



Fiscal Year 2017-2018 Executive Budget Overview

March 28, 2017

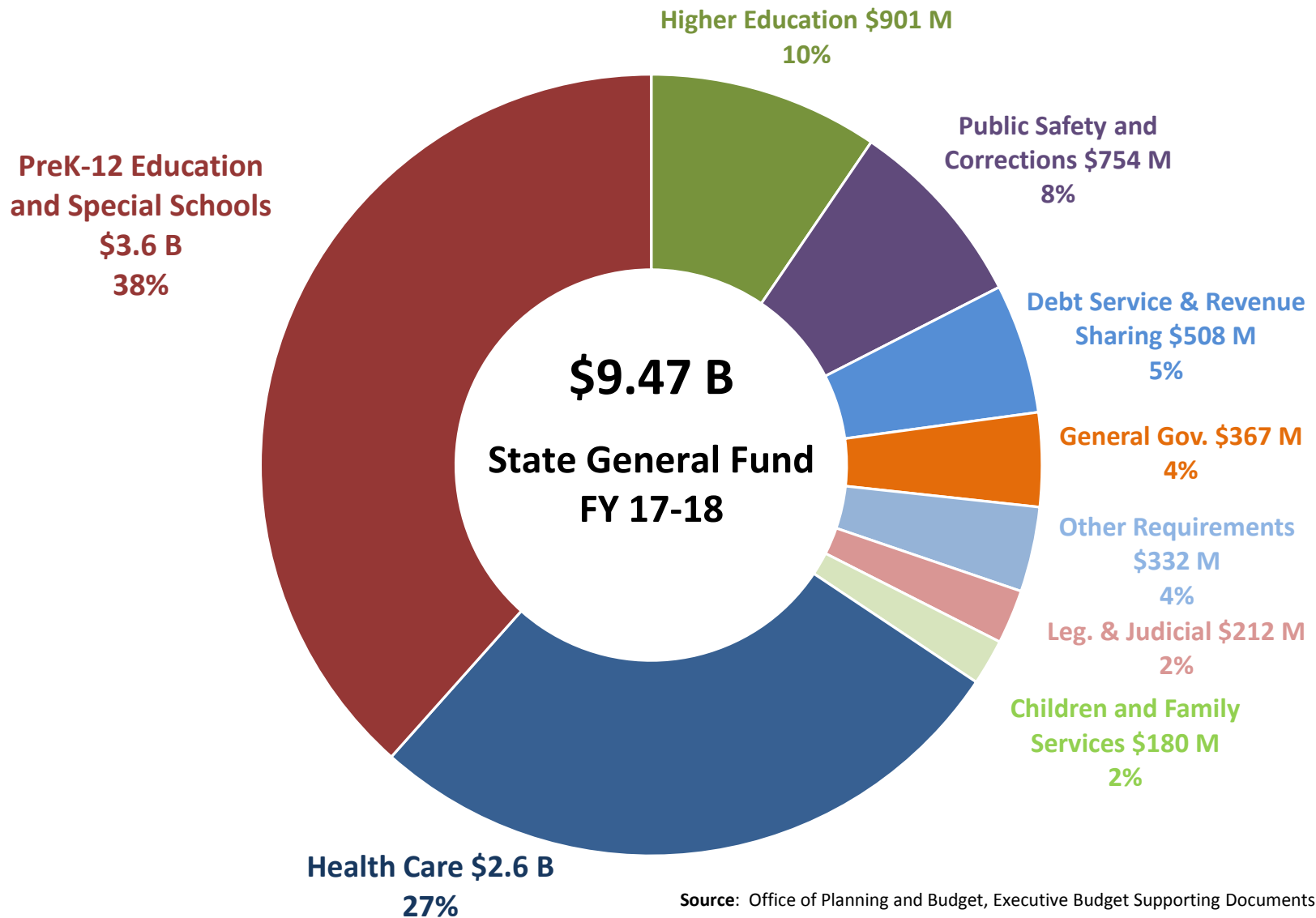
Prepared by **HFD**
House Fiscal Division

FY 2017-2018 Executive Budget

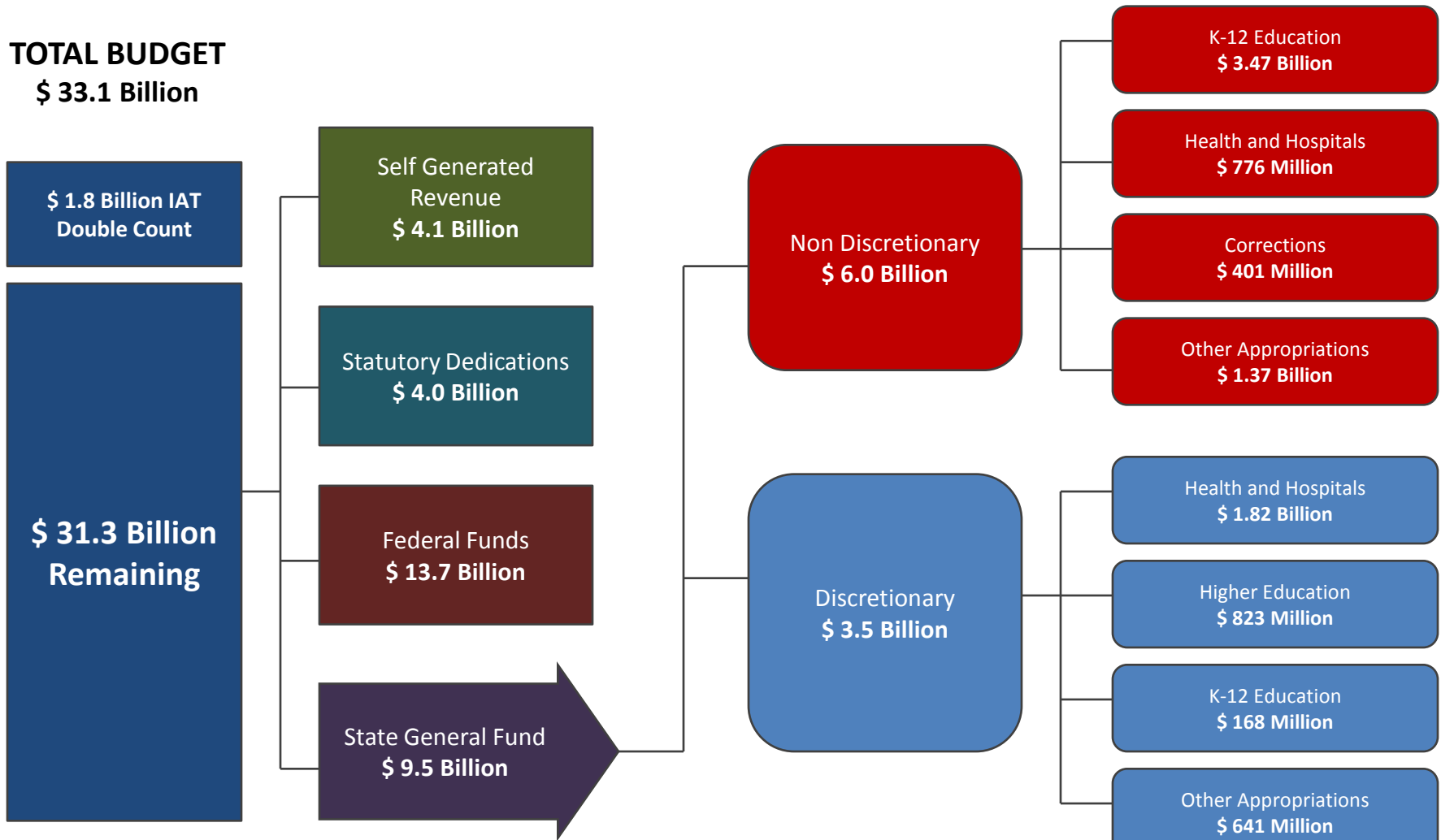
FY 17-18 Total State Budget

Appropriation Bill	State General Fund	Interagency Transfers	Fees and Self Generated Revenue	Statutory Dedications	Federal Funds	Total
General Appropriation	\$8,749,586,656	\$980,393,182	\$2,497,080,456	\$2,862,306,218	\$13,610,362,681	\$28,699,729,193
Ancillary	\$0	\$645,414,333	\$1,506,034,259	\$121,000,000	\$0	\$2,272,448,592
Judicial	\$147,742,671	\$9,392,850	\$0	\$10,407,485	\$0	\$167,543,006
Legislative	\$64,367,092	\$0	\$22,584,095	\$10,000,000	\$0	\$96,951,187
Capital Outlay	\$0	\$199,673,500	\$71,615,000	\$915,602,332	\$133,062,470	\$1,319,953,302
Non-Appropriated	\$507,903,581	\$0	\$0	\$64,200,000	\$0	\$572,103,581
TOTAL	\$ 9,469,600,000	\$ 1,834,873,865	\$ 4,097,313,810	\$ 3,983,516,035	\$13,743,425,151	\$33,128,728,861

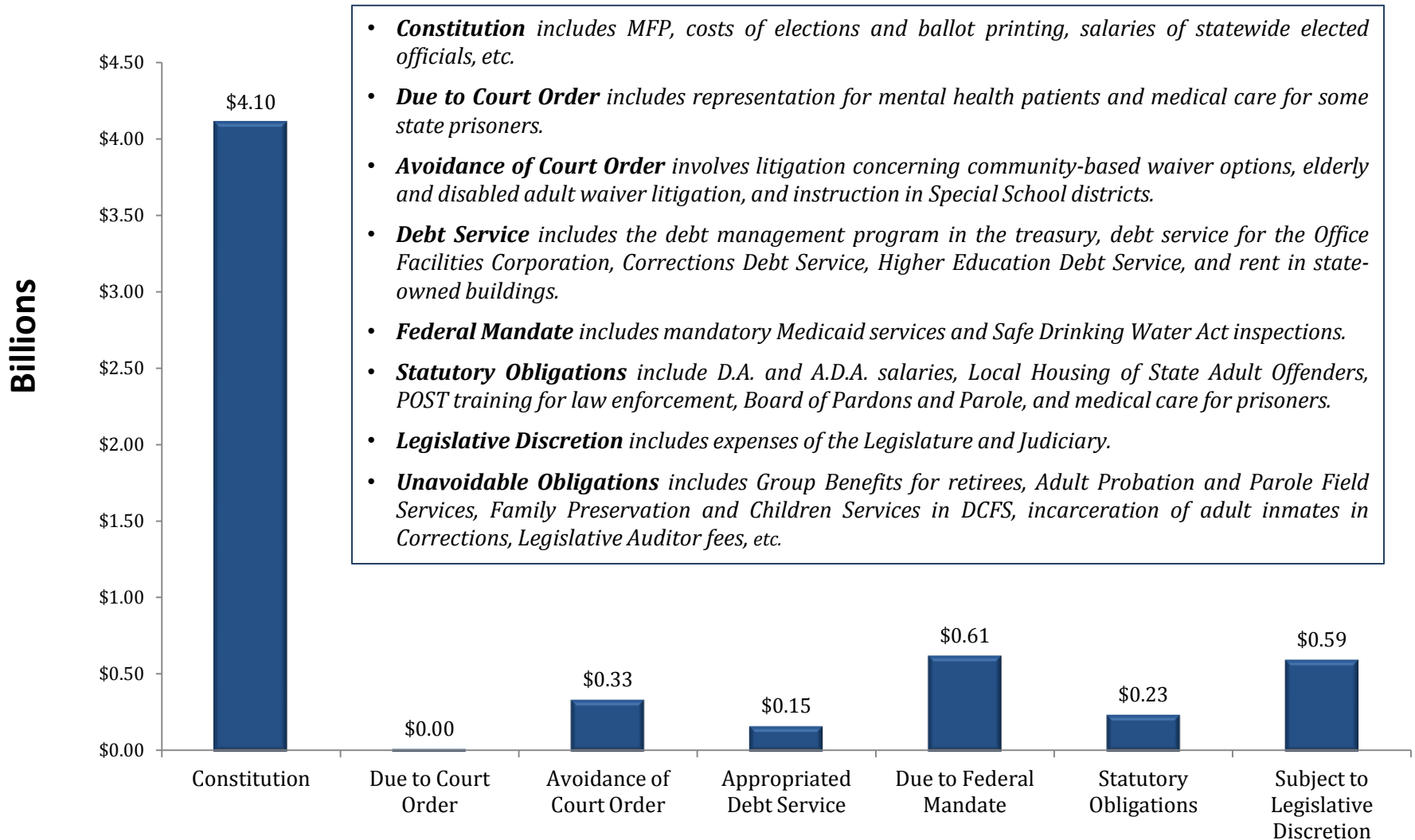
Where are your state tax dollars spent?



FY18 Discretionary/Non-Discretionary Funding



FY18 Appropriated Non-Discretionary - \$6 billion



Other Appropriated Discretionary Funding FY 17-18

After Healthcare, Higher Education, and Elementary Education are funded, there is **\$641 million in discretionary State General Funding** left.

Discretionary SGF FY 17-18 Executive Budget

DEPARTMENT NAME	General Fund	% of Total
Social Services	\$118,197,131	3%
Executive	\$105,560,900	3%
Youth Services	\$96,713,486	3%
Corrections	\$75,322,552	2%
Other Requirements	\$73,045,235	2%
Revenue	\$31,944,804	1%
Culture, Rec. & Tourism	\$22,847,905	1%
State	\$22,163,998	1%
Agriculture & Forestry	\$18,824,851	1%
Public Safety	\$18,490,506	1%
Justice	\$15,503,422	0%
Natural Resources	\$13,106,671	0%
Economic Development	\$12,817,387	0%
Labor	\$6,399,887	0%
Civil Service	\$4,873,224	0%
Veterans	\$4,614,726	0%
Lt. Governor	\$759,143	0%
Total State	\$641,185,828	19%

Other Appropriated Non-discretionary Funding FY 17-18

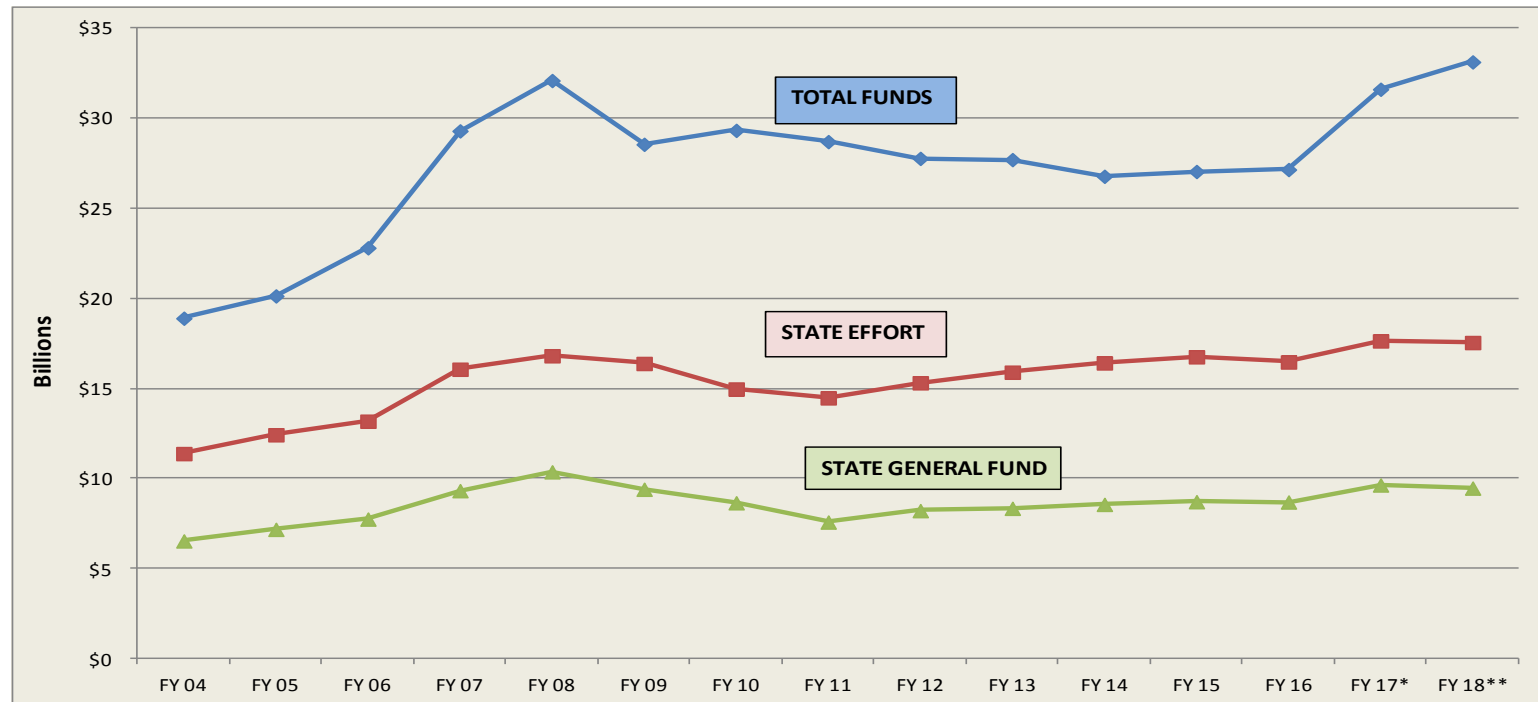
After Healthcare,
Elementary
Education and
Corrections are
funded, there is
**\$1.37 billion in
non-discretionary
State General
Funding left.**

Non-Discretionary SGF FY 17-18 Executive Budget

DEPARTMENT NAME	General Fund	% of Total
Non-Appropriated	\$507,903,581	8%
Other Requirements	\$417,377,191	7%
Judicial App. Bill	\$147,742,671	2%
Higher Education	\$78,229,725	1%
Leg. App. Bill	\$64,367,092	1%
Social Services	\$61,550,416	1%
Executive	\$40,067,879	1%
State	\$30,587,891	1%
Agriculture & Forestry	\$5,942,362	0%
Youth Services	\$4,677,802	0%
Culture, Rec. & Tourism	\$2,948,555	0%
Natural Resources	\$992,898	0%
Economic Development	\$891,021	0%
Justice	\$885,706	0%
Veterans	\$689,653	0%
Civil Service	\$414,248	0%
Lt. Governor	\$254,493	0%
Total State	\$1,365,523,184	23%

STATE BUDGET HISTORY

Means of Finance	Actual FY 03-04	Actual FY 07-08	Executive Budget FY 17-18	15 Year Annual Growth Rate	11 Year Annual Growth Rate
Total Funds	\$18.9	\$32.1	\$33.1	4.09%	0.35%
State Effort	\$11.4	\$16.8	\$17.6	3.14%	0.48%
State General Fund	\$6.5	\$10.4	\$9.5	2.68%	(1.01%)

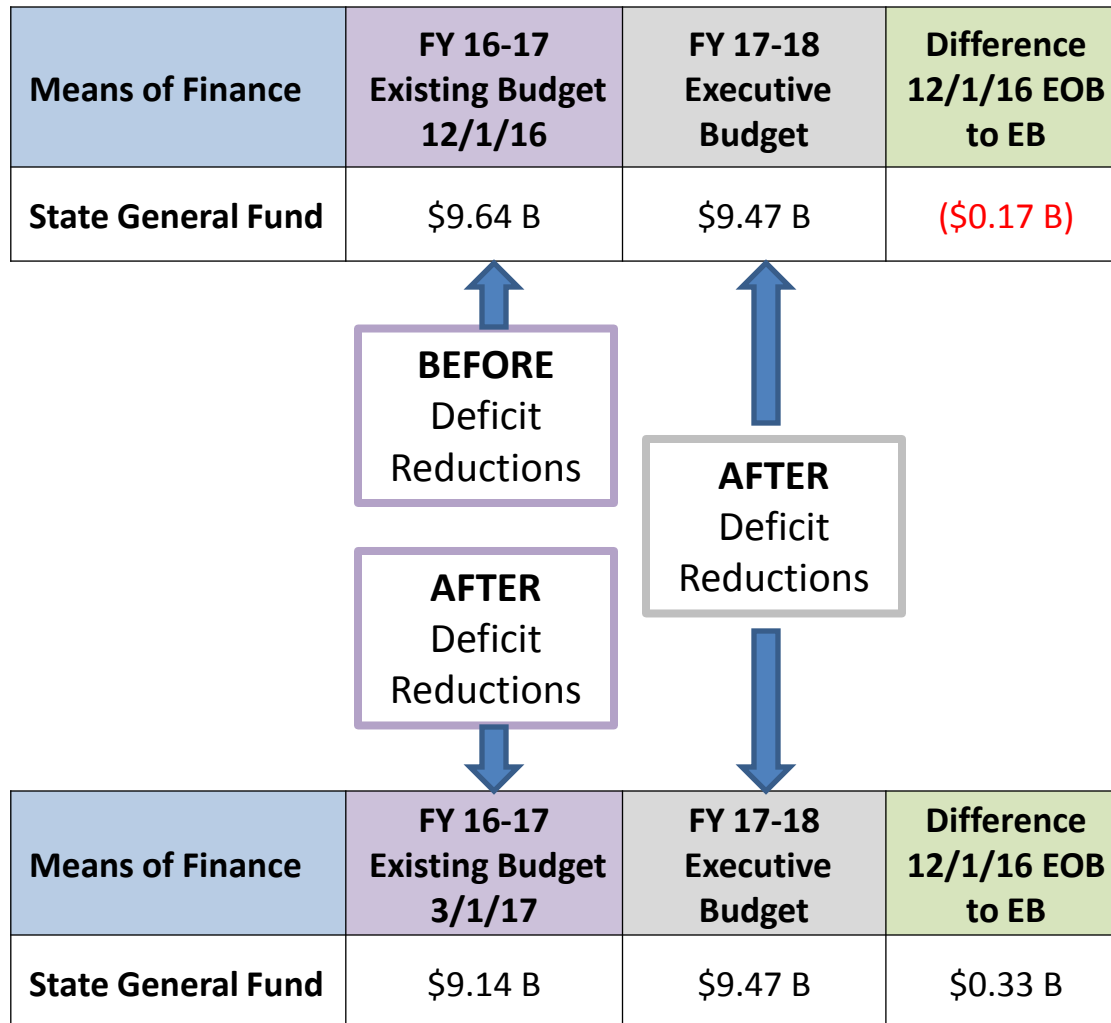


Comparing Current Budget to Executive Budget

The Executive Budget document compares the **Existing Operating Budget (EOB)** for the Current Year to the **Recommended Budget** for the next year.

FY 17-18 Executive Budget SGF	—	FY 16-17 Existing Budget 12/1/16 SGF	=	Difference 12/1/16 EOB to EB SGF
\$9.47 B		\$9.64 B		(\$0.17 B)

Timing Differences in Executive Budget



FY 17-18 Total State Budget

Means of Finance	FY 16-17		FY 17-18 Executive Budget	Difference	
	Existing Budget 12/1/16	Existing Budget 3/1/17		12/1/16 EOB to EB	3/1/17 EOB to EB
State General Fund	\$9.64	\$9.14	\$9.47	(\$0.17)	\$0.33
Interagency Transfers	\$1.72	\$1.73	\$1.83	\$0.11	\$0.10
Fees/Self-Generated	\$4.01	\$4.11	\$4.10	\$0.09	(\$0.01)
Statutory Dedications	\$3.99	\$4.12	\$3.98	(\$0.01)	(\$0.14)
Federal Funds	\$12.35	\$11.75	\$13.74	\$1.39	\$1.99
TOTAL	\$31.71	\$30.85	\$33.12	\$1.41	\$2.27
State Effort	\$17.64	\$17.37	\$17.55	(\$0.09)	\$0.18

In Billions

General Appropriation Bill (HB1)

Means of Finance	FY 15-16 Actuals	FY 16-17 Existing Budget 12/1/16	FY 16-17 Existing Budget 3/1/17	FY 17-18 Agency Request	FY 17-18 Executive Budget
State General Fund	\$8.2	\$8.9	\$8.4	\$9.3	\$8.7
Interagency Transfers	\$0.9	\$1.0	\$1.0	\$1.0	\$1.0
Fees/Self-Generated	\$2.2	\$2.4	\$2.5	\$2.4	\$2.5
Statutory Dedications	\$2.8	\$2.9	\$3.0	\$2.8	\$2.9
Federal Funds	\$9.0	\$12.1	\$11.6	\$14.2	\$13.6
TOTAL	\$23.1	\$27.3	\$26.6	\$29.7	\$28.7
State Effort	\$13.2	\$14.2	\$14.0	\$14.5	\$14.1

In Billions

Does not include Ancillary, Judicial, or Legislative Appropriation Bills

Source: Office of Planning and Budget, Executive Budget Supporting Documents, and analysis of BA-7s and changes from the 2017 1st Extraordinary Session

FY 2018-2019 Fiscal Cliff

2019 Fiscal Cliff – Continuation Budget

FIVE YEAR BASE LINE PROJECTION STATE GENERAL FUND SUMMARY CONTINUATION			From 3/24/17 JLCB Meeting		
	Current Fiscal Year 2016-2017	Ensuing Fiscal Year 2017-2018	Projected Fiscal Year 2018-2019	Projected Fiscal Year 2019-2020	Projected Fiscal Year 2020-2021
REVENUES:					
Taxes, Licenses & Fees	\$11,795,800,000	\$12,044,300,000	\$11,068,000,000	\$11,234,000,000	\$11,420,600,000
Less Dedications	(\$2,511,700,000)	(\$2,574,700,000)	(\$2,565,200,000)	(\$2,604,400,000)	(\$2,674,700,000)
Undesignated Fund Balance - June 30, 2016	(\$313,815,008)	\$0	\$0	\$0	\$0
Carry Forward Balances	\$18,559,757	\$0	\$0	\$0	\$0
Mid-Year Deficit - Action by JLCB on 12/15/2016	\$9,870,971	\$0	\$0	\$0	\$0
Budget Stabilization Fund (SCR 2 of the 2017 1st ES)	\$99,000,000	\$0	\$0	\$0	\$0
Fund Transfers (Act 1 of the 2017 1st ES)	\$25,607,826	\$0	\$0	\$0	\$0
Additional Revenues (GO Zone)	\$18,390,775	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$9,141,714,321	\$9,469,600,000	\$8,502,800,000	\$8,629,600,000	\$8,746,000,000
ANNUAL GROWTH RATE		3.59%	-10.21%	1.49%	1.35%
EXPENDITURES:					
General Appropriation Bill (Act 17 of 2016 RLS and Act 14 of the 2016 2nd ELS)	\$8,931,338,334	\$9,168,028,086	\$9,274,353,701	\$9,636,093,319	\$9,968,676,997
Ancillary Appropriation Bill (Act 47 of 2016 RLS)	\$0	\$0	\$3,120,852	\$6,789,620	\$10,586,796
Non-Appropriated Requirements	\$493,172,949	\$487,990,505	\$477,672,837	\$478,046,750	\$441,928,680
Judicial Appropriation Bill (Act 67 of 2016 RLS)	\$151,530,944	\$151,530,944	\$151,471,882	\$151,471,895	\$151,471,907
Legislative Appropriation Bill (Act 77 of 2016 RLS)	\$66,017,530	\$66,017,530	\$65,994,834	\$65,994,663	\$65,994,509
Special Acts	\$0	\$0	\$9,400,000	\$9,400,000	\$9,400,000
Capital Outlay Bill (Act 27 of 2016 RLS)	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$9,642,059,757	\$9,873,567,065	\$9,982,014,106	\$10,347,796,247	\$10,648,058,889
ANNUAL GROWTH RATE		2.40%	1.10%	3.66%	2.90%
Mid-Year Adjustment After 12/1/2016	(\$36,325,536)	\$0	\$0	\$0	\$0
1st Mid-Year Deficit Plan BA-7s Approved by Governor and/or JLCB	(\$302,794,037)	\$0	\$0	\$0	\$0
PROJECTED BALANCE	(\$161,225,863)	(\$403,967,065)	(\$1,479,214,106)	(\$1,718,196,247)	(\$1,902,058,889)
2nd Mid-Year Deficit Plan BA-7s - Act 1 of the 2017 1st Extraordinary Session	(\$149,079,062)	\$0	\$0	\$0	\$0
Pending: Attrition Reductions approved in Act 1 of 2017 Extraordinary Session	(\$11,900,000)	\$0	\$0	\$0	\$0
RESTATED, PENDING APPROVALS: PROJECTED BALANCE	(\$246,801)	(\$403,967,065)	(\$1,479,214,106)	(\$1,718,196,247)	(\$1,902,058,889)

Oil Prices included in the REC official forecast

\$48.13

\$51.41

\$53.99

\$56.44

\$58.43

Examples of Continuation Items

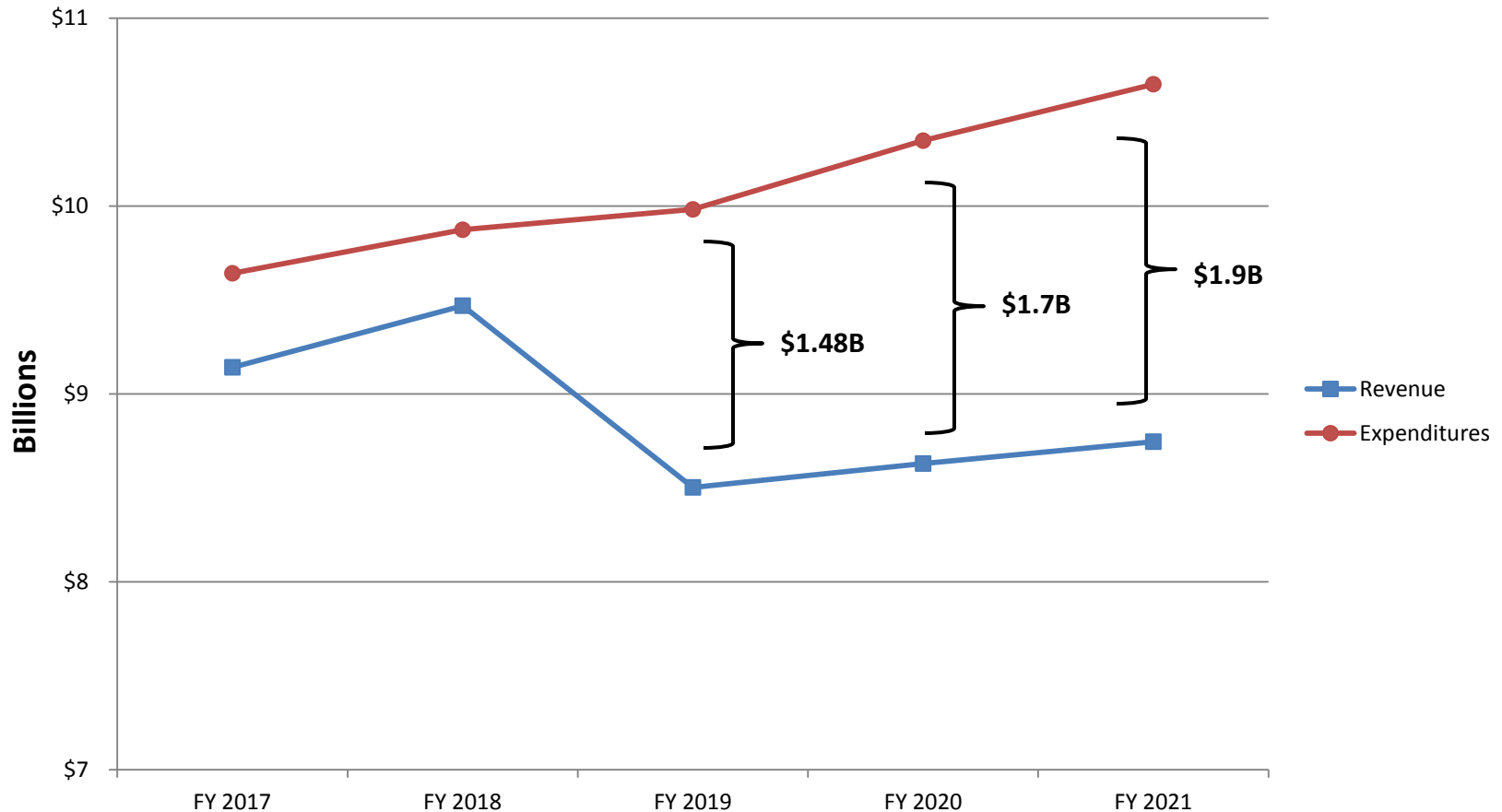
Continuation Budget

Budget required by R.S. 39:2(11) that reflects the financial resources necessary to carry out all existing programs and functions at the current level of service in the ensuing fiscal year.

Submitted to JLCB at its first meeting after January 1 of each year (R.S. 39:29).

- \$152 million in pushed Medicaid Payments
- \$24 million for State employee merit adjustments
- 2.98% Inflation factor used for FY 17-18 (throughout agencies)
- \$88 million in Medical Inflation
- \$20 million in Retirement and Related Benefits
- \$17 million for MFP due to increase in student count
- \$80 million for TOPS
- Means of financing substitutions – replacing a dedication projected to be less
- Growth in current services – additional people expected to be served
- Deleting or reducing items no longer needed – payments made for the state's share of disaster related costs

State General Fund Five Year Base Line Projection



Source: Based on Five Year Base Line Projection for State General Fund produced by Division of Administration for 3/24/17 Joint Legislative Committee on the Budget meeting

Major Causes of Fiscal Cliff

TEMPORARY REVENUE SUNSETTING

Temporary Revenue Total **(\$ 1.38 billion)**

(Detail included on next slide)

EXPENDITURE INCREASES

Continuation Increase FY 2018 \$ 231 million

Continuation Increase FY 2019 \$ 108 million

Total Continuation Growth **\$ 339 million**

2015 and 2016 Temporary Change in Revenue from FY18 to FY19

HB 402	FY 18 \$27,800,000 FY 19 \$0	Limits the income tax credit for taxes paid to other states (2015)
HB 629	FY 18 \$27,600,000 FY 19 (\$2,900,000)	Reduces the amount of certain income and corporation franchise tax credits (2015)
HB 624	FY 18 \$85,000,000 FY 19 (\$37,000,000)	Reduces the amount of certain corporate exclusions and deductions (2015)
HB 635	FY 18 \$12,200,000 FY 19 \$18,400,000	Reduces the amount of certain rebates (2015)
HB 829	FY 18 \$70,000,000 FY 19 Significant loss	Caps the motion picture investor tax credit (2015)
HB 61	FY 18 \$272,300,000 FY 19 \$ 45,000,000	"Cleans" existing pennies (2016)
HB 62	FY 18 \$880,600,000 FY 19 \$0	New "clean" penny (2016)
HB 87	FY 18 \$8,600,000 FY 19 \$0	Reduces the insurance premium tax credit by 5% (2016)
Total	FY 18 \$1,384,100,000 FY 19 \$23,500,000	Majority expire June 30, 2018

FY 17-18 Shortfall Amounts

Different FY 17-18 shortfall amounts

- Executive Budget and HB1 are Balanced
 - Only spends SGF revenues recognized by REC (\$9.5 billion)
- Continuation Shortfall (\$404 million short)
- Administration General Fund Requirements (\$440 million short)
 - Amount administration says needed to fund current level of services
 - \$262 million in continuation items
 - \$178 million in administration priority items outside of continuation

Administration General Fund Requirements

\$440 million recommended for funding by the administration if new revenue is recognized.

\$262M in Continuation Items	\$178M in Other Priorities
\$92 million – Department of Health <ul style="list-style-type: none">• \$31 million Public Private Partnerships	\$75 million - MFP 2.75% base increase
\$82 million – TOPS	\$43 million - Matching funds for DOTD
\$48 million – Restore 2% reductions to agencies	\$34 million – GO Grants
\$24 million – State employee merits	\$11 million – Corrections and rates for private prisons
\$12 million – Open Acadiana Youth Facility	\$10 million – Technology projects
\$4 million – Tourism	\$5 million – Reduce DCFS caseloads, including 187 positions

Contact Information

Prepared by Louisiana House Fiscal Division

For additional information call 225-342-2440
or visit our HFD website at:

<http://house.louisiana.gov/housefiscal/>

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