 4 new districts (in Regions 5, 6, 7, & 8) are going through preparations for their shadow year to begin operating independently of OBH's budget, including the creation of a board of regional and state stakeholders that meet to develop the fundamentals of the district's operations and services. Currently, all 4 districts have an operational board.

Region 5 and Region 6 are receiving a full year of start-up funding ($297,000 each) for an Executive Director, Human Resources staff member and Fiscal Director. These are hired as non-T.O. in the Office of the Secretary in FY 13. Regions 7 and 8 will only need 6 months of start-up funding to hire the same positions because they will not hire their staff until the second half of FY 13 ($148,500 each). According to DHH, the plan is for the funding for Regions 5 and 6 to be transferred to them as an independent budget unit in FY 14 and Regions 7 and 8 in FY 15.

DEPT/AGY: **Health & Hospitals / Office for Citizens w/Developmental Disabilities (OCDD)**

ISSUE: **Privatization of the Supports & Services Centers**

During the past few years, the DHH Office for Citizen's with Developmental Disabilities (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 12, residents in the 3 large ICF/DD facilities (Pinecrest Supports & Services Center, North Lake Supports & Services Center, and Northwest Supports & Services Center) were reduced by approximately 25%. In FY 13, OCDD plans to privatize North Lake Supports & Services Center and Northwest Supports & Services Center that will result in Pinecrest Supports & Services Center being the only remaining public operated ICF/DD.

Facility	Location	Status

FY 13 MAJOR BUDGET ISSUES

North Lake Supports & Services Center	Hammond	Privatized
Northwest Supports & Services Center	Bossier City	Privatized
Acadiana Region Supports & Services Center	Iota	Privatized
Pinecrest Supports & Services Center	Pineville	Operating
Leesville Residential & Employment Services	Leesville	Privatized
Bayou Region Supports & Services Center	Thibodaux	Closed
Northeast Supports & Services Center	Ruston	Closed
Columbia Community Residential & Employment Services	Columbia	Closed
Greater New Orleans Supports & Services Center	New Orleans	Closed

North Lake Supports & Services Center - OCDD will privatize North Lake SSC (Tangipahoa Parish) that is anticipated to result in a reduction of $28,928,373 in Title 19 Medicaid IAT funds and the elimination of 620 positions. According to OCDD, a few organizations have expressed interest in entering into a cooperative endeavor agreement (CEA) to operate North Lake SSC. OCDD is in the process of developing a Request for Proposal (RFP) for the CEA that will privatize North Lake. Presently, there are 243 residents at North Lake SSC. OCDD anticipates that a CEA would authorize the use of 214 of its existing licensed funded beds to a private provider. Cost savings from the privatization of North Lake SSC are anticipated 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 a private provider. OCDD projects that the Medicaid private reimbursement rate will be less than the current Medicaid public reimbursement at North Lake SSC. Presently, the estimated private provider Medicaid rate is $208.49.

Northwest Supports & Services Center - OCDD will privatize Northwest SSC (Bossier Parish) that is anticipated to result in a reduction of $14,937,349 in Title 19 Medicaid IAT funds and the elimination of 360 positions. According to OCDD, a few organizations have expressed interest in entering into a cooperative endeavor agreement (CEA) to operate Northwest SSC. OCDD is in the process of developing a Request for Proposal (RFP) for the CEA that will privatize Northwest. Presently, there are 137 residents at Northwest SSC. OCDD anticipates that a CEA would authorize the use of 128 of its existing licensed funded beds to a private provider. Cost savings from the privatization of Northwest SSC are anticipated 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 a private provider. OCDD projects that the Medicaid private reimbursement rate will be less than the current Medicaid public reimbursement at Northwest SSC. Presently, the estimated private provider Medicaid rate is $208.49.

<u>The following centers have already been closed, consolidated, or privatized in the prior fiscal years:</u>

Acadiana Region Supports & Services Center - Act 11 of 2010 authorized the privatization of Acadiana Region Supports & Services Center (Acadia Parish). OCDD eliminated 250 positions from ARSSC. In FY 11, only 10 positions remained at Acadiana Region SSC as part of community support teams. The community support team provides training and technical assistance to caregivers, families and schools that serve people with disabilities.

Act 12 of 2011 transfers 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. On 5/4/2011, OCDD entered into a 5-year contract with the Arc of Acadiana to provide Intermediate Care Facility for the Developmentally Disabled (ICF/DD) services and housing for 70 individuals at ARSSC under a Cooperative Endeavor Agreement beginning 7/1/2011 and ending 7/30/2016. At the time of transfer on 7/1/2011, 62 individuals resided at ARRSC.

Leesville Residential & Employment Services (formerly Leesville Developmental Center and the Leesville State School) - In FY 05, Leesville Residential & Employment Services (Vernon Parish) became licensed as a Group Home and was no longer licensed as a large ICF/DD. Leesville served no more than 15 individuals on its central campus. In FY 11 as part of the mid-year expenditure reduction, Leesville Residential & Employment Services community homes were privatized. The FY 12 budget reduced $1,590,218 of Title 19 IAT Medicaid and 41 positions from OCDD due to the privatization.

FY 13 MAJOR BUDGET ISSUES

Bayou Region Supports & Services Center (formally the Peltier-Lawless Development Center) - In FY 06, Bayou Region Supports & Services Center (Lafourche Parish) was licensed as a Group Home and served 12 residents. In FY 10, OCDD privatized Bayou Region SSC. Bayou Region was operated by Liberty Six, a private, long-term care provider. At the end of December 2010, Bayou Region was closed. The FY 12 budget reduced $751,046 of Title 19 Medicaid IAT from OCDD due to the closure.

Northeast Supports & Services Center (formerly Ruston Developmental Center and Ruston State School) - Northeast Supports & Services Center (Lincoln Parish) has existed since 1959. In FY 11, OCDD closed NESSC amid an investigative report by the state Inspector General's Office on excessive overtime hours of employees and reports of abuse and neglect by the Advocacy Centers and other disability advocate groups. NESSC had 202 staff members at the facility and approximately 89 residents (66 were in community homes). Residents were transferred to Northwest SSC or other public centers, issued waiver services, or transitioned to community-based care. OCDD has plans to sell the Northeast campus or taken over by another public entity.

Columbia Community Residential & Employment Services (formerly the Columbia Developmental Center and Columbia State School) - In FY 05, Columbia Community Residential & Employment Services facility (Ouachita Parish) became licensed as a Group Home and was no longer licensed as large ICF/DD. Columbia served 15 individuals on its campus. The group home was named the Banks Springs Group Home. Also, CCRES operated a vocational program serving approximately 40 individuals. In FY 10, the vocational program was privatized and the Columbia Developmental Center campus was vacated and transitioned to the Office of Juvenile Justice as of 6/30/2010.

Greater New Orleans Supports & Services Center (formerly Metropolitan Development Center) - Over the course of two and half years after Hurricane Katrina, FY 06 – FY 09, the Greater New Orleans Supports & Services Center (GNOSSC) was transitioned from a ICF/DD facility to a community-based facility. After Hurricane Katrina, 230 residents were transitioned to other residential options. All of the Administration & Resource Center employees were relocated to 4460 General Meyer in New Orleans on the West Bank. On 2/27/2008, GNOSSC completely vacated the old Metropolitan Development Center campus. In FY 12, GNOSSC was consolidated with North Lake Supports & Services Center. The FY 12 budget reduced $660,529 of SGF as a result of the consolidation.

DEPT/AGY: Health & Hospitals / Office for Citizens w/Developmental Disabilities (OCDD)

ISSUE: Waivers

The New Opportunities Waiver (NOW) is offered on 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. This waiver is administered by OCDD.

No. of Slots Budgeted FY 13:	*8,664*
No. of Slots Funded FY 12:	*8,832*
Filled Slots as of 12/31/2011:	*8,136*
Slots Funded but not Filled:	*696*
*Registry and/or Waiting List:**	*8,832*
Average Cost/Capped Cost:	*$53,960*
Expenditure Forecast as of 12/31/2011:	*$404,465,081*

Population Served: Ages 3 and older who have a developmental disability that manifested prior to age 22
*Registry and/or Waiting List as of 12/31/2011
Note: 168 slots were reduced in FY 13.

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. This waiver is administered by OCDD.

No. of Slots Budgeted FY 13:	*1,475*
No. of Slots Funded FY 12:	*1,475*
Filled Slots as of 12/31/2011:	*1,315*
Slots Funded but not Filled:	*160*
*Registry and/or Waiting List:**	*4,912*
Average Cost/Capped Cost:	*$11,449 ($16,660 waiver cap only)*
Expenditure Forecast as of 12/31/2011:	*$14,058,212*

Population Served: Ages Birth - 18 who meet the federal definition for a developmental disability
*Registry and/or Waiting List as of 12/31/2011; 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. This waiver is administered by OCDD.

No. of Slots Budgeted FY 13:	*2,050*
No. of Slots Funded FY 12:	*2,050*
Filled Slots as of 12/31/2011:	*1,768*
Slots Funded but not Filled:	*282*
*Registry and/or Waiting List:**	*75*
Average/Capped Cost:	*$8,461*
Expenditure Forecast as of 12/31/2011:	*$13,768,256*

Population Served: Ages 18 and older
*Registry and/or Waiting List as of 12/31/2011

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. This waiver is administered by OCDD.

No. of Slots Budgeted FY 13:	*210*
No. of Slots Funded FY 12:	*210*
Filled Slots as of 12/31/2011:	*27*
Slots Funded but not Filled:	*183*
Registry and/or Waiting List:	*0*
Average Cost/Capped Cost:	*$30,086*
Expenditure Forecast as of 12/31/2011:	*$901,282*

Population Served: Ages Birth to end of life who have a developmental disability manifested prior to the age of 22
*Registry and/or Waiting List as of 12/31/2011

Note: Waiver slots are not 100% filled. Although the agency fills waiver slots as quickly as possible, processing an individual for a waiver slot can take a considerable amount of time.

DEPT/AGY: Health & Hospitals / Office for Citizens w/Developmental Disabilities (OCDD)

ISSUE: Update on the Privatization of the Acadiana Region Supports & Services Center

Act 11 of 2010 authorized the privatization of Acadiana Region Supports & Services Center (ARSSC) located in Iota (Acadia Parish). On 5/4/2011, DHH Office for Citizens with Developmental Disabilities entered into a 5-year contract with the Arc of Iberia, Inc. (doing business as Arc of Acadiana) to provide an Intermediate Care Facility for the Developmentally Disabled (ICF/DD) services and housing for 70 individuals at ARSSC under a Cooperative Endeavor Agreement beginning 7/1/2011 and ending 7/30/2016. At the time of the transfer on 7/1/2011, 62 individuals resided at ARRSC.

The original layoff plan submitted by OCDD identified 114 ARSSC staff that would be laid off as a result of the privatization. Due to retirement and transfers to other state agencies of 32 employees, only 82 employees were laid off. Of the former 114 ARSSC employees, 92 applied for positions with the Arc of Acadiana. As of 6/30/2012, 30 former ARSCC employees (approximately 42%) remain employed with the Arc of Acadiana.

	Total Number
ARSSC Employees who applied for job with the Arc of Acadiana	92
ARSSC Employees who received jobs with the Arc of Acadiana	72
ARSSC Employees who were terminated by DHH/OCDD	82
ARSSC Employees who were employed on 12/28/2011 with the Arc of Acadiana	45
Former ARSSC Employees who remain employed with the Arc of Acadiana (6/30/2012)	30

The positions of the 30 former ARSCC staff remain employed at the Arc of Acadiana:

Day Program	10
Staff Trainer	1
Clerical	1
Cooks	2
Dietary Manager	1
Home Managers	2
Direct Support	13
Total	30

Act 12 of 2011 transferred the remaining funding for ARSSC and 10 positions to Pinecrest Supports & Services Center in Pineville (Rapides Parish). Cost savings from the privatization of ARSSC are anticipated in FY 13. The projected savings are based on the difference between the Medicaid public reimbursement rate for the state-operated ARSCC ($447.15) versus the negotiated Medicaid private reimbursement rate for Arc of Acadiana. OCDD projects that the Medicaid private reimbursement rate for Arc of Acadiana will be less than the Medicaid public reimbursement when ARSSC was state-operated in FY 11. The Medicaid private reimbursement rate for Arc of Acadiana will be based on each individual's assigned Inventory for Client & Agency Planning (ICAP) scores. The negotiated private reimbursement rate for the Arc of Acadiana is $208.49 per day.

DEPT/AGY: Revenue / Office of Revenue

ISSUE: The Impact of Amnesty on the Department of Revenue Budget

In the past, the Department of Revenue (LDR) has been funded primarily with SGF and SGR arising from penalties and fees on delinquent or fraudulent taxes or other regulatory fees associated with the Offices of Charitable Gaming and Alcohol & Tobacco Control. Annual SGF requirements were typically $40-$45 M for LDR with an equal amount of SGR. When the state implemented the Tax Amnesty Program in FY 10, the Legislature permitted LDR to retain $75,975,344 of the amnesty receipts in anticipation of declining penalties and fees in the period immediately following the Amnesty Program and to offset the need for SGF in subsequent years. Language in Act 13 allows LDR to retain unexpended collections (does not revert to SGF) which led to a large carry-forward for LDR in FY 11, a year in which the amnesty receipts were available along with on-going fee collections. Total SGR budgeted for FY 11 was $95.2 M of a total budget of $96.9 M with no SGF required. For FY 12, it is anticipated that a portion of the on-going fee collections from FY 11 will be utilized in FY 12 and added to the on-going fee collections of FY 12 with no need for SGF. The FY 13 budget also contains no SGF provisions for LDR instead relying on SGR to carry the department throughout the fiscal year. However, beginning around FY 14, the amnesty fees are expected to be exhausted, and LDR could require substantially more SGF (about $30-$35 M) in order to provide the same level of service.

DEPT/AGY: Environmental Quality

ISSUE: Waste Tire Management Fund

In previous years the Waste Tire Management Fund (WTMF) has experienced deficits in fee collections necessary to meet the payments to waste tire processors. DEQ has indicated that the recurring shortage in fee revenue collected to pay waste tire processors is systemic due to tire weights increasing over time. As a result of these fee collection deficits, DEQ has required other sources of revenue to make tire processor payments. In June 2007, DEQ received $3,544,348 from SGF to "catch up" on the unpaid amounts requested by waste tire processors for tire material processed from January 2003 until June 2007. In May 2008, the department received $700,000 from SGF for unpaid amounts to processors in FY 08. In June 2009, the department received $900,000 from the Overcollections Fund for unpaid amounts to processors in FY 09. The department did not receive any additional monies in FY 10 and FY 11. All obligations in FY 12 have been paid to date. It should be noted that not all processor invoices have been received. When the invoices are received and paid, it is likely the fund balance will be $0.

According to DEQ, the average weight of passenger/light truck/small farm service tires has increased over time whereas the fees have remained the same. The processors are paid $1.50 for 20 pounds of tire material or for 20 pounds of whole waste tires marketed and shipped to a qualified recycler. Fees on tires are restricted in R.S. 30:2418(I) to no more than $2 per passenger/light truck/small farm service tire, $5 per medium truck tire, and $10 per off-road tire. DEQ rules provide for a fee of $1.25 for each recapped or retreaded tire and that no fee is to be collected on tires weighing more than 500 pounds or solid tires. These rules require a processor to verify the number of waste tires received and limits each processor to accepting no more than 5 unmanifested tires per day per customer.

It is likely that without adjustment to either the fees or reimbursement rates to processors, the Waste Tire Fund will continue to run short of fee collections to pay processors in subsequent fiscal years. In the current year, fee collections of $9,637,127 (and interest of $1,684) through the end of May have kept up with processor requests and the fund currently has a surplus of $570,071. DEQ has indicated that there is a significant amount of waste tire material that has not been delivered to an end use. DEQ currently estimates the amount of eligible material to be processed to be valued at roughly $48,140 based on approximately 641,872 pounds of material. As well, DEQ estimates that there are 88,279 whole tires that have not been processed which is estimated to eventually result in $216,780 in additional processor requests.

Prior to the enactment of Act 852 of 2010, a dedication of 5% of tire fee collections (began on 7/1/2003 and expired 6/30/2008) was used for "market development" of products with beneficial use, and for promotion of those products. Act 852 of 2010 provides that any unexpended and unobligated monies deposited in the WTMF for market development in excess of $500,000 is to be available for expenditures to waste tire processors. Act 12 of 2011 Regular Session reduced the amount dedicated to market research to $300,000. The Waste Tire Management Fund balance is $1,081,680 (as of 5/31/2012), which results in an unrestricted balance of $781,679 ($1,081,680 WTMF balance - $300,000 for market research), which can be used to pay processor payments in FY 12.

DEPT/AGY: Wildlife & Fisheries / Office of Fisheries

ISSUE: Aquatic Plant Control Funding

Funding Source	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Conservation Fd	$1,100,000	$4,600,000	$4,400,000	$6,600,000	$6,442,000	$6,442,000	$6,442,000
Aquatic Plant Fd	800,000	1,133,000	3,133,000	660,000	660,000	660,000	500,000
Federal	798,000	798,000	798,000	700,000	798,000	798,000	958,000
Total	$2,698,000	$6,531,000	$8,331,000	$7,960,000	$7,900,000	$7,900,000	$7,900,000

Performance Indicators							
Acres Treated (PS)*	31,260	51,260	59,260	51,260	54,222	54,222	54,222
Acres Treated (Actual)	31,136	58,765	68,433	75,051	56,867	79,661	n/a

*Performance Standard (PS)

Budget authorization for the Aquatic Plant Control Fund in both the FY 08 and FY 09 budget from the boat trailer tax was $1.133 M. An additional $2 M in SGF was placed into the Aquatic Plant Control Fund in FY 09 (total funding of $3.133 M). These funds are collected by the Department of Public Safety & Corrections Services for each registered boat trailer ($3.25 per trailer) and deposited by the Treasury into this fund for treating water bodies for undesirable aquatic vegetation. These revenues fluctuate depending on the number of people registered.

This funding enabled the department to treat additional acres of aquatic vegetation and to develop research partnerships with state universities on alternative uses and treatment methods for nuisance aquatic plants. Act 10 of 2009 (General Appropriation Bill) replaced the SGF with funding from the Conservation Fund in the same amount. Act 10 also included an adjustment to align expenditures with anticipated revenues in the Aquatic Plant Control Fund. This adjustment reduces the budget authorization by $473,000, leaving $660,000.

In FY 13, the budget authorization of the Aquatic Plant Control Fund was reduced from $660,000 to $500,000 to align expenditures with anticipated revenues. Also, available Federal funding increased from $798,000 to $958,000, leaving total funding of $7.9 M for this purpose in FY 13 which is the same as FY 12.

Current funding provides for staffing (41 positions) and the purchase of chemicals and equipment, as well as contracts for the treatment of aquatic vegetation ($223,057). Expenses also include research partnerships with state universities on alternative uses and treatment methods for nuisance aquatic plants.

DEPT/AGY: Higher Education /Southern University (SU) System

ISSUE: SU - Baton Rouge Financial Crisis and Declaration of Financial Exigency

The Chancellor and administration at SU - Baton Rouge faced a budget shortfall of approximately $10.5 M at the beginning of FY 12. The $10.5 M budget shortfall was due to the following causes: loss of Federal funds from the American Recovery & Reinvestment Act of 2009, increasing subsidies for athletic programs, scholarship and tuition waivers from tuition increases, declining student enrollment, and increases in unfunded mandated costs.

To deal with this crisis, the Chancellor sent a letter to the President of the SU System on 8/22/2011 requesting “financial exigency” for SU - Baton Rouge due to the university’s anticipated budget deficit of $10.5 M in FY 12. Bylaws of the SU System Board of Supervisors (BOS) defines a bona fide financial exigency as “an imminent financial crisis which threatens the survival of the institution as a whole and which can only be alleviated by adopting drastic means” including furloughs for tenured and tenure track faculty as sought through financial exigency. The BOS approved the request for exigency in October 2011.

SU - Baton Rouge made the following reductions in FY 12 to close the budget gap of $10.5 M:

a. $260,000 reduction in funding for Adjunct faculty including salaries and fringe benefits
b. $100,000 savings from reorganization of colleges and schools
c. $150,000 reduction in telephone expenditures
d. $293,000 reduction by transferring or terminating Foundation and Alumni employees
e. $1.84 M savings from personnel reductions including benefits from the elimination of 43 vacant positions
f. $225,000 savings from retirement of 5 employees
g. $1,862,000 savings from elimination of 43 vacant positions
h. $520,000 savings from a revised Summer salary schedule
i. $1,020,000 savings from a faculty retirement incentive plan
j. $230,000 savings from delayed payment of 2010 and 2011 promotions
k. $382,000 in additional revenue from an athletic student fee increase
l. $2,206,000 savings from 10% furloughs of faculty
m. $1,109,000 means of finance swap replacing SGF with Federal funds for institutional costs
n. $303,000 savings from reductions in general operating costs

FY 13 MAJOR BUDGET ISSUES

In January 2012, SU - Baton Rouge received a state-mandated mid-year budget reduction of an additional $1.67 M in SGF. To address this mid-year reduction, the following cuts were made:

Reductions in travel ($38,710), operating services ($200,000), inter-institutional costs ($100,000), and layoff of 18 employees ($1,331,555).

According to SU - Baton Rouge, these reductions will have the following impacts:
1. Reduced quantity and quality of services to students.
2. Negative impact on recruitment, retention and graduation rates.
3. Decreased morale of faculty, staff and students.

SU - Baton Rouge SGF budget was $28.8 M in FY 12 and is $25 M in FY 13. As such, Southern - Baton Rouge SGF budget decreased by $3.8 M (13.2%) from FY 12 to FY 13.

DEPT/AGY: Higher Education / Student Financial Assistance

ISSUE: Contracting of LOSFA Loan Guarantee Operations

The LA Office of Student Financial Assistance (LOSFA) is designated in state law as the guaranty agency for the state of LA and is under contract with the U. S. Department of Education to provide guaranty services for federal student loans under the Federal Family Education Loan Program (FFELP). The guaranty services include: assisting lenders to help borrowers avoid defaulting on their student loans (default prevention), processing and paying claims for defaulted loans made by lenders (claims) and collecting payments from borrowers who have defaulted on their loans (collections).

In 2010, FFELP was amended to end the origination of new student loans by LOSFA effective 7/1/2010. Prior to the amendment of FFELP effective 7/1/2010, LOSFA's guaranty agency function provided revenue from the origination of student loans that supported the guaranty function and the agency's state scholarship and grant functions. Before changes to FFELP effective 7/1/2010, LOSFA had accumulated a substantial balance of funds for guaranty operating services. Since that date, LOSFA has not generated revenues associated with loan origination and has lost $1 M to $2 M per year in loan origination fees resulting in a exponentially increasing decline in funds for guarantee operating services.

The loss of revenues from loan origination fees since 7/1/2010 has resulted in the agency not being able to generate sufficient funds to continue the current loan guaranty agency functions past FY 13 unless the agency significantly reduced costs and unless SGF was appropriated to replace the Federal funds that had been used to support state scholarship and grant programs. Further, LOSFA's Federal funds was anticipated to be unable to pay lender claims on defaulted student loans by June 2015. Finally, the ratio of fund assets to outstanding loans will fall below the federal minimum standard by June 2016. Under the circumstances, LOSFA anticipated that the U.S. Department of Education would take the program from LOSFA resulting in the loss of all federal revenue from the program.

To prevent the loss of the program and to continue the federal revenue stream to the state, LOSFA issued an Invitation to Bid (ITB) on 3/14/2012 to find and contract with a full service contractor to perform the guaranty functions of LOSFA, including default aversion, claims and collections. LOSFA was notified on 4/5/2012 that only one bid was received. Based on the bid, LOSFA negotiated contracts with the 2 members of the joint venture and the contracts were approved by the LA Student Financial Assistance Commission on 5/16/2012. The Civil Service Commission approved the contracts on 6/6/2012 and the Office of State Purchasing approved the contracts on 6/12/2012. The contracts were effective on 7/1/2012. Outsourcing the loan program resulted in the elimination of 58 authorized positions effective on 6/29/2012 (because of retirements and new employment, only 15 personnel lost their jobs via lay-off).

Based on the bid received, the contract costs will exceed the costs of maintaining the program in-house; however, the revenues projected to be earned under the contract will substantially exceed the revenues currently earned in-house and will create a positive revenue stream for the state. Further, the revenue stream will be generated for at least 5 years, which is much longer than the in-house operations could continue.

DEPT/AGY: Higher Education / Board of Regents

ISSUE: Higher Education Governance Commission Study and Recommendations (HCR 184 of the 2011 Regular Session)

House Concurrent Resolution (HCR) 184 of 2011 urged and requested that the Board of Regents create a commission (the Governance Commission) to study the governance, management, and supervision of postsecondary education. The 18 members composing the Governance Commission included individuals appointed by the Governor, the Legislature, the state's postsecondary education management boards and the Workforce Investment Council, as specified in the resolution.

The Governance Commission's final report (released 1/12/2012) addresses 2 specific tasks charged by HCR 184. The first task is an examination of how an improved governance structure would result in the following:
a) More efficient use of resources.
b) Improvement of student access through better alignment of student interest and access.
c) Better integration of education at all levels through a complete articulation and transfer plan.
d) More fair and equitable service to all institutions through better representation in the management structure and fuller recognition and support of the special missions and needs of historically black colleges and universities in our state.

The report's second task, the plan for reorganization, called for a framework for postsecondary education addressing the following 4 areas:
a) Analysis of a single board model for the governance of higher education.
b) Distribution of authorities and responsibilities within postsecondary education.
c) Tuition policy.
d) Formula funding.

The Commission's Report has the following evaluations and conclusions:

1) <u>Creation of a single board to govern public postsecondary institutions.</u>
The Commission concludes that it is not in the best interests of the state, at this time, to undertake a restructuring of its postsecondary education governance system. However, the Commission also determines that the status quo is unacceptable and concurs with legislative findings that establishing clearer lines of accountability and authority and increasing efficiencies across the postsecondary education system are critical and require action to make LA's postsecondary educational system responsive to student and state needs and to be regionally and nationally competitive. To accomplish this, the Commission recommends that the current governance structure be strengthened and the ambiguities in current law be resolved to provide clearer lines of authority, and establish the Board of Regents as the entity most accountable to the Governor, the Legislature, and the public for postsecondary education in LA.

The Commission also considered other aspects of the governance of postsecondary education in the state and notes that there are inconsistencies in the alignment of institutions within the various management systems. It further recommends that the Board of Regents: 1) complete its review of the role, scope and mission of each postsecondary institution within postsecondary education; 2) establish clear missions for each management system; and 3) make recommendations to align institutions consistent with their shared missions.

2) <u>Detailed articulation of the distribution of authority and responsibilities among entities, offices, and institutions.</u>
The Commission recommends that the necessary constitutional and statutory changes be made to clarify the role of the Board of Regents and the postsecondary education management boards, eliminate ambiguities and establish the Board of Regents as the entity with the authority for driving performance

improvements in higher education. The Commission further recommends that the postsecondary education management boards be required – with some appropriate degree of flexibility – to distribute state funding to their member institutions in accordance with the Board of Regents' performance funding formula and budget recommendations. Finally, in light of changing fiscal circumstances resulting from state budget cuts and changing student enrollment patterns, the Commission strongly urges the development of a statewide fiscal "early warning" system when there is an indication that a deteriorating financial condition is threatening the viability of an institution.

3) <u>Recommendations for the proper mechanism for setting tuition and suggestions regarding the proper balance of SGF and tuition as a means of funding postsecondary education.</u>
The Commission recommends that the Legislature should return tuition authority to the 4 postsecondary education management boards, as was the practice prior to the application of a constitutional change enacted in 1995. This should be done: 1) in compliance with strict guidelines set forth in a Tuition and Financial Aid Policy established and implemented by the Board of Regents and approved by the Legislature, and 2) in conjunction with the GRAD Act.

The Commission also recommends:
a. Decoupling the Taylor Opportunity Program for Students (TOPS) from tuition and instead tying it to a more appropriate cost index. This would allow LA's postsecondary education enterprise to function more effectively in today's market-based environment and give the state greater flexibility to maintain the TOPS Program for more students despite ongoing fiscal challenges.
b. Undertaking policy changes to maximize the effectiveness of the GO Grant, the number of students served, and fully funding the program when fiscally possible.
c. Providing for further study in the areas of encouraging 4-year completion, reducing barriers for adults enrolling in postsecondary education, and considering the establishment of a TOPS transfer award.

To address the question of the proper balance between SGF and tuition dollars, the Commission recommends that the Board of Regents conduct a tuition and aid study focused on cost and affordability. This information is critical to a successful transition from an annual budgeting process to a more long-term strategic approach to funding postsecondary education.

4) <u>Proposals regarding the distribution formula of SGF and the relative importance of equity and performance in that formula.</u>
The Commission recommends the following:
a. Requiring the use of the Board of Regents' performance funding formula as the mechanism to distribute state funding to postsecondary institutions.
b. Strengthening the funding formula so that it provides incentives – on a customized basis, depending upon the role, scope, and mission of institutions – for workforce preparation, targeted research, ease of student transfer and higher completion rates for at-risk students.
c. Allowing campuses to establish fund balances through the use of carry-over funds to drive prudent fiscal management and implementation of additional institutional efficiencies.
d. Conducting an independent cost study to identify and implement improved administrative efficiencies in the public postsecondary system.

The Commission's report also includes findings and recommendations in the following subject areas: 1) budget, formula, and efficiencies; 2) tuition and financial aid; and 3) articulation and transfer are also significant. These sections provide specific details supporting the Commission's broad findings and recommendations described above. <u>The FY 13 Budget does not include any items or funding related to the Commission's recommendations</u>.

DEPT/AGY: LSU Health Care Services Division/ LSU HSC_HCSD

ISSUE: Disproportionate Share Hospital (DSH) Payment Audit Rule Impact

The LSU Hospitals receive Disproportionate Share Hospital (DSH) payments in order to offset the costs of providing indigent care at its state charity hospitals and clinics. In FY 12, the DSH FMAP is 61.09% with a 38.91% state match rate. In FY 13, the state match rate is expected to decrease slightly to 38.76%

(FFP increases to 61.24%).

In FY 11, LA implemented new federal DSH rules making certain previously allowable costs unallowable for reimbursement payments (this is commonly referred to as the DSH audit rule). As such, the state lost significant revenue from the federal government, including approximately a $130.6 M cut in FY 12 in DSH payments to LSU. In order to continue the same level of indigent care, the state offset this impact in FY 12 with $62.3 M from E. A. Conway (EAC) UPL payments, $30 M in savings from the Low Income Needy Care Collaboration Agreement (LINCCA), and $35.6 M from SGF ($128 M total detailed below).

	FY 12 SGF Replacement	FY 12 EAC UPL Replacement	FY 12 LINCCA Savings
EKL	$4,061,237	$7,001,702	$3,733,026
UMC	$4,013,735	$5,782,719	$3,083,114
WOM	$307,763	$2,518,184	$1,342,594
LAK	$1,992,566	$2,277,382	$1,214,208
BMC	$2,349,661	$2,763,833	$1,473,565
LJC	$4,556,794	$5,269,199	$2,809,325
MCLNO	$10,159,778	$16,712,698	$8,910,540
EAC	$1,146,550	$2,729,802	$1,121,772
HPL	$991,471	$930,827	$988,146
LSU-S	$6,038,727	$16,393,440	$5,323,710
TOTAL	**$35,618,282**	**$62,379,786**	**$30,000,000**

There are no plans to supplement LSU with SGF for the DSH audit rule in FY 13, which will result in a $35.6 M SGF decrease in the DSH audit solution from the prior year. In addition, due to the implementation of Bayou Health, the number of reimbursable Medicaid days has decreased at E. A. Conway, and the amount of UPL that can be collected there has likewise decreased by $15.9 M. LSU has an increased savings of approximately $66.1 M at HCSD and $2.8 M at the LSU-S hospitals in FY 13 from LINCCA contracts. However, as of 5/3/2012, there has been no definitive state match source decided between DHH and LSU for FY 13. LINCCA savings are contingent upon identification of approximately $21.3 M in available SGF as a match source (estimated with a 150% premium and 71.38% FMAP). Information provided by DHH and LSU indicates that the state match source for FY 13 will be the SGF portion of excess Title XIX Medicaid funds allocated to the LSU hospitals, which LSU does not anticipate being able to generate. In addition, DHH is currently negotiating with the LINCCA providers to have a quarterly payment withheld in FY 13, and if or when this payment will be subsequently made in FY 14 without interruption of services. However, approximately $2.8 M in SGF match has yet to be identified. <u>To the extent the full amount of necessary SGF match is not identified, LINCCA contracts may be canceled with the private entities and the non-allowable services will have to be refunded with SGF from LSU.</u> Depending on the LINCCA savings going forward, the amount of DSH audit offset at LSU in FY 13 is $115,475,725 (detailed below).

	FY 13 EAC UPL Replacement	FY 13 LINCCA Savings
EKL	$9,216,160	$11,485,844
UMC	$6,668,889	$7,245,525
WOM	$0	$6,418,653
LAK	$820,303	$3,427,405
BMC	$4,114,284	$5,882,244
LJC	$6,164,099	$11,125,768
MCLNO	$3,370,631	$20,593,352
LSU-S	$13,559,796	$0
EAC	$2,140,786	$724,500
HPL	$405,489	$2,111,997
TOTAL	**$46,460,437**	**$69,015,288**

Note: The net decrease in DSH audit replacement solutions if a state match source is identified and the LINCCA savings materialize is $12.5 M. If the LINCCA savings do not materialize in FY 13, then the net decrease will be $81.5 M to LSU. However, due to the Medicaid rate reductions implemented at LSU in order to draw down the UPL at EAC in FY 12, LSU was able to generate higher UCC than originally anticipated due to the gap between the Medicaid reimbursements and hospital costs, thereby decreasing the initial DSH audit rule problem by an indeterminable amount. According to HCSD, the closest estimate of the current DSH audit rule problem would be the amount of the EAC UPL and LINCCA workarounds ($115.4 M). Therefore, if the workarounds are not funded, LSU will have a $115.4 M deficit.

DEPT/AGY: LSU Health Care Services Division/ LSU HSC_HCSD

ISSUE: Construction of University Medical Center - New Orleans (New Charity Hospital)

In conjunction with LSU HCSD, the University Medical Center Management Corporation (UMCMC) plans to build the University Medical Center-New Orleans (UMC-NO) as a new teaching and research hospital that will replace the former Medical Center of LA at New Orleans (MCLNO) that was damaged by Hurricane Katrina. As an independent, non-profit entity, UMC-NO will no longer be a state hospital; however, its funding mechanisms will remain the same. The UMCMC is a not-for-profit corporation, created by LSU to finance the $1.06 B project and has final authority concerning financing decisions. The Joint Legislative Committee on the Budget (JLCB) will have final approval of the cooperative endeavor agreement entered into between the Department of Health & Hospitals (DHH), the Division of Administration (DOA), LSU, and the UMCMC, which is not expected until FY 15. The projected total cost of the project is $1.06 B for a projected 424-bed hospital, diagnostic and treatment facility, an ambulatory care clinic, structured parking, and a utility building (inclusive of all equipment). In 2008, DHH hired Verite Consulting to evaluate the size of the planned hospital, and Verite made the 424-bed recommendation (364 acute beds and 60 psychiatric beds), which was adopted by DHH and Governor Jindal's administration. UMC-NO is currently set to open in 2015 and drafted to be a total of 2,211,799 square feet. The hospital will be on a site bound by Tulane Avenue, Canal Street, Claiborne Avenue and South Galvez Street adjacent to the new Veterans Affairs (VA) Hospital currently being built. The 2 hospitals will potentially share cancer services, some physician services, OB/GYN services, trauma, some parking, and laundry (the final list of shared services will be determined by the UMC-NO administrative team once the hospital is operational). The VA hospital is anticipated to open in 2014.

As of 8/23/2012, the state has secured approximately $801.4 M of the $1.06 B. The $801.4 M consists of $300.6 M from Capital Outlay; $474,750,898 from FEMA for replacing the former main charity hospital building; and $26 M in additional FEMA funds for damages to other parts of the MCLNO complex including capital assets and building contents. Of the $300.6 M in the Capital Outlay Bill (Act 23 of 2012), $600,000 is SGR collected by LSU, $35.5 M is SGF from the Overcollections Fund, $39 M from CDBG funds, $170 M Priority 1 (cash line of credit), $35.5 M in Priority 5 (non-cash line of credit), and $20 M in general obligation bonds that have been sold. It is currently anticipated by DOA that additional FEMA settlement and Office of Risk Management (ORM) insurance money from the damages to MCLNO will soon be secured for an estimated $129 M depending on arbitration. The FEMA funds are being held in the Federal Health & Human Services (HHS) payment management system (SMARTLINK) and will be allocated to the state through the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) through reimbursement payments as work is performed. According to Facility Planning & Control, as of 5/29/2012, approximately $109 M of the currently awarded FEMA funds have been transferred to the state as reimbursement for capital outlay expenditures on the project.

The UMCMC and JLCB approved a business plan in September 2011 prepared by Verite Consulting for constructing the $1.06 B hospital. The UMCMC is seeking alternative financing for the approximately $132 M in remaining unsecured funding including 3rd party financing for the ambulatory care clinic and structured parking through the LSU Physician's Foundation, and equipment lease purchase agreements with various vendors. The UMCMC will determine the exact amount of 3rd party financing needed once the FEMA funds which are awaiting arbitration or obligation are secured and a definitive amount of funding from FEMA is determined. A breakdown of the financing for the new hospital according the approved business plan is detailed below.

FEMA Funds

Charity Hospital Replacement	$474.8 M
Secured FEMA Funds	$26 M

FEMA Funds Awaiting Obligation	$129 M
Subtotal	*$629.8 M*
State Capital Outlay	
Priority 1 (cash line of credit)	$170 M
Priority 5 (non-cash line of credit)	$35.5 M
Issued General Obligation Bonds	$20 M
Overcollections Fund	$35.5 M
LSU SGR	$0.6 M
CDBG Funds	$39 M
Subtotal	*$300.6 M*
Third Party Financing	
Ambulatory Clinic, Structured Parking, & Equipment Lease Purchase	
Subtotal	*$132 M*
Total Financing Costs	**$1.06 B**

Note: The total construction budget decreased from $1.088 B to $1.06 B due to a decrease in the arbitration awards received from FEMA and ORM. The reduced level of funding from arbitration will not affect the planned number of beds.

DEPT/AGY: **LSU Health Care Services Division/ LSU HSC_HCSD**

ISSUE: **OLOL/EKL Collaboration Agreement UPL Payments**

The LSU Health Care Services Division (HCSD) has entered into a cooperative endeavor agreement with Our Lady of the Lake Regional Hospital (OLOL) on 2/5/2010 with an initial 10-year term to assume all inpatient and emergency department services currently offered at Earl K. Long Medical Center (EKL), excluding obstetrics & gynecology (OB/GYN), outpatient and prisoner care. HCSD plans to continue outpatient services at all of HCSD's clinics in Baton Rouge, which include the North Baton Rouge Clinic, the Stanacola Clinic, the Leo Butler Clinic, and the Outpatient Surgical Center on Perkins Road. DHH has submitted a Medicaid state plan amendment to amend the rules to allow the clinics to be tied to the Lafayette University Medical Center's (UMC) license in order to allow Federal financing to remain in place. <u>The Centers for Medicare & Medicaid Services (CMS) has yet to approve the new licensing plan with UMC.</u>

Through a cooperative endeavor agreement (CEA), the medical training program for OB/GYN services at EKL has moved to Woman's Hospital. The ongoing payments that Woman's will receive from DHH as part of this agreement are the increased per diem amounts as a result of Woman's becoming a major teaching hospital, which became effective on 7/1/2011. These payments are included in Woman's inpatient claims payments and are estimated to be an additional $3.8 M annually. The CEA indicates that "reasonable" allowable costs associated with the residency program will be adjusted annually for inflation.

On 6/11/2012, LSU issued a Request for Proposal for possible private hospitals to do inpatient prisoner care. HCSD will continue to do all outpatient care at its Baton Rouge clinics. The Department of Corrections will also utilize the Hunt facility once it is fully staffed. The Hunt facility is a Skilled Nursing Facility that can care for prisoners released from the hospital that cannot return to the prison population yet.

According to DHH, as of July 2012, $133,403,380 in upper payment limit (UPL) reimbursements have been paid to OLOL in order to cover the transition costs related to the hospital's staff, Graduate Medical Education, and facilities to allow for increased service access for EKL's patient populations. Of this $133.4 M, $129 M is specifically for one-time capital investment associated with expanding capacity for EKL's patient base. When EKL closes inpatient services in FY 14, DHH will pay OLOL for 95% Medicaid costs, for 100% uninsured costs, and for the unreimbursed medical education and trauma center costs included in the cooperative endeavor agreement. OLOL submitted its FY 11 year-end cost report to CMS on 1/31/2012, and is currently working on a reimbursement model based on these costs, which it will negotiate with DHH for payment. These will either be paid by Medicaid rate payments, UPL, or possibly combined with DSH payments. In addition to the $133.4 M, the state will make ongoing UPL payments to cover the costs primarily associated with increased Medicaid and indigent patient services at OLOL.

DEPT/AGY: LSU Health Care Services Division/ LSU HSC_HCSD

ISSUE: Contingency Funding

In the FY 13 Budget, there is $35 M in Statutory Dedications funding from the Overcollections Fund, which is contingent upon the approval and sale of the New Orleans Adolescent Hospital (NOAH). Without this contingency funding, HCSD will have to implement further service reductions in FY 13. Currently, the LSU Board of Supervisors, Health Sciences Center has control of the NOAH facility and rents space to Children's Hospital. Act 867 of 2012 authorizes LSU to transfer NOAH to the Division of Administration for the sale or lease of the facility to Children's Hospital.

Section V

TABLES

Department of Children & Family Services
Temporary Assistance for Needy Families (TANF)
Funding for FY 13

For FY 13, Act 13 of 2012 contains funding of $94 M for TANF, which is a decrease of $33.4 M from FY 12.

FEDERAL INITIATIVES	FY 12	FY 13	DIFFERENCE
Literacy:			
Jobs for America's Graduates	$3,950,000	$3,950,000	$0
LA 4	$70,050,000	$29,550,000	($40,500,000)
Asset Building:			
Microenterprise Development	$510,000	$0	($510,000)
Individual Development Account	$1,275,000	$0	($1,275,000)
Family Stability:			
CASA	$4,670,000	$4,436,500	($233,500)
Drug Courts	$6,000,000	$6,000,000	$0
Child Abuse/Neglect (CPI)	$15,679,484	$28,908,960	$13,229,476
Family Violence	$3,700,000	$4,700,000	$1,000,000
Homeless	$850,000	$850,000	$0
Nurse Family Partnership	$3,700,000	$3,365,000	($335,000)
Substance Abuse	$4,104,989	$3,588,903	($516,086)
Early Childhood Supports	$5,550,000	$5,550,000	$0
Abortion Alternatives	$1,500,000	$1,400,000	($100,000)
Day Treatment Programs (OJJ)	$6,000,000	$1,800,000	($4,200,000)
TOTALS	**$127,539,473**	**$94,099,363**	**($33,440,110)**

Act 12 of 2011 included $40.5 M of TANF Emergency Funds from the American Recovery & Reinvestment Act (ARRA) for LA 4. TANF ARRA Emergency funds expire in FY 13, and therefore funds were removed from LA 4.

Louisiana Education Quality Trust Fund - 8(g) 1986-87 to 2010-11

Beginning 1986-87 Fund Balance - $540,699,504 with Annual Interest and Royalty Deposits

Permanent Fund:	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-2000**	**2000-2001**	**2001-2002**	**2002-2003**
Cash Value	$694,429,303	$689,578,656	$707,258,020	$728,166,189	$762,108,629	$799,726,036	$822,498,152	$841,538,930	$852,195,675
Investment Income	$14,135,788	$13,186,900	$14,303,306	$27,795,972	$33,409,785	$18,104,819	$10,001,192	$5,723,829	$11,519,457
Royalties Income	($18,986,435)	$4,492,464	$6,604,864	$6,146,468	$4,207,622	$4,667,297	$9,039,586	$4,932,916	$4,686,916
Total	$689,578,656	$707,258,020	$728,166,190	$762,108,629	$799,726,036	$822,498,152	$841,538,930	$852,195,675	$868,402,048
Permanent Fund:									
Market Value	**$704,490,462**	**$713,702,637**	**$760,195,407**	**$817,056,699**	**$817,998,820**	**$823,520,329**	**$831,338,021**	**$812,737,083**	**$877,000,364**
Support Fund:									
Investment Income	$50,215,008	$38,689,042	$38,077,244	$39,941,397	$40,406,672	$43,836,613	$40,992,264	$36,463,986	$37,779,199
Royalties Income	$11,373,722	$33,760,696	$13,477,394	$19,814,592	$18,439,406	$12,622,864	$14,001,891	$14,798,746	$14,060,747
Total	$61,588,730	$72,449,738	$51,554,638	$59,755,989	$58,846,078	$56,459,477	$54,994,155	$51,262,732	$51,839,946

A History of the Support Fund Income and Permanent Fund in Millions of Dollars

	1994-95	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1999-2000**	**2000-2001**	**2001-2002**	**2002-2003**
Support Fund	$61.6	$72.4	$51.6	$59.8	$58.8	$56.5	$55.0	$51.3	$51.8
Permanent Fund	$689.6	$707.3	$728.2	$762.1	$799.7	$822.5	$841.5	$852.2	$868.4

Permanent Fund:	**2003-2004**	**2004-2005**	**2005-2006**	**2006-2007**	**2007-2008**	**2008-2009**	**2009-2010**	**2010-2011**	**2011-2012**	Cumulative Growth
Cash Value	$868,402,048	$891,805,723	$916,081,258	$936,295,533	$956,625,141	$977,990,329	$1,000,182,756	$1,014,497,848	$1,031,048,104	Permanent Fund
Investment Income	$14,372,777	$15,307,935	$12,877,985	$13,433,082	$13,110,162	$12,687,191	$9,060,555	$11,131,777	$14,711,773	$343,804,012
Royalties Income	$9,030,898	$8,967,600	$7,336,290	$6,896,526	$8,255,026	$9,505,235	$5,254,537	$5,418,479	$5,387,972	$130,541,813
Total	$891,805,723	$916,081,258	$936,295,533	$956,625,141	$977,990,329	$1,000,182,755	$1,014,497,848	$1,031,048,104	$1,051,147,849	$474,345,825
Permanent Fund:										
Market Value	**$925,090,380**	**$975,661,638**	**$958,642,904**	**$1,021,316,556**	**$968,122,567**	**$872,736,756**	**$997,888,851**	**$1,082,169,386**	**$1,129,938,382**	
										Cumulative Growth
Support Fund:										Support Fund
Investment Income	$37,606,959	$41,587,080	$42,233,206	$44,460,712	$42,952,072	$40,358,067	$34,670,951	$30,654,199	$31,075,809	$940,740,712
Royalties Income	$27,092,693	$26,902,801	$21,401,616	$20,689,576	$24,765,079	$28,515,706	$15,763,612	$16,255,436	$16,163,917	$402,233,543
Total	$64,699,652	$68,489,881	$63,634,822	$65,150,288	$67,717,151	$68,873,773	$50,434,563	$46,909,635	$47,239,726	$1,342,974,255

A History of the Support Fund Income and Permanent Fund in Millions of Dollars

	2003-2004	**2004-2005**	**2005-2006**	**2006-2007**	**2007-2008**	**2008-2009**	**2009-2010**	**2010-2011**	**2011-2012**
Support Fund	$64.7	$68.5	$63.6	$65.2	$67.7	$68.9	$50.4	$46.9	$47.2
Permanent Fund	$891.8	$916.1	$936.3	$956.6	$978.0	$1,000.2	$1,014.5	$1,031.0	$1,051.1

Constitutional Uses of Support Fund Dollars:
Board of Regents: 1) The carefully defined research efforts of public and private universities in Louisiana. 2) The endowment of chairs for eminent scholars. 3) The enhancement of the quality of academic, research or agricultural departments or units within a university. These funds shall not be used for athletic purposes or programs. 4) The recruitment of superior graduate students.

Board of Elementary & Secondary Education: 1) To provide compensation to city or parish school board or postsecondary vocational-technical professional instructional employees. 2) To insure an adequate supply of superior textbooks, library books, equipment and other instructional materials. 3) To fund exemplary programs in elementary, secondary or vocational-technical schools designed to improve elementary, secondary or vocational-technical student academic achievement or vocational-technical skill. 4) To fund carefully defined research efforts, including pilot programs, designed to improve elementary and secondary student achievement. 5) To fund school remediation programs and preschool programs. 6) To fund the teaching of foreign languages in elementary and secondary schools. 7) To fund an adequate supply of teachers by providing scholarships or stipends to prospective teachers in academic or vocational-technical areas where there is a critical teacher shortage.

Notes: The cumulative growth figures for both the Permanent and Support Fund include balances from 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, and 1993-94 (history for these years is not shown above). The Cash Value for 1988-89 through 2011-12 equal the Permanent Fund balance at 6/30 of the prior fiscal year.

Taylor Opportunity Program for Students (TOPS)
TOPS Awards for Public and Private Colleges & Universities

	FY 10	FY 11	FY 12	Projected FY 13	Projected FY 14
Number of Awards	42,912	43,543	43,623	42,605	41,632
Total Amount of Awards (millions)	$130.9	$146	$160	$171.7	$184.4
Average Award Amount	$3,050	$3,353	$3,668	$4,030	$4,429

FY 12 TOPS Awards for Public Colleges & Universities

	# of Awards	*# of Awards Statewide*	*Amount per Award*	*Total Amount of Awards*	*% of Total Amount of Awards Statewide*
LSU - Alexandria	406	1.0%	$3,036	$1,232,457	0.8%
LSU - Baton Rouge	12,640	30.6%	$4,610	$58,267,175	38.4%
LSU - Eunice	466	1.1%	$1,814	$845,118	0.6%
LSU - Shreveport	707	1.7%	$3,355	$2,371,775	1.6%
LSU HSC - New Orleans	276	0.7%	$3,371	$930,445	0.6%
LSU HSC - Shreveport	19	0.0%	$3,237	$61,498	0.0%
LSU System Total	**14,514**	**35.1%**	**$4,389**	**$63,708,468**	**42.0%**
SU - Baton Rouge	536	1.3%	$3,278	$1,756,790	1.2%
SU - New Orleans	33	0.1%	$2,599	$85,776	0.1%
SU - Shreveport	45	0.1%	$1,773	$79,804	0.1%
SU System Total	**614**	**1.5%**	**$3,131**	**$1,922,370**	**1.3%**
Grambling	176	0.4%	$3,386	$595,855	0.4%
LA Tech	3,232	7.8%	$3,891	$12,576,975	8.3%
McNeese	2,250	5.4%	$3,281	$7,381,737	4.9%
Nicholls	2,119	5.1%	$3,351	$7,101,138	4.7%
Northwestern	1,790	4.3%	$3,368	$6,029,452	4.0%
Southeastern	4,385	10.6%	$3,346	$14,674,046	9.7%
UL Lafayette	5,714	13.8%	$3,374	$19,281,695	12.7%
UL Monroe	2,068	5.0%	$3,493	$7,223,056	4.8%
UNO	1,774	4.3%	$3,885	$6,892,536	4.5%
UL System Total	**23,508**	**56.9%**	**$3,478**	**$81,756,490**	**53.9%**
Baton Rouge CC	452	1.1%	$1,677	$757,968	0.5%
Bossier Parish CC	403	1.0%	$1,849	$745,077	0.5%
Delgado CC	685	1.7%	$1,685	$1,154,048	0.8%
LA Delta CC	118	0.3%	$1,727	$203,734	0.1%
LA Technical College	378	0.9%	$854	$322,739	0.2%
L. E. Fletcher CCC	164	0.4%	$1,669	$273,694	0.2%
Nunez CC	74	0.2%	$1,738	$128,608	0.1%
River Parishes CC	90	0.2%	$1,646	$148,104	0.1%
South Louisiana CC	155	0.4%	$1,549	$240,068	0.2%
SOWELA Technical CC	190	0.5%	$1,742	$330,906	0.2%
LCTCS Total	**2,709**	**6.6%**	**$1,589**	**$4,304,946**	**2.8%**
Statewide Total	**41,345**	**100.0%**	**$3,669**	**$151,692,274**	**100.0%**

Source: LA Office of Student Financial Assistance

Higher Education Enrollment *

	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Increase 2010 to 2011	% Increase 2010 to 2011
Acadiana Technical College *	N/A	N/A	4,649	3,842	(807)	-21.0%
Baton Rouge CC	7,606	8,102	8,332	8,275	(57)	-0.7%
Bossier Parish CC	4,665	5,430	6,473	7,077	604	8.5%
Capital Area Technical College *	N/A	N/A	3,900	4,260	360	8.5%
Central LA Technical College *	N/A	N/A	3,193	2,435	(758)	-31.1%
Delgado CC	14,442	16,700	18,741	20,436	1,695	8.3%
LA Delta CC	1,635	1,640	2,485	2,954	469	15.9%
LA Technical College **	21,298	26,565	N/A	N/A	N/A	N/A
L. E. Fletcher Technical CC	1,525	1,843	2,395	2,486	91	3.7%
Northwest LA Technical College *	N/A	N/A	3,037	3,071	34	1.1%
Northeast LA Technical College *	N/A	N/A	1,834	1,536	(298)	-19.4%
Northshore Technical CC *	N/A	N/A	3,531	3,353	(178)	-5.3%
Nunez CC	1,585	1,837	2,415	2,421	6	0.2%
River Parishes CC	1,327	1,805	2,566	2,673	107	4.0%
South Central LA Technical College *	N/A	N/A	3,018	3,531	513	14.5%
South Louisiana CC	3,531	4,087	4,218	3,897	(321)	-8.2%
Sowela Technical CC	1,816	2,133	2,616	3,054	438	14.3%
LCTCS System Total	**59,430**	**70,142**	**73,403**	**75,301**	**1,898**	**2.5%**
LSU - Alexandria	2,981	2,456	2,667	2,612	(55)	-2.1%
LSU - Baton Rouge	28,194	27,992	28,771	28,985	214	0.7%
LSU - Eunice	3,031	3,332	3,431	2,982	(449)	-15.1%
LSU - Shreveport	4,291	4,635	4,504	4,562	58	1.3%
LSU HSC - New Orleans	2,432	2,644	2,699	2,777	78	2.8%
LSU HSC - Shreveport	814	823	839	867	28	3.2%
UNO ***	11,427	11,724	11,276	N/A	N/A	N/A
Paul M. Hebert Law Center	621	656	682	737	55	7.5%
LSU System Total	**53,791**	**54,262**	**54,869**	**43,522**	**(11,347)**	**-26.1%**
SU - Baton Rouge	7,669	7,619	7,294	6,904	(390)	-5.6%
SU - New Orleans	3,104	3,141	3,165	3,245	80	2.5%
SU - Shreveport	2,429	3,014	2,834	2,820	(14)	-0.5%
SU Law Center	531	598	718	706	(12)	-1.7%
SU System Total	**13,733**	**14,372**	**14,011**	**13,675**	**(336)**	**-2.5%**
Grambling	5,253	4,992	4,994	5,207	213	4.1%
LA Tech	10,915	11,251	11,743	11,518	(225)	-2.0%
McNeese	8,294	8,645	8,941	8,791	(150)	-1.7%
Nicholls	6,935	7,184	7,102	6,802	(300)	-4.4%
Northwestern	9,111	9,247	9,244	9,191	(53)	-0.6%
Southeastern	15,224	15,160	15,351	15,414	63	0.4%
UL Lafayette	16,320	16,361	16,763	16,885	122	0.7%
UL Monroe	8,754	8,967	8,777	8,626	(151)	-1.8%
UNO ***	N/A	N/A	N/A	10,903	(373)	-3.3%
UL System Total	**80,806**	**81,807**	**82,915**	**93,337**	**(854)**	**-0.9%**
Statewide Total	**207,760**	**220,583**	**225,198**	**225,835**	**(10,639)**	**-4.7%**

* Counts for these Technical Colleges were included in the LA Technical College in 2008 and 2009.

** Counts for LTC-Ascension and LTC-Tallulah were merged with River Parishes CC and LA Delta CC respectively in 2010 and 2011.

*** The University of New Orleans (UNO) was moved to the University of LA (UL) System in 2011.

Higher Education Funding by Board and Institution
(FY 12 Budgeted compared to FY 13 Appropriated)

	FY 12 6/30/2012 SGF	FY 12 6/30/2012 Total	FY 13 Appropriated SGF	FY 13 Appropriated Total	Difference FY 12 to FY 13 SGF	% Diff. SGF	Difference FY 12 to FY 13 Total	% Diff. Total
LSU Board	$3,905,708	$3,905,708	$3,592,599	$3,592,599	($313,109)	-8%	($313,109)	-8%
LSU - Alexandria	$7,678,428	$18,673,494	$6,622,281	$16,578,228	($1,056,147)	-14%	($2,095,266)	-11%
LSU - Baton Rouge	$142,393,742	$439,226,379	$133,575,968	$446,499,884	($8,817,774)	-6%	$7,273,505	2%
LSU - Eunice	$5,638,741	$13,083,203	$4,945,633	$12,731,843	($693,108)	-12%	($351,360)	-3%
LSU - Shreveport	$10,767,589	$29,747,490	$9,660,553	$28,963,624	($1,107,036)	-10%	($783,866)	-3%
LSU HSC - New Orleans	$71,046,474	$175,816,421	$76,932,976	$170,903,950	$5,886,502	8%	($4,912,471)	-3%
LSU HSC - Shreveport	$45,628,022	$413,937,387	$48,655,792	$424,156,722	$3,027,770	7%	$10,219,335	2%
E. A. Conway Med Center	$9,753,684	$123,195,582	$8,982,670	$105,054,921	($771,014)	-8%	($18,140,661)	-15%
Huey P. Long Med Center	$10,568,561	$53,484,962	$9,733,132	$53,478,109	($835,429)	-8%	($6,853)	0%
LSU Agricultural Center	$62,441,915	$92,625,362	$66,661,441	$91,747,850	$4,219,526	7%	($877,512)	-1%
Paul M. Hebert Law Center	$6,087,125	$22,837,809	$5,566,447	$23,728,784	($520,678)	-9%	$890,975	4%
Pennington Biomedical	$12,729,398	$13,649,830	$12,697,011	$13,619,258	($32,387)	0%	($30,572)	0%
LSU System Total	**$388,639,387**	**$1,400,183,627**	**$387,626,503**	**$1,391,055,772**	**($1,012,884)**	**0%**	**($9,127,855)**	**-1%**
SU Board	$2,200,434	$2,200,434	$6,490,096	$6,490,096	$4,289,662	195%	$4,289,662	195%
SU - Baton Rouge	$28,813,644	$76,470,015	$25,019,128	$72,406,685	($3,794,516)	-13%	($4,063,330)	-5%
SU - New Orleans	$9,231,193	$21,536,306	$7,533,947	$19,225,835	($1,697,246)	-18%	($2,310,471)	-11%
SU - Shreveport	$6,258,579	$13,567,223	$5,730,604	$12,253,969	($527,975)	-8%	($1,313,254)	-10%
SU Agricultural Center	$2,457,952	$7,743,714	$2,596,993	$8,058,283	$139,041	6%	$314,569	4%
SU Law Center	$4,405,132	$13,833,923	$4,104,628	$12,850,437	($300,504)	-7%	($983,486)	-7%
SU System Total	**$53,366,934**	**$135,351,615**	**$51,475,396**	**$131,285,305**	**($1,891,538)**	**-4%**	**($4,066,310)**	**-3%**
UL Board	$1,486,658	$3,736,658	$1,071,507	$3,285,507	($415,151)	-28%	($451,151)	-12%
Grambling	$17,554,671	$54,462,276	$15,853,576	$52,807,760	($1,701,095)	-10%	($1,654,516)	-3%
LA Tech	$39,215,685	$98,171,340	$36,750,667	$97,095,151	($2,465,018)	-6%	($1,076,189)	-1%
McNeese	$25,115,123	$63,084,129	$22,391,855	$60,257,048	($2,723,268)	-11%	($2,827,081)	-4%
Nicholls	$20,837,789	$56,463,430	$18,147,543	$53,494,599	($2,690,246)	-13%	($2,968,831)	-5%
Northwestern	$28,666,376	$73,113,648	$25,804,720	$70,687,282	($2,861,656)	-10%	($2,426,366)	-3%
Southeastern	$44,418,425	$117,112,981	$38,738,214	$110,303,911	($5,680,211)	-13%	($6,809,070)	-6%
UL Lafayette	$60,406,249	$139,022,028	$56,131,061	$133,378,562	($4,275,188)	-7%	($5,643,466)	-4%
UL Monroe	$33,186,985	$78,362,348	$30,308,754	$74,048,742	($2,878,231)	-9%	($4,313,606)	-6%
UNO	$41,875,268	$116,728,254	$37,174,392	$111,038,565	($4,700,876)	-11%	($5,689,689)	-5%
UL System Total	**$312,763,229**	**$800,257,092**	**$282,372,289**	**$766,397,127**	**($25,690,064)**	**-8%**	**($28,170,276)**	**-4%**
LCTCS Board	$6,838,234	$16,838,234	$6,145,907	$16,145,907	($692,327)	-10%	($692,327)	-4%
Baton Rouge CC	$11,118,298	$29,230,826	$9,998,789	$27,598,454	($1,119,509)	-10%	($1,632,372)	-6%
Bossier Parish CC	$9,020,569	$25,922,431	$8,207,853	$26,307,457	($812,716)	-9%	$385,026	1%
Delgado CC	$30,242,333	$88,908,641	$28,767,361	$90,109,675	($1,474,972)	-5%	$1,201,034	1%
LA Delta CC	$4,274,547	$11,405,124	$3,803,299	$11,557,265	($471,248)	-11%	$152,141	1%
LA Technical College	$44,148,163	$65,954,277	$40,189,193	$60,515,618	($3,958,970)	-9%	($5,438,659)	-8%
LCTCS Online	$955,521	$955,521	$1,006,213	$1,006,213	$50,692	5%	$50,692	5%
L.E. Fletcher CC	$3,133,208	$7,905,708	$2,968,329	$8,373,124	($164,879)	-5%	$467,416	6%
Northshore Technical CC	$5,480,206	$9,379,000	$5,056,804	$9,898,484	($423,402)	-8%	$519,484	6%
Nunez CC	$3,530,277	$7,777,810	$3,305,565	$7,697,550	($224,712)	-6%	($80,260)	-1%
River Parishes CC	$3,183,075	$8,067,344	$3,284,674	$8,307,197	$101,599	3%	$239,853	3%
South Louisiana CC	$5,022,135	$14,088,814	$4,387,262	$13,739,554	($634,873)	-13%	($349,260)	-2%
SOWELA Technical CC	$6,107,175	$12,825,033	$5,710,729	$12,577,114	($396,446)	-6%	($247,919)	-2%
LCTCS System Total	**$133,053,741**	**$299,258,763**	**$122,831,978**	**$293,833,612**	**($10,221,763)**	**-8%**	**($5,425,151)**	**-2%**
LOSFA	**$30,373,808**	**$257,613,383**	**$132,196,343**	**$248,747,396**	**$101,822,535**	**335%**	**($8,865,987)**	**-3%**
Board of Regents	**$18,253,566**	**$77,727,191**	**$14,667,839**	**$66,027,864**	**($3,585,727)**	**-20%**	**($11,699,327)**	**-15%**
LUMCON	**$2,419,862**	**$9,968,580**	**$2,420,795**	**$14,155,260**	**$933**	**0%**	**$4,186,680**	**42%**
Higher Ed Total	**$938,870,527**	**$2,980,360,251**	**$993,591,143**	**$2,911,502,336**	**$54,720,616**	**6%**	**($68,857,915)**	**-2%**
Higher Ed (w/o LOSFA)	**$908,496,719**	**$2,722,746,868**	**$861,394,800**	**$2,662,754,940**	**($47,101,919)**	**-5%**	**($59,991,928)**	**-2%**

STATE GAMING REVENUE - SOURCES AND USES

Legislative Fiscal Office

LOTTERY

($ in millions)

Calendar Year of Sales / Fiscal Year Available	2002 / 2003	2003 / 2004	2004 / 2005	2005 / 2006	2006 / 2007	2007 / 2008	2008 / 2009	2009 / 2010	2010 / 2011	2011 / 2012
Sales Outlets at Calendar Year End	2,950	2,842	2,820	2,486	2,562	2,603	2,656	2,780	2,854	2,882
Total Game Sales & Other Earnings	$309.6	$331.2	$320.1	$297.4	$361.9	$362.4	$377.4	$385.0	$377.1	$400.3
Operating Expenses of Corp. (not appropriated)	$29.3	$31.0	$29.6	$27.0	$30.5	$29.6	$31.1	$32.3	$28.1	$25.4
Retailer Commission Expense (not appropriated)	$16.8	$18.0	$17.5	$16.7	$19.9	$20.0	$20.6	$21.3	$20.8	$22.0
Effective Tax Rate (% net revenue after prize expense)	70.0%	70.4%	70.9%	71.1%	71.8%	73.0%	70.2%	72.6%	73.6%	73.8%
Share Of Gross Revenue Transfered To The State	35.3%	35.3%	35.6%	35.8%	35.7%	35.9%	35.0%	35.6%	35.6%	35.4%
Total Annual Transfers To The State	$109.4	$116.9	$114.0	$106.4	$129.4	$130.2	$132.1	$137.3	$134.2	$141.7
Compulsive and Problem Gaming Program	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5
For Support Of Minimum Foundation Program *	$108.9	$116.4	$113.5	$105.9	$128.9	$129.7	$131.6	$136.8	$133.7	$141.2
Total Allocations Of Available Transfers	$109.4	$116.9	$114.0	$106.4	$129.4	$130.2	$132.1	$137.3	$134.2	$141.7

(*) As orignally adopted, lottery receipts were deposited to a special fund (the Lottery Proceeds Fund established by the State Constitution) that had no specific uses enumerated. For FY 92 and FY 93 lottery receipts were appropriated to support the operations of numerous state agenices, local allocations, and the state general fund. For FY 94, most lottery receipts ($140 M) were appropriated to the Minimum Foundation Program (MFP, K-12 education funding) and a like amount of SGF support was removed from MFP financing. Lottery receipts have been appropriated to the MFP ever since. Act 1305 of 2003 amended the State Constitution to formally dedicate lottery receipts to the MFP beginning with FY 05 (including a maximum of $500,000 to compulsive and problem gaming services).

VIDEO DRAW POKER

($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Locations/Devices at Fiscal Year End	2,862/14,551	2,775/14,273	2,751/14,297	2,276/13,571	2,340/13,951	2,380/14,555	2,294/14,571	2,257/14,727	2,192/14,665	2,150/14,600
Total Device Net Revenue	$560.5	$566.0	$583.8	$681.6	$684.7	$673.2	$667.2	$600.1	$607.7	$612.8
Effective Tax Rate	29.3%	29.3%	29.5%	29.8%	29.8%	29.9%	30.0%	30.1%	30.1%	30.1%
Gaming Remittances	$164.2	$166.0	$172.2	$203.1	$203.9	$201.0	$200.1	$180.4	$182.7	$184.5
Device & Other Fees	$10.8	$11.1	$11.6	$11.0	$10.5	$10.8	$12.1	$12.1	$12.3	$12.3
Total Available To The State	$174.9	$177.1	$183.8	$214.1	$214.3	$211.7	$212.1	$192.5	$195.1	$196.8
Gaming Enforcement Activities	$4.4	$4.4	$8.0	$5.6	$8.4	$8.4	$8.8	$8.2	$8.3	$8.9
Non-Gaming Operations in State Police	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.00	$0.00	$0.00
Local Govs. (~ Munis 40%, Parishes 30%, Sheriffs 30%)	$37.5	$38.0	$39.7	$45.0	$47.2	$46.6	$44.4	$41.8	$42.5	$43.8
District Attorney Support	$5.4	$5.4	$5.4	$5.4	$5.4	$5.4	$5.4	$5.4	$5.4	$5.4
Horse Racing Purse Supplements	$2.8	$2.8	$2.9	$3.4	$3.4	$3.3	$3.3	$3.0	$3.0	$3.1
Compulsive and Problem Gaming Program	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5
State General Fund Share	$124.5	$126.1	$127.4	$154.3	$149.5	$147.7	$149.8	$133.7	$135.5	$135.2
Total Allocations Of Available Revenue	$175.0	$177.1	$183.8	$214.1	$214.4	$211.8	$212.2	$192.5	$195.1	$196.8

RIVERBOAT GAMING

($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Boats/Tables/Devices at Fiscal Year End	14/543/15,325	14/667/17,300	15/610/16,592	12/518/13,207	13/512/15,230	13/510/15,237	13/519/15,225	13/516/14,957	13/504/14,804	13/500/14,800
Total Gross Gaming Revenue	$1,592.9	$1,566.7	$1,567.2	$1,838.1	$1,780.6	$1,827.7	$1,727.5	$1,644.4	$1,648.30	$1,661.85
Effective Tax Rate	21.0%	21.4%	21.4%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
Gaming Remittances	$335.1	$335.4	$334.7	$395.2	$382.8	$393.0	$371.4	$353.5	$354.4	$357.3
Other Fee Revenue	$4.3	$6.8	$4.2	$7.9	$6.4	$4.8	$3.4	$4.2	$3.8	$3.8
Total Available To The State	$339.4	$342.2	$339.0	$403.1	$389.3	$397.8	$374.8	$357.7	$358.2	$361.1
Gaming Enforcement Activities	$16.4	$19.0	$17.2	$18.1	$17.5	$18.5	$18.4	$19.8	$15.8	$15.6
Non-Gaming Operations in State Police	$35.4	$34.9	$35.7	$41.9	$49.5	$37.6	$48.2	$36.5	$39.1	$41.9
Compulsive and Problem Gaming Program	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5
SELF Fund (Teacher Payraise)	$65.5	$70.7	$70.3	$85.4	$83.1	$85.3	$80.6	$76.7	$77.0	$77.6
State General Fund Share	$221.5	$217.0	$215.3	$257.1	$238.7	$255.8	$227.1	$224.1	$225.7	$225.4
Total Allocations Of Available Revenue	$339.4	$342.2	$339.0	$403.1	$389.3	$397.8	$374.8	$357.7	$358.2	$361.1

Prepared by Greg Albrecht
Chief Economist

February 2012

STATE GAMING REVENUE - SOURCES AND USES

Legislative Fiscal Office

N. O. LAND-BASED CASINO

($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Tables/Devices at Fiscal Year End	100/2,264	120/2,035	134/2,023	117/2,112	129/2,077	130/2,043	103/2,041	103/2,055	103/2,003	103/2,000
Total Gross Gaming Revenue	$277.3	$300.2	$339.2	$198.3	$390.1	$419.7	$380.7	$349.8	$351.8	$344.2
Effective Tax Rate	21.6%	20.0%	20.5%	30.3%	21.5%	21.5%	21.5%	21.5%	21.5%	21.5%
Gaming Remittances and Other Transfers	$59.9	$60.0	$69.6	$60.0	$83.9	$90.2	$81.9	$75.2	$75.6	$74.0
Total Annual Transfers To The State	$59.9	$60.0	$69.6	$60.0	$83.9	$90.2	$81.9	$75.2	$75.6	$74.0
Gaming Enforcement Activities	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Compulsive and Problem Gaming Program	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5
SELF Fund (Teacher Payraise)	$59.4	$59.5	$69.1	$59.5	$83.4	$89.7	$81.4	$74.7	$75.1	$73.5
Total Allocations Of Available Transfers	$59.9	$60.0	$69.6	$60.0	$83.9	$90.2	$81.9	$75.2	$75.6	$74.0

PARI-MUTUEL GAMING

($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Tracks/OTBs/Racing Days at Fiscal Year End	4/14/383	4/13/433	4/13/489	4/12/401	4/14/483	4/14/474	4/14/487	4/16/498	4/16/498	4/16/487
Pari-Mutuel Handle	$365.0	$364.4	$341.8	$314.2	$357.5	$347.1	$320.5	$270.0	$254.5	$254.0
Effective Tax Rate To Racing Commission	1.62%	1.68%	1.78%	1.75%	1.79%	1.82%	1.86%	2.01%	2.01%	1.84%
Taxes On Handle To Racing Commission	$4.6	$4.6	$4.3	$4.1	$4.6	$4.7	$4.1	$3.6	$3.4	$2.9
Other Fees To Racing Commission	$1.3	$1.5	$1.7	$1.4	$1.8	$1.7	$1.9	$1.9	$1.8	$1.7
Total Revenue To Racing Commission	$5.9	$6.1	$6.1	$5.5	$6.4	$6.3	$6.0	$5.4	$5.1	$4.7
Gaming Enforcement Activities: Racing Commission	$3.3	$3.5	$4.1	$3.7	$4.2	$4.0	$4.1	$3.5	$3.3	$2.9
Breeder Awards	$2.2	$2.2	$2.1	$2.1	$2.3	$2.2	$2.1	$1.9	$1.8	$1.8
Excess To State or Retained by Comm or Other Financing	$0.5	$0.4	($0.1)	($0.3)	($0.01)	$0.1	($0.1)	$0.0	$0.0	$0.0
Total Allocations Of Racing Commission Revenue	$5.9	$6.1	$6.1	$5.5	$6.4	$6.3	$6.0	$5.4	$5.1	$4.7

CHARITABLE GAMING

($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Avg. No. Organizations / Bingo Sessions	496/27,683	502/29,022	481/27,868	436/22,840	447/27,350	510/37,662	565/48,316	576/53,162	547/50,725	563/51,945
Gross Gaming Revenue	$46.8	$46.8	$47.2	$52.2	$54.7	$61.6	$66.6	$62.8	$61.0	$62.5
Operator Expenses (not appropriated)	$26.5	$28.3	$28.1	$26.4	$30.1	$35.5	$40.3	$41.5	$40.2	$41.1
Available To Charities (not appropriated)	$20.2	$18.5	$19.1	$25.8	$24.6	$26.1	$26.3	$21.4	$20.8	$21.3
Effective Total Fee Rate	2.2%	2.4%	2.7%	2.6%	3.1%	3.4%	4.3%	3.6%	3.7%	3.7%
Various Fees Paid To Support Regulation	$1.1	$1.1	$1.3	$1.4	$1.7	$2.1	$2.8	$2.3	$2.2	$2.3
Total Various Fees Paid To Support Regulation	$1.1	$1.1	$1.3	$1.4	$1.7	$2.1	$2.8	$2.3	$2.2	$2.3
Gaming Enforcement Activities	$1.1	$1.1	$1.3	$1.4	$1.7	$2.1	$2.8	$2.3	$2.2	$2.3
State General Fund Share	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Allocations Of Available Revenue	$1.1	$1.1	$1.3	$1.4	$1.7	$2.1	$2.8	$2.3	$2.2	$2.3

RACETRACK SLOT MACHINE GAMING

($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Tracks/Devices at Fiscal Year End	2/2,368	3/4,447	3/4,489	3/4,487	3/4,444	4/5,008	4/4,850	4/4,742	4/4,714	4/4,714
Gross Gaming Revenue	$134.4	$232.7	$315.0	$349.5	$365.9	$384.4	$409.5	$386.8	$390.0	$394.2
Allocation to Horse Breeder Assns. (not appropriated)	$24.2	$41.9	$56.7	$62.9	$65.9	$69.2	$73.7	$69.6	$70.2	$71.0
Effective Tax Rate To State (after breeder allocations)	15.17%	15.17%	15.17%	15.17%	15.17%	15.17%	15.17%	15.17%	15.17%	15.17%
Total Available To The State	$20.4	$35.3	$47.8	$53.0	$55.5	$58.3	$62.1	$58.7	$59.2	$59.8

Prepared by Greg Albrecht
Chief Economist

February 2012

STATE GAMING REVENUE - SOURCES AND USES

Legislative Fiscal Office

	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Gaming Enforcement Activities	$0.616	$1.3	$1.9	$1.7	$1.9	$2.0	$2.8	$2.6	$3.0	$3.1
Non-Gaming Operations in State Police	$0.0	$0.0	$0.0	$0.0	$0.1	$0.5	$0.5	$0.5	$0.5	$0.5
Compulsive and Problem Gaming Program	$0.0	$0.0	$0.0	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5	$0.5
Parish Funds	$1.0	$1.8	$2.4	$2.7	$2.8	$2.9	$3.1	$2.9	$3.0	$3.0
LA Agricultural Finance Authority	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0	$12.0
Blind Services	$1.0	$1.5	$1.5	$1.5	$1.5	$2.0	$2.0	$2.0	$2.0	$2.0
Southern Univ., Equine Health, N.O. DA, N.O. City Park	$0.0	$2.2	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8	$1.8
New Orleans Fairgrounds Allocations To Orleans Entities	$0.0	$0.0	$0.0	$0.0	$0.0	$2.8	$5.8	$6.7	$6.4	$6.4
State General Fund Share	$5.8	$16.5	$28.2	$32.9	$34.9	$33.8	$33.7	$29.7	$30.0	$30.5
Total Allocations of Available Revenue	$20.4	$35.3	$47.8	$53.0	$55.5	$58.3	$62.1	$58.7	$59.2	$59.8

INDIAN GAMING
($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Casinos/Tables/Devices Estimated at Fiscal Year End	3/200/6,500	3/189/6,448	3/184/6,056	3/195/6,301	3/204/6,131	3/195/6,360	3/194/6,249	3/194/6,249	3/200/6,444	3/200/6,444
Indian Gross Gaming Revenue (*)	$434.2	$440.4	$386.4	$478.2	$418.1	$447.1	$416.8	$416.8	$429.8	$434.1
Effective Fee Rate	0.3%	0.3%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%
Tribes Reimburse State Police For Enforcement Activity	$1.4	$1.5	$1.4	$1.2	$1.5	$1.7	$1.6	$1.8	$2.1	$2.2
Gaming Enforcement {Tribes Reimburse}	$1.4	$1.5	$1.4	$1.2	$1.5	$1.7	$1.6	$1.8	$2.1	$2.2
State General Fund Share	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Allocations Of Available Revenue	$1.4	$1.5	$1.4	$1.2	$1.5	$1.7	$1.6	$1.8	$2.1	$2.2

(*) Various methodologies have been employed over time to estimate Indian gaming activity in the state. Since the Indian casinos do not report their activity, the estimates above should be viewed with considerable caution.

TOTAL STATE GAMING RECEIPTS SUMMARY
($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Lottery	$109.4	$116.9	$114.0	$106.4	$129.4	$130.2	$132.1	$137.3	$134.2	$141.7
Video Draw Poker	$174.9	$177.1	$183.8	$214.1	$214.3	$211.7	$212.1	$192.5	$195.1	$196.8
Riverboat Gaming	$339.4	$342.2	$339.0	$403.1	$389.3	$397.8	$374.8	$357.7	$358.2	$361.1
N. O. Land-Based Casino	$59.9	$60.0	$69.6	$60.0	$83.9	$90.2	$81.9	$75.2	$75.6	$74.0
Pari-Mutuel Racing	$5.9	$6.1	$6.1	$5.5	$6.4	$6.3	$6.0	$5.4	$5.1	$4.7
Charitable Gaming	$1.1	$1.1	$1.3	$1.4	$1.7	$2.1	$2.8	$2.3	$2.2	$2.3
Slot Machines At Racetracks	$20.4	$35.3	$47.8	$53.0	$55.5	$58.3	$62.1	$58.7	$59.2	$59.8
Indian Gaming	$1.4	$1.5	$1.4	$1.2	$1.5	$1.7	$1.6	$1.8	$2.1	$2.2
Total Available To The State	$712.4	$740.2	$762.8	$844.7	$881.9	$898.3	$873.4	$830.8	$831.7	$842.6
annual growth	2.9%	3.9%	3.1%	10.7%	4.4%	1.9%	-2.8%	-4.9%	0.1%	1.3%
Total Used By State Gov. For Enforcement and Treatment	$29.2	$32.8	$35.7	$34.2	$37.7	$39.1	$41.1	$40.7	$37.2	$37.5
Share of Total Allocated to Enforcement and Treatment	4.1%	4.4%	4.7%	4.1%	4.3%	4.4%	4.7%	4.9%	4.5%	4.5%
Total Used By State Gov. For Non-Enforcement Purposes	$683.2	$707.4	$727.1	$810.5	$844.2	$859.3	$832.4	$790.1	$794.5	$805.1
Share of Total Allocated to Non-Enforcement Purposes	95.9%	95.6%	95.3%	96.0%	95.7%	95.6%	95.3%	95.1%	95.5%	95.5%
Total Allocated for State General Fund-direct Financing	$351.7	$359.6	$371.0	$444.4	$423.1	$437.4	$410.6	$387.5	$391.2	$391.1
Share of Total Allocated for SGF-direct Financing	49.4%	48.6%	48.6%	52.6%	48.0%	48.7%	47.0%	46.6%	47.0%	46.4%
Rev. Est. Conf. Total {Lott, Casino, Rvbt, VDP, Slots}	$704.0	$731.5	$754.1	$836.6	$872.3	$888.2	$863.0	$821.3	$822.2	$833.4

Prepared by Greg Albrecht
Chief Economist

February 2012

STATE GAMING REVENUE - SOURCES AND USES

Legislative Fiscal Office

SHARE OF TOTAL GAMING REVENUE TO STATE EACH ACTIVITY COMPRISES

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Lottery	15.4%	15.8%	14.9%	12.6%	14.7%	14.5%	15.1%	16.5%	16.1%	16.8%
Video Draw Poker	24.6%	23.9%	24.1%	25.3%	24.3%	23.6%	24.3%	23.2%	23.5%	23.4%
Riverboat Gaming	47.6%	46.2%	44.4%	47.7%	44.1%	44.3%	42.9%	43.1%	43.1%	42.9%
N. O. Land-Based Casino	8.4%	8.1%	9.1%	7.1%	9.5%	10.0%	9.4%	9.1%	9.1%	8.8%
Pari-Mutuel Racing	0.8%	0.8%	0.8%	0.6%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%
Charitable Gaming	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%
Slot Machines At Racetracks	2.9%	4.8%	6.3%	6.3%	6.3%	6.5%	7.1%	7.1%	7.1%	7.1%
Indian Gaming	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
Total Available To The State	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

GAMING REVENUE AVAILABLE COMPARED TO:

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUE ESTIMATING CONFERENCE TOTAL REVENUE	$7,903.7	$8,314.8	$9,219.5	$10,027.9	$11,688.0	$12,055.0	$11,155.5	$8,919.9	$9,563.3	$9,926.0
Revenue Estimating Conference Total State Tax Revenue	8.9%	8.8%	8.2%	8.3%	7.5%	7.4%	7.7%	9.2%	8.6%	8.4%
(REC revenue is taxes, licenses, and fees available for state general fund-direct appropriation plus numerous statutory dedications.)										
TOTAL STATE EFFORT BUDGET	$10,650.1	$10,745.5	$11,320.6	$12,802.3	$14,917.9	$15,714.0	$14,072.1	$13,514.4	$13,172.3	$14,400.4
State Funds Budget (w/o double counts and federal funds)	6.7%	6.9%	6.7%	6.6%	5.9%	5.7%	6.2%	6.1%	6.3%	5.9%
(Total state effort budget includes the state general fund-direct, statutorily dedicated, and self-generated revenue budgets of state government. Estimated double-counted funding has been removed.)										
TOTAL STATE BUDGET	$16,998.5	$17,389.5	$17,662.8	$20,968.9	$26,069.1	$32,539.8	$25,023.1	$25,286.2	$24,090.6	$25,575.4
Total State Budget (w/o double counts but w/ federal funds)	4.2%	4.3%	4.3%	4.0%	3.4%	2.8%	3.5%	3.3%	3.5%	3.3%
(Total state budget includes state and federal funds, but excludes double-counted amounts.)										

ESTIMATED TOTAL ECONOMIC SPENDING ON LEGAL GAMING ACTIVITIES IN THE STATE

(spending by players = player losses = gaming operator revenue)
($ in millions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Lottery Receipts Net Of Prize Expense	$153.5	$165.1	$159.8	$148.1	$177.8	$175.2	$179.7	$188.0	$196.6	$205.7
Video Poker Net Device Revenue	$560.5	$566.0	$583.8	$681.6	$684.7	$673.2	$667.2	$600.1	$607.7	$612.8
Riverboat Gross Gaming Revenue	$1,592.9	$1,566.7	$1,567.2	$1,838.1	$1,780.6	$1,827.7	$1,727.5	$1,644.4	$1,648.3	$1,661.8
N. O. Land-Based Gross Gaming Revenue	$277.3	$300.2	$339.2	$198.3	$390.1	$419.7	$380.7	$349.8	$351.8	$344.2
Pari-Mutuel Net Of Payouts (Assumed Takeout of 20%)	$73.0	$72.9	$68.4	$62.8	$71.5	$69.4	$64.1	$54.0	$50.9	$50.8
Charitable Proceeds Net Of Prize Expense	$46.8	$46.8	$47.2	$52.2	$54.7	$61.6	$66.6	$62.8	$61.0	$62.5
Racetrack Slot Gross Gaming Revenue	$134.4	$232.7	$315.0	$349.5	$365.9	$384.4	$409.5	$386.8	$390.0	$394.2
Indian Gross Gaming Revenue	$434.2	$440.4	$386.4	$478.2	$418.1	$447.1	$416.8	$416.8	$429.8	$434.1
Estimated Total Spending On Legal Gaming	$3,272.5	$3,390.7	$3,466.9	$3,809.0	$3,943.4	$4,058.4	$3,912.1	$3,702.7	$3,736.1	$3,766.1
annual growth	2.0%	3.6%	2.2%	9.9%	3.5%	2.9%	-3.6%	-5.4%	0.9%	0.8%

The table above portrays spending by players engaged in each form of gaming on a comparable basis. Each estimate represents the amount of spending by players that is actually kept (or won) by gaming operators in an annual period, and is the operators gross gaming revenue from which business expenses are paid. Thus, each estimate is also the amount of losses that players incur in the aggregate each year, and is net of any rewagers. As such, the table is an estimate of the net economic flow of spending from players to gaming operators each year.

SHARE OF TOTAL ECONOMIC GAMING SPENDING EACH ACTIVITY COMPRISES

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Projected 2012
Lottery Receipts Net Of Prize Expense	4.7%	4.9%	4.6%	3.9%	4.5%	4.3%	4.6%	5.1%	5.3%	5.5%
Video Poker Net Device Revenue	17.1%	16.7%	16.8%	17.9%	17.4%	16.6%	17.1%	16.2%	16.3%	16.3%
Riverboat Gross Gaming Revenue	48.7%	46.2%	45.2%	48.3%	45.2%	45.0%	44.2%	44.4%	44.1%	44.1%
N. O. Land-Based Gross Gaming Revenue	8.5%	8.9%	9.8%	5.2%	9.9%	10.3%	9.7%	9.4%	9.4%	9.1%
Pari-Mutuel Net Of Payouts (Assumed Takeout of 20%)	2.2%	2.1%	2.0%	1.6%	1.8%	1.7%	1.6%	1.5%	1.4%	1.3%

Prepared by Greg Albrecht
Chief Economist

February 2012

STATE GAMING REVENUE - SOURCES AND USES

Legislative Fiscal Office

Charitable Proceeds Net Of Prize Expense	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%	1.7%	1.7%	1.6%	1.7%
Racetrack Slot Gross Gaming Revenue	4.1%	6.9%	9.1%	9.2%	9.3%	9.5%	10.5%	10.4%	10.4%	10.5%
Indian Gross Gaming Revenue	13.3%	13.0%	11.1%	12.6%	10.6%	11.0%	10.7%	11.3%	11.5%	11.5%
Total Spending On Legal Gaming	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Prepared by Greg Albrecht
Chief Economist

February 2012

SELECTED MAJOR STATE AID TO LOCAL GOVERNMENTS

		2012-13 Projected MFP Distribution	2012-13 Revenue Sharing	2012-13 Projected Supplemental Pay	2012-13 Parish Transportation Fund	2012-13 Projected Parish Severance & Royalty Dists.	2012-13 Projected Video Poker Distribution	2012-13 Total of These Distributions
1	Acadia	$50,338,943	$1,238,818	$1,151,421	$602,982	$852,648	$1,659,642	$55,844,455
2	Allen	$28,013,916	$519,386	$486,490	$360,097	$1,096,193	$0	$30,476,081
3	Ascension	$98,880,367	$2,224,945	$1,850,535	$815,567	$84,567	$0	$103,855,981
4	Assumption	$23,718,740	$463,692	$335,550	$272,570	$953,751	$315,652	$26,059,955
5	Avoyelles	$30,764,155	$865,614	$762,858	$517,390	$196,680	$365,172	$33,471,869
6	Beauregard	$36,518,357	$728,932	$604,843	$490,434	$1,373,245	$0	$39,715,810
7	Bienville	$5,086,700	$296,253	$296,655	$274,725	$1,277,334	$0	$7,231,667
8	Bossier	$98,673,323	$2,328,242	$4,391,190	$933,753	$2,217,051	$676,900	$109,220,458
9	Caddo	$203,315,197	$4,919,247	$10,195,921	$2,096,033	$1,583,648	$2,389,727	$224,499,773
10	Calcasieu	$152,151,357	$3,831,083	$7,130,722	$1,685,708	$1,092,015	$2,943,025	$168,833,909
11	Caldwell	$11,760,534	$219,377	$281,248	$187,227	$226,937	$0	$12,675,323
12	Cameron	$3,476,922	$150,595	$372,196	$122,018	$5,353,959	$35,721	$9,511,411
13	Catahoula	$10,374,008	$224,964	$410,016	$185,013	$322,052	$0	$11,516,053
14	Claiborne	$11,827,287	$340,854	$175,400	$287,953	$1,072,521	$0	$13,704,015
15	Concordia	$21,672,308	$431,853	$790,631	$261,210	$876,537	$0	$24,032,539
16	DeSoto	$10,427,245	$563,592	$889,225	$372,876	$2,309,424	$684,485	$15,246,847
17	East Baton Rouge	$237,022,769	$8,518,967	$13,210,611	$2,909,110	$975,250	$0	$262,636,706
18	East Carroll	$7,590,998	$145,242	$144,095	$142,121	$16,459	$130,750	$8,169,665
19	East Feliciana	$11,795,439	$415,243	$232,194	$253,542	$215,285	$0	$12,911,703
20	Evangeline	$34,982,353	$686,261	$466,666	$455,743	$983,301	$0	$37,574,324
21	Franklin	$18,645,719	$437,169	$584,127	$304,030	$70,929	$0	$20,041,974
22	Grant	$21,904,582	$461,370	$325,575	$331,308	$429,849	$0	$23,452,684
23	Iberia	$72,935,221	$1,486,970	$1,704,206	$651,517	$7,570,918	$0	$84,348,832
24	Iberville	$15,635,979	$648,878	$848,380	$385,835	$719,045	$1,006,132	$19,244,249
25	Jackson	$10,023,404	$328,396	$276,579	$268,961	$1,059,967	$0	$11,957,307
26	Jefferson	$173,111,421	$8,441,614	$10,239,655	$2,664,293	$2,576,441	$5,147,213	$202,180,637
27	Jefferson Davis	$35,535,368	$632,993	$625,304	$425,826	$911,469	$477,649	$38,608,609
28	Lafayette	$114,998,539	$4,370,931	$5,730,635	$1,776,080	$931,599	$0	$127,807,784
29	Lafourche	$63,537,287	$1,966,857	$2,146,750	$854,728	$6,917,439	$2,346,113	$77,769,174
30	LaSalle	$15,379,021	$312,065	$459,399	$255,969	$1,228,633	$0	$17,635,087
31	Lincoln	$30,813,257	$890,105	$1,050,461	$532,942	$951,201	$0	$34,237,965
32	Livingston	$146,931,686	$2,600,639	$1,112,545	$1,004,245	$545,658	$0	$152,194,773
33	Madison	$11,288,326	$227,502	$545,856	$200,786	$48,685	$765,561	$13,076,716
34	Morehouse	$28,002,665	$562,154	$1,087,654	$384,243	$75,465	$0	$30,112,181
35	Natchitoches	$34,533,865	$778,693	$1,060,449	$547,859	$526,969	$0	$37,447,835
36	Orleans	$45,103,395	$6,514,807	$15,900,844	$4,045,764	$0	$2,706,480	$74,271,290
37	Ouachita	$162,715,156	$3,005,416	$5,695,651	$1,519,468	$216,385	$0	$173,152,077
38	Plaquemines	$11,317,059	$457,142	$1,246,399	$265,950	$22,600,958	$445,615	$36,333,124
39	Pointe Coupee	$11,541,545	$472,503	$485,330	$270,657	$895,783	$493,657	$14,159,475
40	Rapides	$127,872,183	$2,649,136	$5,097,486	$1,296,283	$1,079,824	$0	$137,994,912
41	Red River	$3,490,235	$181,852	$144,405	$154,717	$847,858	$318,058	$5,137,125
42	Richland	$19,811,761	$432,518	$672,432	$298,138	$25,954	$0	$21,240,803
43	Sabine	$24,440,297	$509,015	$363,520	$361,587	$1,073,369	$0	$26,747,788
44	St. Bernard	$27,927,838	$755,980	$1,863,692	$507,189	$2,195,693	$922,882	$34,173,274
45	St. Charles	$29,791,858	$1,048,150	$1,580,550	$578,088	$1,713,806	$651,419	$35,363,871
46	St. Helena	$4,869,996	$228,828	$164,218	$188,872	$893,695	$2,001,211	$8,346,820
47	St. James	$14,897,294	$446,034	$431,395	$250,616	$41,049	$1,196,675	$17,263,063
48	St. John	$31,799,686	$916,606	$1,270,144	$520,753	$62,720	$1,148,454	$35,718,363
49	St. Landry	$77,491,356	$1,675,887	$2,174,894	$800,135	$952,352	$1,403,465	$84,498,089
50	St. Martin	$45,412,670	$1,076,884	$1,127,993	$528,689	$916,122	$3,401,704	$52,464,062
51	St. Mary	$46,040,796	$1,076,272	$1,763,303	$482,570	$3,845,985	$1,105,180	$54,314,106
52	St. Tammany	$203,122,309	$4,829,382	$6,021,916	$1,668,742	$120,533	$0	$215,762,883
53	Tangipahoa	$103,678,179	$2,403,852	$2,433,482	$996,294	$152,460	$0	$109,664,267
54	Tensas	$4,828,831	$106,211	$116,712	$97,996	$268,311	$62,865	$5,480,925
55	Terrebonne	$86,215,763	$2,196,835	$2,842,731	$991,636	$6,978,217	$3,303,348	$102,528,530
56	Union	$14,033,883	$466,739	$323,403	$379,917	$420,429	$0	$15,624,371
57	Vermilion	$45,636,082	$1,175,516	$1,268,347	$580,168	$2,880,353	$0	$51,540,465
58	Vernon	$56,749,561	$1,007,875	$780,776	$542,977	$1,347,331	$0	$60,428,521
59	Washington	$50,530,364	$956,309	$858,244	$597,689	$136,221	$0	$53,078,826
60	Webster	$34,896,862	$848,799	$919,192	$522,879	$1,116,274	$1,267,859	$39,571,864
61	West Baton Rouge	$13,698,358	$471,570	$896,149	$269,111	$683,480	$2,359,555	$18,378,224
62	West Carroll	$12,754,759	$239,736	$144,344	$211,211	$6,700	$0	$13,356,750
63	West Feliciana	$10,499,891	$283,372	$302,235	$235,027	$65,655	$303,231	$11,689,410
64	Winn	$15,624,259	$307,278	$173,708	$298,308	$819,361	$0	$17,222,914
	TOTAL	$3,218,459,484	$90,000,000	$129,039,535	$43,276,125	$100,000,000	$42,035,400	$3,622,810,544

Notes:

1) The 2012-2013 MFP Initial Distribution (prior to audit adjustments) is generated based on estimated student counts and local school system tax revenues. The funds distributed to school systems will be based on the 2/1/12 student counts and the previous year's local tax revenues. Funds for the school systems of the city of Monroe and the city of Bogalusa are contained in the amounts for the parishes of Ouachita and Washington respectively. Funds for the school systems of the city of Baker, Central Community and the Zachary Community are contained in the amount for East Baton Rouge Parish. Funds for the Recovery School District are contained in the amount for Orleans Parish, East Baton Rouge Parish, Caddo Parish, St. Helena and Pointe Coupee Parish.

2) Revenue Sharing distribution to each parish and the city of New Orleans is allocated in Section 12 of Act 516 (HB 1091) of 2012.

3) Supplemental Pay is an estimation of how much money each parish will receive in supplemental law enforcement pay. The actual amount of funding each parish receives may be different than what is reflected in this table because this is an approximation based on the previous year. The total per month payment is $500 per month per individual.

4) The projected Parish Transportation Fund distribution of $38.4 M in Transportation Trust Funds for FY 13 is based on population and mileage as per state law. The Mass Transit Program is funded at $4.955 M. Off-System Roads & Bridges Match Program is funded at $3 M. Of the allocation to the Mass Transit Program, $123,875 is retained by the LA Department of Transportation & Development. The Off-System Roads & Bridges Match Program is not allocated by parish.

5) Parish severance, royalty, and video poker distributions are based on state level estimates of the aggregate amount of severance, royalty, and video poker receipts available for distribution to locals that are allocated to each parish based on the prior year's share of these monies distributed to each parish by the state Treasury.

Capital Outlay Appropriation By Parish

Act 23 of 2012

	SGF	IAT	SGR	St, Ded.	Reappro. Cash	Federal	Revenue Bonds	CASH PORTION	Priorit y 1	Priorit y 2	Priority 3	Priority 4	Priority 5	TOTAL GO BONDS	Bonds NRP/RBP	TOTAL
Acadia					$1,000,000			**$1,000,000**	$2,585,000	$410,000			$1,920,000	**$4,915,000**		**$5,915,000**
Allen									$1,725,000	$425,000				**$2,150,000**		**$2,150,000**
Ascension									$6,505,000	$5,050,000			$34,750,000	**$46,305,000**		**$46,305,000**
Assumption									$125,000				$25,000	**$150,000**		**$150,000**
Avoyelles									$3,220,000	$800,000			$50,000	**$4,070,000**		**$4,070,000**
Beauregard									$1,970,000	$1,885,000			$2,440,000	**$6,295,000**		**$6,295,000**
Bienville									$3,100,000	$500,000			$2,570,000	**$6,170,000**		**$6,170,000**
Bossier						$302,306		**$302,306**	$12,410,000	$550,000			$8,150,000	**$21,110,000**		**$21,412,306**
Caddo			$40,536,080	$7,500,000				**$48,036,080**	$62,000,000	$6,665,000			$119,170,000	**$187,835,000**		**$235,871,080**
Calcasieu									$50,800,000	$12,135,000	$5,000,000		$36,215,000	**$104,150,000**		**$104,150,000**
Caldwell									$5,045,000	$6,380,000			$14,710,000	**$26,135,000**		**$26,135,000**
Cameron				$3,000,000				**$3,000,000**	$5,100,000					**$5,100,000**		**$8,100,000**
Catahoula									$60,000					**$60,000**		**$60,000**
Claiborne									$11,195,000	$150,000				**$11,345,000**		**$11,345,000**
Concordia						$780,600		**$780,600**	$4,245,000	$1,150,000			$6,600,000	**$11,995,000**		**$12,775,600**
DeSoto									$4,160,000	$500,000			$965,000	**$5,625,000**		**$5,625,000**
E. Carroll									$3,410,000	$175,000			$400,000	**$3,985,000**		**$3,985,000**
E. Feliciana			$374,000			$848,200		**$1,222,200**	$16,185,000	$280,000			$8,000,000	**$24,465,000**		**$25,687,200**
EBR		$6,200,000	$13,154,400	$250,000	$15,111,920	$250,000	$159,950,000	**$194,916,320**	$140,440,000	$9,320,000			$112,625,000	**$262,385,000**	**$191,425**	**$457,492,745**
Evangeline									$500,000	$65,000				**$565,000**		**$565,000**
Franklin									$2,425,000				$970,000	**$3,395,000**	**$100,000**	**$3,495,000**
Grant									$2,595,000	$325,000			$1,210,000	**$4,130,000**		**$4,130,000**
Iberia									$5,815,000	$2,810,000			$1,600,000	**$10,225,000**		**$10,225,000**
Iberville				$267,600		$1,247,800		**$1,515,400**	$4,085,000	$2,150,000			$10,500,000	**$16,735,000**		**$18,250,400**
Jackson									$660,000	$800,000			$200,000	**$1,660,000**		**$1,660,000**
Jefferson			$3,000,000	$620,972	$26,412			**$3,647,384**	$99,630,000	$20,010,000			$33,490,000	**$153,130,000**		**$156,777,384**
Jefferson Davis									$2,500,000	$390,000				**$2,890,000**		**$2,890,000**
Lafayette					$8,751,006			**$8,751,006**	$43,845,000	$6,220,000			$46,940,000	**$97,005,000**		**$105,756,006**
Lafourche									$12,210,000	$750,000			$550,000	**$13,510,000**		**$13,510,000**
LaSalle									$100,000	$715,000				**$815,000**		**$815,000**
Lincoln			$6,000,000					**$6,000,000**	$28,250,000	$2,045,000	$500,000		$13,830,000	**$44,625,000**		**$50,625,000**
Livingston									$19,945,000	$1,550,000			$16,800,000	**$38,295,000**		**$38,295,000**
Madison									$3,185,000	$150,000	$1,500,000		$405,000	**$5,240,000**		**$5,240,000**
Morehouse									$770,000	$200,000	$500,000		$250,000	**$1,720,000**		**$1,720,000**
Multi			$3,000,000	$15,000,000				**$18,000,000**	$212,840,000	$7,000,000			$97,575,000	**$317,415,000**		**$335,415,000**
Natchitoches									$13,835,000	$3,580,000			$2,950,000	**$20,365,000**		**$20,365,000**
Orleans							$18,000,000	**$18,000,000**	$291,070,000	$70,090,000			$196,595,000	**$557,755,000**	**$59,659**	**$575,814,659**
Ouachita				$301,980		$225,204		**$527,184**	$21,705,000	$985,000	$2,000,000		$17,900,000	**$42,590,000**		**$43,117,184**
Plaquemines									$5,900,000	$1,860,000			$6,770,000	**$14,530,000**		**$14,530,000**
Pointe Coupee									$8,680,000	$900,000			$5,925,000	**$15,505,000**		**$15,505,000**
Rapides		$950,000						**$950,000**	$7,010,000	$9,050,000			$67,935,000	**$83,995,000**		**$84,945,000**
Red River									$630,000	$55,000				**$685,000**		**$685,000**
Richland						$270,000		**$270,000**	$3,435,000	$600,000	$500,000			**$4,535,000**		**$4,805,000**
Sabine				$277,800	$120,000			**$397,800**	$6,705,000	$1,065,000			$3,510,000	**$11,280,000**		**$11,677,800**
St. Bernard									$17,925,000	$4,000,000			$1,200,000	**$23,125,000**		**$23,125,000**
St. Charles									$6,395,000	$525,000	$4,500,000		$500,000	**$11,920,000**		**$11,920,000**
St. Helena									$250,000	$295,000			$400,000	**$945,000**		**$945,000**
St. James									$8,200,000	$1,185,000			$6,000,000	**$15,385,000**		**$15,385,000**
St. John the Baptist					$6,525,000			**$6,525,000**	$22,525,000	$100,000			$15,400,000	**$38,025,000**		**$44,550,000**
St. Landry									$660,000	$255,000				**$915,000**		**$915,000**
St. Martin									$5,065,000	$600,000			$4,550,000	**$10,215,000**		**$10,215,000**
St. Mary				$354,720				**$354,720**	$10,035,000	$1,610,000			$3,605,000	**$15,250,000**		**$15,604,720**
St. Tammany						$5,820,877		**$5,820,877**	$14,280,000	$2,230,000			$50,000	**$16,560,000**		**$22,380,877**
Statewide	$1,300,000	$21,027,455	$17,000,000	$984,205,906	$2,994,597	$8,300,000		**$1,034,827,958**	$262,845,000	$64,125,000	$0	$0	$203,590,000	**$530,560,000**	**$9,667,355**	**$1,575,055,313**
Tangipahoa									$7,120,000	$4,100,000			$18,005,000	**$29,225,000**		**$29,225,000**
Tensas									$475,000	$100,000			$275,000	**$850,000**	**$48,808**	**$898,808**
Terrebonne			$4,000,000	$18,603				**$4,018,603**	$5,095,000	$5,110,000				**$10,205,000**	**$288,453**	**$14,512,056**
Union									$3,800,000	$120,000				**$3,920,000**		**$3,920,000**
Vermilion				$696,103				**$696,103**	$5,230,000	$1,000,000			$1,000,000	**$7,230,000**		**$7,926,103**
Vernon									$13,790,000	$7,125,000			$6,345,000	**$27,260,000**		**$27,260,000**
W. Carroll									$840,000	$55,000				**$895,000**		**$895,000**
W. Feliciana									$3,410,000	$1,770,000			$5,675,000	**$10,855,000**		**$10,855,000**
Washington									$6,575,000	$550,000			$2,000,000	**$9,125,000**		**$9,125,000**
WBR									$2,285,000	$1,275,000			$4,780,000	**$8,340,000**		**$8,340,000**
Webster						$2,650,000		**$2,650,000**	$8,410,000	$565,000			$7,720,000	**$16,695,000**	**$100,000**	**$19,445,000**
Winn									$2,900,000	$1,000,000			$700,000	**$4,600,000**		**$4,600,000**
Total	**$1,300,000**	**$28,177,455**	**$87,064,480**	**$1,012,493,684**	**$34,528,935**	**$20,694,987**	**$177,950,000**	**$1,362,209,541**	**$1,540,715,000**	**$277,435,000**	**$14,500,000**	**$0**	**$1,156,290,000**	**$2,988,940,000**	**$10,455,700**	**$4,361,605,241**

Total State Spending Without Double Counting of Expenditures

	FY 98 Actual*	FY 99 Actual*	FY 00 Actual*	FY 01 Actual*	FY 02 Actual*	FY 03 Actual*	FY 04 Actual*	FY 05 Actual*
State General Fund	$5,770,726,249	$5,818,159,735	$5,811,328,419	$6,279,796,406	$6,484,124,015	$6,593,839,128	$6,536,768,945	$7,179,361,987
Self Generated Revenue	$873,853,784	$880,018,178	$907,226,026	$1,131,863,636	$1,063,917,530	$1,060,771,306	$1,279,607,742	$1,213,971,213
Statutory Dedication	$1,659,659,471	$1,847,283,483	$2,120,666,811	$1,998,560,099	$2,582,272,904	$2,568,809,921	$2,499,947,780	$2,924,513,351
Interim Emergency Bd.	$4,547,493	$4,488,327	$2,092,944	$4,287,912	$4,764,095	$5,091,801	$1,855,193	$2,785,111
Total State Funds	**$8,308,786,997**	**$8,549,949,723**	**$8,841,314,200**	**$9,414,508,053**	**$10,135,078,544**	**$10,228,512,156**	**$10,318,179,660**	**$11,320,631,662**
% Chg	*8.0%*	*2.9%*	*3.4%*	*6.5%*	*7.7%*	*0.9%*	*0.9%*	*9.7%*
% of Gross State Product	*8.0%*	*8.2%*	*8.0%*	*8.1%*	*8.4%*	*7.9%*	*7.8%*	*8.5%*
Federal	$4,119,519,133	$4,204,178,286	$4,294,795,289	$4,713,910,763	$5,421,770,845	$5,812,966,128	$6,213,400,921	$6,342,171,627
% Chg	*-3.3%*	*2.1%*	*2.2%*	*9.8%*	*15.0%*	*7.2%*	*6.9%*	*2.1%*
Total Budget	**$12,428,306,130**	**$12,754,128,009**	**$13,136,109,489**	**$14,128,418,816**	**$15,556,849,389**	**$16,041,478,284**	**$16,531,580,581**	**$17,662,803,289**
% Chg	*-0.6%*	*2.6%*	*3.0%*	*7.6%*	*10.1%*	*3.1%*	*3.1%*	*6.8%*
Classified	55,852	56,007	56,662	44,591	43,983	44,460	42,268	43,507
Unclassified	2,924	2,195	2,300	2,852	2,751	3,068	3,015	2,302
Total Authorized Positions	**58,776**	**58,202**	**58,962**	**47,443**	**46,734**	**47,528**	**45,283**	**45,809**
% Chg	*22.9%*	*-1.0%*	*1.3%*	*-19.5%*	*-1.5%*	*1.7%*	*-4.7%*	*1.2%*

	FY 06 Actual*	FY 07 Actual*	FY 08 Actual*	FY 09 Actual*	FY 10 Actual*	FY 11 Actual*	FY 12 Budgeted **	FY 13 Appropriated
State General Fund	7,750,084,805	9,327,485,627	$10,371,746,553	$9,404,455,045	$8,654,063,030	$7,585,083,993	$8,248,989,855	$8,361,658,235
Self Generated Revenue	1,231,231,644	1,344,780,376	$1,237,953,868	$1,373,063,319	$1,428,207,083	$1,559,479,974	$2,167,578,529	$3,287,407,411
Statutory Dedication	$2,966,045,493	$4,244,609,938	$4,104,169,999	$3,287,472,706	$3,430,782,368	$4,025,813,002	$3,947,063,726	$3,825,732,857
Interim Emergency Bd.	$3,368,411	$973,121	$4,612	$1,718,869	$1,343,156	$1,897,824	$3,472,678	$0
Total State Funds	**$11,950,730,353**	**$14,917,849,062**	**$15,713,875,032**	**$14,066,709,939**	**$13,514,395,637**	**$13,172,274,793**	**$14,367,104,788**	**$15,474,798,503**
% Chg	*5.6%*	*24.8%*	*5.3%*	*-10.5%*	*-3.9%*	*-2.5%*	*9.1%*	*7.7%*
% of Gross State Product	*9.0%*	*10.7%*	*10.2%*	*8.2%*	*7.3%*	*7.1%*	*8.1%*	*8.3%*
Federal	$8,166,550,887	$11,151,125,271	$12,883,328,708	$10,951,001,370	$11,771,791,862	$10,918,294,287	$11,174,954,485	$11,303,893,745
% Chg	*28.8%*	*36.5%*	*15.5%*	*-15.0%*	*7.5%*	*-7.3%*	*2.4%*	*1.2%*
Total Budget	**$20,117,281,240**	**$26,068,974,333**	**$28,597,203,740**	**$25,017,711,309**	**$25,286,187,499**	**$24,090,569,080**	**$25,542,059,273**	**$26,778,692,248**
% Chg	*13.9%*	*29.6%*	*9.7%*	*-12.5%*	*1.1%*	*-4.7%*	*6.0%*	*4.8%*
Classified	42,888	40,881	43,735	41,934	40,151	55,861	52,137	38,058
Unclassified	2,973	2,921	3,162	3,256	3,579	26,386	20,549	28,369
Total Authorized Positions	**45,861**	**43,802**	**46,897**	**45,190**	**43,730**	**82,247**	**72,686**	**66,427**
% Chg	*0.1%*	*-4.5%*	*7.1%*	*-3.6%*	*-3.2%*	*88.1%*	*-11.6%*	*-8.6%*

* Executive Budget Yellow Pages
** As of 6/30/2012

Note: Reflects total state spending and avoids double counting of expenditures (primarily Ancillary Bill SGR, IEB Appropriations, Interagency Transfers, etc.).
FY 97 to FY 04 Governor Foster; FY 05 to FY 08 Governor Blanco; FY 09 to present Governor Jindal.
FY 01 forward does not include expenditures of the LSU Health Care Services Division that have been moved "off-budget".
FY 11 forward include positions of the LSU Health Care Services Division.

ITEMS EXCLUDED AS DOUBLE COUNTED
FY 11 - FY 13

	SGF	SGR	Stat Ded	IEB	Fed	Total
FY 11 ACTUAL Total	7,585,083,993	2,820,239,717	4,072,340,868	1,897,824	10,918,294,287	$25,397,856,689
Ancillary Bill		(1,245,648,992)				($1,245,648,992)
Legislative Ancillary Enterprise Fund (24-924)		(350,000)				($350,000)
Legislative Auditor Fees (24-954)		(14,760,751)				($14,760,751)
LA Public Defender Fund (01-116)			(31,914,279)			($31,914,279)
Indigent Parent Representation Program Fund (01-116)			(979,680)			($979,680)
Indigent Patient Representation Program Fund (01-103)			(359,906)			($359,906)
DNA Testing Post-Conviction Relief for Indigents Fund (01-116)			(28,500)			($28,500)
LA Interoperability Communication Fund			(8,935,337)			($8,935,337)
IEB Board (20-905)			(28,913)			($28,913)
Academic Improvement Fund (19D-682)			(4,281,251)			($4,281,251)
Total	**$7,585,083,993**	**$1,559,479,974**	**$4,025,813,002**	**$1,897,824**	**$10,918,294,287**	**$24,090,569,080**
FY 12 BUDGETED Total	8,248,989,855	3,617,087,767	3,989,119,627	3,472,678	11,174,954,485	$27,033,624,412
Ancillary Bill		(1,435,413,407)				($1,435,413,407)
Legislative Auditor Fees (24-954)		(14,095,831)				($14,095,831)
LA Public Defender Fund (01-116)			(31,671,568)			($31,671,568)
Indigent Parent Representation Program Fund (01-116)			(856,982)			($856,982)
Indigent Patient Representation Program Fund (01-103)			(359,906)			($359,906)
LA Interoperability Communications Fund (01-111)			(9,127,106)			($9,127,106)
IEB Board (20-905)			(40,339)			($40,339)
Total	**$8,248,989,855**	**$2,167,578,529**	**$3,947,063,726**	**$3,472,678**	**$11,174,954,485**	**$25,542,059,273**
FY 13 APPROPRIATED Total *	8,361,658,235	3,596,803,558	3,868,587,792	0	11,303,893,745	$27,130,943,330
Ancillary Bill		(295,042,722)				($295,042,722)
Legislative Ancillary Enterprise Fund (24-924)		(350,000)				($350,000)
Legislative Auditor Fees (24-954)		(14,003,425)				($14,003,425)
LA Public Defender Fund (01-116)			(32,246,164)			($32,246,164)
Indigent Parent Representation Program Fund (01-116)			(979,680)			($979,680)
Indigent Patient Representation Program Fund (01-103)			(331,431)			($331,431)
LA Interoperability Communications Fund (01-111)			(9,229,130)			($9,229,130)
DNA Testing Post-Conviction Relief for Indigents Fund (01-116)			(28,500)			($28,500)
IEB Board (20-905)			(40,030)			($40,030)
Total	**$8,361,658,235**	**$3,287,407,411**	**$3,825,732,857**	**$0**	**$11,303,893,745**	**$26,778,692,248**

* Excludes $33,886,435 SGR (Reappropriated Cash and Reappropriated Interest Earnings) in Capital Outlay not recognized by OPB as SGR.