House Committee on Appropriations
by House Fiscal Division
March 14, 2013
Agenda

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Department Structure

Office of the Secretary

- Administration

Office of Business Development

- Business Development Program
  - Small Business and Community Services activity, Small and Emerging Business Development (SEBD) program and Small Business Development Centers (SBDC).

- Business Incentives Program
  - Include the Enterprise Zone Program, Quality jobs, Industrial Ad Valorem Tax Exemption Program, Restoration Tax Abatement and more.

Paul Prejean 225-342-1394
## Means of Finance

<table>
<thead>
<tr>
<th>Means of Finance</th>
<th>Actual Expenditures FY 11-12</th>
<th>Existing Operating Budget FY 12-13 (12/1/12)</th>
<th>Executive Budget Recommended FY 13-14</th>
<th>Change from FY12-13 to FY13-14</th>
<th>Percent Change from FY12-13 to FY13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$10,489,399</td>
<td>$13,972,195</td>
<td>$14,214,562</td>
<td>$242,367</td>
<td>1.7%</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$683,443</td>
<td>$1,204,065</td>
<td>$0</td>
<td>($1,204,065)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Fees and Self-Gen Rev</td>
<td>$2,084,759</td>
<td>$3,124,377</td>
<td>$3,464,585</td>
<td>$340,208</td>
<td>10.9%</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>$34,021,620</td>
<td>$30,893,307</td>
<td>$19,400,241</td>
<td>($11,493,066)</td>
<td>-37.2%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$3,042,616</td>
<td>$8,777,210</td>
<td>$4,739,367</td>
<td>($4,037,843)</td>
<td>-46.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$50,321,837</strong></td>
<td><strong>$57,971,154</strong></td>
<td><strong>$41,818,755</strong></td>
<td><strong>($16,152,399)</strong></td>
<td><strong>-27.9%</strong></td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>124</td>
<td>122</td>
<td>117</td>
<td>(5)</td>
<td>-4.1%</td>
</tr>
</tbody>
</table>
10 Year Budget History

Department of Economic Development
(Total Means of Finance)

Fiscal Year

FY 03-04 FY 04-05 FY 05-06 FY 06-07 FY 07-08 FY 08-09 FY 09-10 FY 10-11 FY 11-12 FY 12-13 FY 13-14**

Funding Amount (in millions)

$61 $68 $52 $123 $106 $205 $86 $64 $50 $58 $42

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/12
**Governor’s Executive Budget Recommendation
Major Sources of Revenues FY 13-14

Self-generated Revenues - $3.4 million

- Application fees for business incentives
- Tenant fees

Statutory Dedications - $19.4 million

- Louisiana Economic Development Fund
- Marketing Fund
- Entertainment Promotion and Marketing Fund

Federal Funds - $4.7 million
## Expenditure Breakdown

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 11-12 Actual Expenditures</th>
<th>FY 12-13 Existing Operating Budget (12/1/12)</th>
<th>FY 13-14 Executive Budget Recommendation</th>
<th>Change from FY 12-13 to FY 13-14</th>
<th>Percent Change from FY12-13 to FY13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$8,856,649</td>
<td>$8,846,931</td>
<td>$8,659,706</td>
<td>($187,225)</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Other Compensation</td>
<td>$95,517</td>
<td>$141,014</td>
<td>$141,014</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Related Benefits</td>
<td>$3,299,068</td>
<td>$3,632,665</td>
<td>$3,481,606</td>
<td>($151,059)</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Travel</td>
<td>$486,541</td>
<td>$1,063,612</td>
<td>$421,581</td>
<td>($642,031)</td>
<td>-60.4%</td>
</tr>
<tr>
<td>Operating Services</td>
<td>$1,327,143</td>
<td>$1,713,361</td>
<td>$1,549,645</td>
<td>($163,716)</td>
<td>-9.6%</td>
</tr>
<tr>
<td>Supplies</td>
<td>$213,143</td>
<td>$394,244</td>
<td>$374,244</td>
<td>($20,000)</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Prof Srvcs</td>
<td>$6,091,646</td>
<td>$7,382,082</td>
<td>$6,898,539</td>
<td>($483,543)</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$29,837,232</td>
<td>$34,692,916</td>
<td>$20,292,420</td>
<td>($14,400,496)</td>
<td>-41.5%</td>
</tr>
<tr>
<td>Acq/Major Repairs</td>
<td>$114,898</td>
<td>$104,329</td>
<td>$0</td>
<td>($104,329)</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Unallotted</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL EXP</strong></td>
<td><strong>$50,321,837</strong></td>
<td><strong>$57,971,154</strong></td>
<td><strong>$41,818,755</strong></td>
<td><strong>($16,152,399)</strong></td>
<td><strong>-27.9%</strong></td>
</tr>
</tbody>
</table>

- **Other Charges** – Non-recurred funding, elimination of the Small Business Bonding Assistance Program, and elimination of statutorily dedicated education initiatives.

- **Travel** – Reduced due to efficiencies, and will be managed with the funds appropriated.

- **Professional Services** – Non-recurred funding from advertising, legal, accounting, and IT services not needed by the business incentives program next year.
6-Year Expenditure History (in millions)

- **Personal Services**
  - 2008-09: $10.6
  - 2009-10: $11.5
  - 2010-11: $11.7
  - 2011-12: $12.3
  - 2012-13: $12.6
  - 2013-14: $12.3

- **Operating Expenses**
  - 2008-09: $2.0
  - 2009-10: $2.0
  - 2010-11: $2.1
  - 2011-12: $2.0
  - 2012-13: $3.2
  - 2013-14: $2.3

- **Professional Services**
  - 2008-09: $6.3
  - 2009-10: $5.9
  - 2010-11: $6.6
  - 2011-12: $7.4
  - 2012-13: $6.9

- **Acquisitions & Major Repairs**
  - 2008-09: $0.6
  - 2009-10: $0.3
  - 2010-11: $0.4
  - 2011-12: $0.1
  - 2012-13: $0.1
  - 2013-14: $0.0
6-Year Expenditure History (in millions)

Other Charges

- 2008-2009: $185.5
- 2009-2010: $66.6
- 2010-2011: $43.7
- 2011-2012: $29.8
- 2012-2013: $34.7
- 2013-2014: $20.3

*Existing Operating Budget as of 12/1/12
**Governor’s Executive Budget Recommendation

Source: Executive Budget Supporting Documents
Significant Adjustments

Reduces funding for Non-recurring Carryforwards from prior year obligations from matching grants, small and emerging business development programs, etc.

($342,879) SGF | ($805,834) IAT | ($75,507) SGR | ($4,855,103) SD | ($3,591,760) FED | TOTAL | ($9,671,083)

Eliminates funding for the Marketing Education Retail Alliance, LA Council for Economic Education, and the District 2 Enhancement Corporation. According to LED, these programs relate more to education initiatives rather than economic development.

$0 | SGF | $0 | IAT | $0 | SGR | ($1,000,000) SD | $0 | FED | TOTAL | ($1,000,000)

Reduces funding from the statutorily dedicated Small Business Surety Bonding Fund. Eliminates the Small Business Bonding Assistance Program.

$0 | SGF | $0 | IAT | $0 | SGR | ($2,900,000) | SD | $0 | FED | TOTAL | ($2,900,000)

Reduces funding appropriated in FY 12-13 from the Rapid Response Fund for the FastStart Program.

$0 | SGF | $0 | IAT | $0 | SGR | ($2,000,000) | SD | $0 | FED | TOTAL | ($2,000,000)

Reduces funding from Louisiana Economic Development Fund used in the Business Development Program in FY 12-13.

$0 | SGF | $0 | IAT | $0 | SGR | ($700,000) | SD | $0 | FED | TOTAL | ($700,000)

Non-recurred federal budget authority for the Federal State Trade and Export Promotion (STEP) program due to the expiration of the grant funding.

$0 | SGF | $0 | IAT | $0 | SGR | $0 | SD | ($535,908) | FED | TOTAL | ($535,908)
Significant Adjustments

Transfers funding and 5 T.O. as the Business Recovery Services Activity, provided through Community Development Block Grants, is being moved to the Division of Administration.

<table>
<thead>
<tr>
<th></th>
<th>SGF</th>
<th>IAT</th>
<th>SGR</th>
<th>SD</th>
<th>FED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td></td>
<td>($398,231)</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>($398,231)</td>
</tr>
</tbody>
</table>

Provides funding for the FastStart program as part of incentives for Benteler Steel.

<table>
<thead>
<tr>
<th></th>
<th>SGF</th>
<th>IAT</th>
<th>SGR</th>
<th>SD</th>
<th>FED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000,000</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
<td>$2,000,000</td>
</tr>
</tbody>
</table>

Reduces funding the Business Incubator program and the Shreveport and New Orleans wet labs. Eliminates funding to the Baton Rouge wet lab.

<table>
<thead>
<tr>
<th></th>
<th>SGF</th>
<th>IAT</th>
<th>SGR</th>
<th>SD</th>
<th>FED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>($996,762)</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
<td>($996,762)</td>
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</tbody>
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Discretionary/Nondiscretionary Funding in FY 13-14 Executive Budget

Department of Economic Development Total Budget
$41.8 Million

<table>
<thead>
<tr>
<th>Category</th>
<th>Nondiscretionary Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitutionally Required</td>
<td>$0</td>
</tr>
<tr>
<td>Court Orders</td>
<td>$0</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$0</td>
</tr>
<tr>
<td>Federal Mandate</td>
<td>$0</td>
</tr>
<tr>
<td>Statutory Obligation</td>
<td>$0</td>
</tr>
<tr>
<td>Legislative Discretion</td>
<td>$0</td>
</tr>
<tr>
<td>Unavoidable Obligations</td>
<td>$3,676,043</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$3,676,043</td>
</tr>
</tbody>
</table>

Discretionary $38.1 M 91.2%

Non-Discretionary $3.7 M 8.8%
Discretionary/Nondiscretionary Funding in FY 13-14 Executive Budget

<table>
<thead>
<tr>
<th>Activity</th>
<th>Discretionary</th>
<th>Nondiscretionary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$13,044,270</td>
<td>$2,928,160</td>
</tr>
<tr>
<td>Business Development</td>
<td>$18,994,593</td>
<td>$608,542</td>
</tr>
<tr>
<td>Business Incentives</td>
<td>$6,103,849</td>
<td>$139,341</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$38,142,712</strong></td>
<td><strong>$3,676,043</strong></td>
</tr>
</tbody>
</table>
$8.8 million for Salaries and Other Compensation
$3.5 million for Related Benefits
Total Personnel Services = $12.3 million, 57% of the Department of Economic Development total Executive Budget Recommendation (excluding Other Charges)

117 Authorized Positions (66 classified and 51 unclassified)
2 full-time non-T.O. positions

As of 1/30/2013, the Department of Economic Development had 5 vacancies
Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

Source: ISIS-HR

Paul Prejean 225-342-1394
DED
House Fiscal Division
Salaries

CLASSIFIED AVERAGE ANNUAL PAY PER FTE

Source: State Civil Service Report on State Employment

Paul Prejean  225-342-1394  DED  House Fiscal Division
Salaries

UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE

Source: State Civil Service Report on State Employment
Paul Prejean 225-342-1394  DED
House Fiscal Division
<table>
<thead>
<tr>
<th>AGENCY</th>
<th>Agency Head</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Secretary</td>
<td>Stephen Moret</td>
<td>342-5388</td>
</tr>
<tr>
<td>Office of the Secretary</td>
<td>Steve Grissom</td>
<td>342-5478</td>
</tr>
<tr>
<td>Office of Business Development</td>
<td>Jason El Koubi</td>
<td>342-0600</td>
</tr>
<tr>
<td>Office of the Secretary</td>
<td>Anne Villa</td>
<td>342-5395</td>
</tr>
<tr>
<td>Office of the Secretary</td>
<td>Mandi Mitchell</td>
<td>342-6499</td>
</tr>
</tbody>
</table>