

Representative Jerome Zeringue
Chairman



Representative Gary Carter
Vice Chairman

Fiscal Year 2020-21 HB105 Budget Review Overview

House Committee on Appropriations
by the House Fiscal Division

March 2, 2020

STATE GENERAL FUND IN STATE BUDGET

Includes HB 105 and Governor's proposal for other appropriation bills

**Revenue Estimating
Conference forecast
on 4/10/19**

\$10,044,100,000

ADJUSTED EXISTING OPERATING BUDGET

FY20 State General Fund Adjusted EOB

\$9,736,810,234

FY20 REC Forecast		\$ 9,724,800,000
Justice Reinvestment	+	\$ 12,460,234
Fiscal Administrator Fund	+	<u>(\$ 450,000)</u>
FY20 Adjusted EOB		\$9,736,810,234

- Excludes Non-recurring Surplus
- Excludes non-recurred carryforward, except justice reinvestment
- Removes amount committed to Fiscal Administrator Fund
- FY21 SGF is \$307,289,766 more than this EOB amount

FY21 TOTAL STATE BUDGET

FY21 STATE BUDGET		
Means of Finance	Amount	% of Total
State General Fund	\$10.0 billion	28%
Interagency Transfers	\$ 1.7 billion	5%
Fees and Self Generated Revenue	\$ 4.8 billion	14%
Statutory Dedications	\$ 4.4 billion	12%
Federal Funds	\$14.5 billion	41%
Total Budget	\$35.4 billion	100%

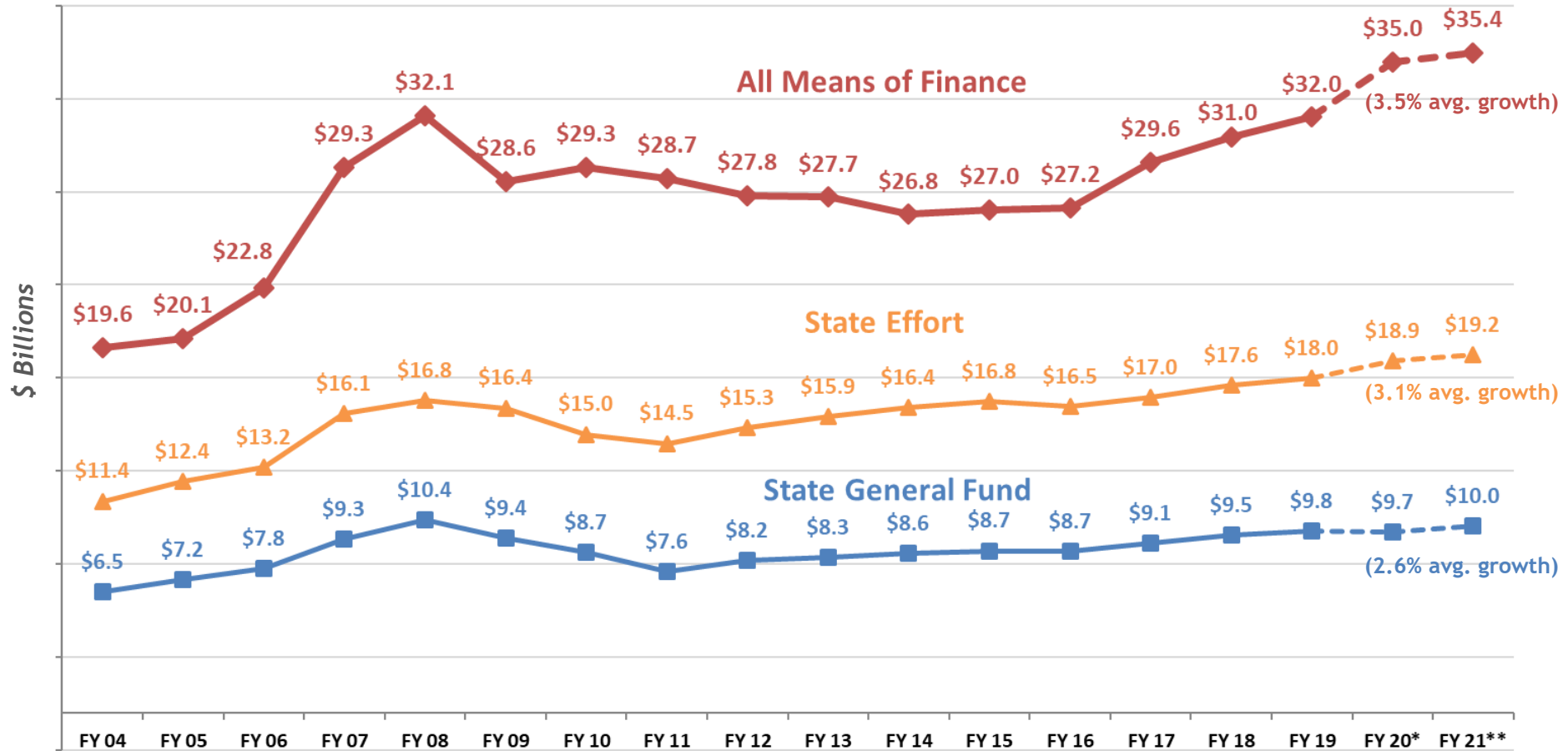
\$32.1B Without Double Counts

Two major components of \$3.2 billion in double counts are Interagency Transfers and Ancillary Self-Generated Funds

Source: HB105 of the 2020 Regular Session and Governor's Proposed Budget supporting documents

STATE BUDGET HISTORICAL SPENDING

NOTE: All FY20 Existing Operating Budget (EOB) amounts used in this presentation exclude carryforwards from FY19.

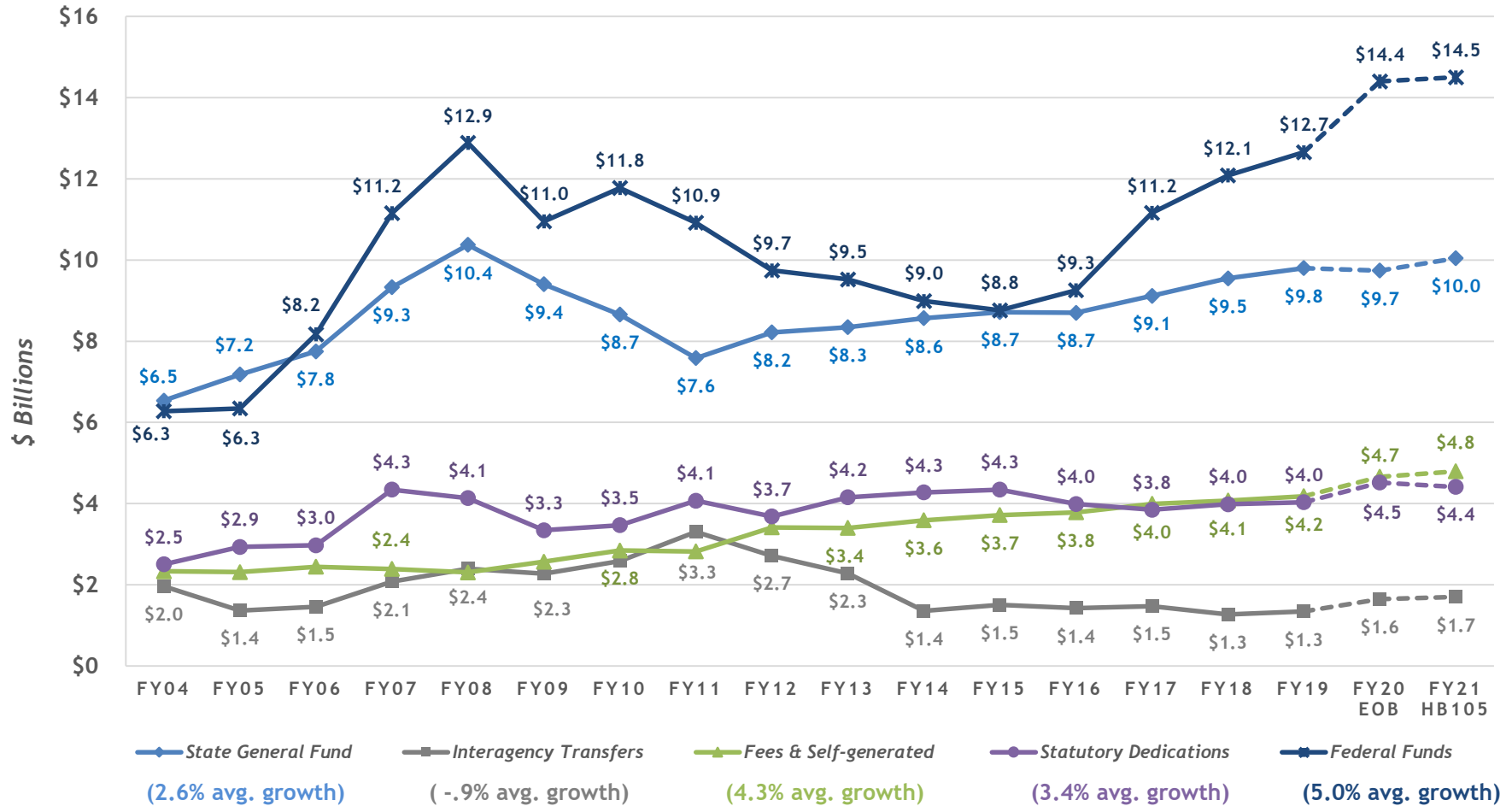


Source: Office of Planning and Budget - Budget Supporting Documents; and HB105 of the 2020 Regular Session

* Adjusted Existing Operating Budget as of 12/1/19

** HB 105 of the 2020 RS

HISTORICAL SPENDING DETAIL



Source: Office of Planning and Budget - Budget Supporting Documents; and HB105 of the 2020 Regular Session

FUNDING CHANGE COMPARISON

Means of Finance	FY 18-19	FY 19-20	FY 20-21	Change from EOB		Change from Actuals	
	Actual Expenditures	Adjusted Existing Operating Budget	State Budget	\$	%	\$	%
SGF	\$9,796,770,789	\$9,736,810,234	\$10,044,100,000	\$307,289,766	3.2%	\$247,329,211	2.5%
IAT	\$1,351,842,776	\$1,645,270,342	\$1,699,613,987	\$54,343,645	3.3%	\$347,771,211	25.7%
FSGR	\$4,180,845,152	\$4,660,090,156	\$4,794,720,822	\$134,630,666	2.9%	\$613,875,670	14.7%
STAT DED	\$4,085,998,176	\$4,514,673,498	\$4,406,645,298	(\$108,028,200)	(2.4%)	\$320,647,122	7.8%
FEDERAL	\$12,657,764,961	\$14,399,308,140	\$14,499,065,155	\$99,757,015	0.7%	\$1,841,300,194	14.5%
Total	\$32,073,221,854	\$34,956,152,370	\$35,444,145,262	\$487,992,892	1.4%	\$3,370,923,408	10.5%

 **FY19 Budget at 12/1/19 was \$34.2B**

Source: Office of Planning and Budget - Budget Supporting Documents and HB105 of the 2020 Regular Session

Note: Existing Operating Budget does not include non-recurred carryforwards from FY19

FY19 UNSPENT AUTHORITY

Means of Finance	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent Budget %	Unspent % by MOF
SGF	\$9,810,183,335	\$9,796,770,789	\$13,412,546	0.1%	0.6%
IAT	\$1,686,860,928	\$1,351,842,776	\$335,018,152	19.9%	14.0%
FSGR	\$4,454,010,357	\$4,180,845,152	\$273,165,205	6.1%	11.4%
STAT DED	\$4,330,801,751	\$4,085,998,176	\$244,803,575	5.7%	10.2%
FEDERAL	\$14,187,553,269	\$12,657,764,961	\$1,529,788,308	10.8%	63.8%
FY19 TOTAL	\$34,469,409,640	\$32,073,221,854	\$2,396,187,786	7.0%	100.0%

FY18 TOTAL	\$33,713,551,087	\$30,960,252,807	\$2,753,298,280	8.2%
FY17 TOTAL	\$31,587,743,749	\$29,590,706,073	\$1,997,037,676	6.3%
3 YR AVG	\$33,256,901,492	\$30,853,808,556	\$2,403,092,936	7.2%

End of Fiscal Year Budget excludes carryforward

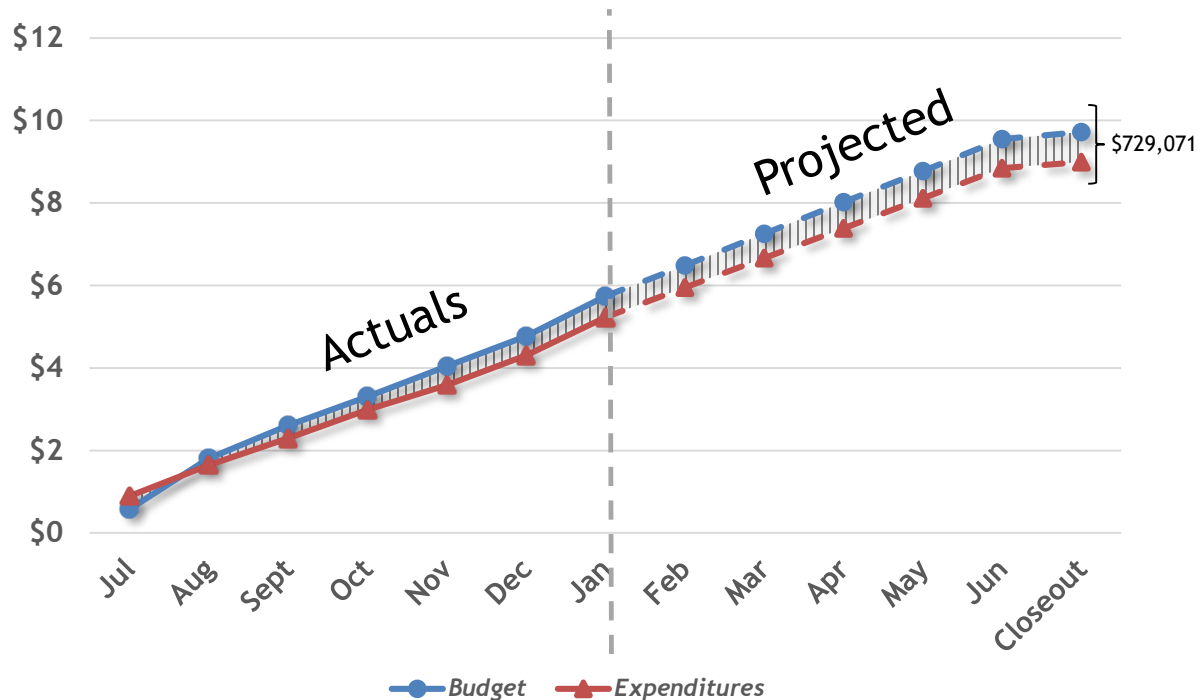
EXAMPLE - EXPENDITURE TREND

Public Service Commission

Analysis shows approximately 7% or \$729,071 in total budget authority from all means of finance (\$9.7M Budgeted - \$8.9M Expended) could be unspent at year-end based on actual spending through January and projections to the end of the year.

The department's budget is comprised of 100% Statutory Dedications that are carried from one fiscal year to the next. Anticipated collection balances from FY19 are built into the FY20 budget.

For FY19, HFD projected the department would have \$1.0M in remaining budget authority, when they actually had \$1.2M authority left at year end.



2019 EXPENDITURE TREND RESULTS

- Projected \$24.1B
- Actually spent \$24.5B (1.6% off)
- Most spent less than we projected (17 out of 25)

Department	Final FY 19 Budget	Projected Total FY 19 Spend	FY 19 Actual Expenditures	Actuals O/U Projected	% Difference
Department of Veterans Affairs	\$ 72,990,101	\$ 68,216,334	\$ 67,386,134	\$ (830,200)	(1.2%)
Secretary of State	\$ 87,327,033	\$ 80,663,105	\$ 79,622,366	\$ (1,040,740)	(1.3%)
Office of the Attorney General	\$ 73,283,304	\$ 61,680,799	\$ 61,224,187	\$ (456,612)	(0.7%)
Commissioner of Insurance	\$ 31,878,205	\$ 29,692,632	\$ 29,637,266	\$ (55,367)	(0.2%)
Dept of Culture Recreation and Tourism	\$ 91,299,693	\$ 86,942,426	\$ 79,367,787	\$ (7,574,640)	(8.7%)
Dept of Transportation and Development	\$ 637,481,619	\$ 579,972,851	\$ 579,370,094	\$ (602,758)	(0.1%)
Corrections Services	\$ 589,755,367	\$ 561,996,842	\$ 560,953,389	\$ (1,043,452)	(0.2%)
Department of Health	\$ 14,163,520,013	\$ 12,911,553,096	\$ 13,416,178,670	\$ 504,625,574	3.9%
Department of Revenue	\$ 105,749,842	\$ 91,033,630	\$ 96,975,938	\$ 5,942,308	6.5%
Department of Environmental Quality	\$ 134,830,229	\$ 115,250,131	\$ 115,221,735	\$ (28,395)	(0.0%)
Louisiana Workforce Commission	\$ 288,273,138	\$ 239,478,255	\$ 247,952,550	\$ 8,474,295	3.5%

COMPARISON OF STATE GENERAL FUND

DEPT	Existing FY 19-20	State Budget FY 20-21	Difference
LDH	\$2,461,281,530	\$2,602,762,784	\$141,481,254
Education	\$3,719,235,313	\$3,834,712,474	\$115,477,161
Higher Ed	\$1,062,048,947	\$1,102,320,008	\$40,271,061
DED	\$20,634,834	\$33,486,331	\$12,851,497
Youth Services	\$122,055,552	\$128,335,494	\$6,279,942
Executive	\$137,921,962	\$142,889,309	\$4,967,347
Judicial	\$151,460,091	\$155,111,092	\$3,651,001
Veterans	\$6,580,688	\$8,993,420	\$2,412,732
Sec State	\$52,719,555	\$55,092,517	\$2,372,962
DCFS	\$208,169,246	\$209,862,876	\$1,693,630
LSU HCSD	\$23,981,083	\$24,766,943	\$785,860
Civil Service	\$5,609,518	\$5,942,975	\$333,457
Nat Resources	\$7,962,984	\$8,211,691	\$248,707
Special Schools	\$47,032,129	\$47,220,367	\$188,238
CRT	\$32,613,265	\$32,798,095	\$184,830
Lt Governor	\$1,092,973	\$1,124,810	\$31,837
Ag and Forestry	\$18,787,387	\$18,802,786	\$15,399

DEPT	Existing FY 19-20	State Budget FY 20-21	Difference
Workforce	\$8,595,933	\$8,595,933	\$0
Legislative	\$62,472,956	\$62,472,956	\$0
Public Safety	\$100,000	\$0	(\$100,000)
Attorney Gen	\$17,354,514	\$16,494,397	(\$860,117)
Corrections	\$516,828,343	\$513,060,584	(\$3,767,759)
Other Req	\$512,305,416	\$502,441,514	(\$9,863,902)
Non-Approp	\$539,966,015	\$528,600,644	(\$11,365,371)
TOTAL	\$9,736,810,234	\$10,044,100,000	\$307,289,766

Note: \$75.4 million of State General Fund carryforwards are removed from FY20 Existing Operating Budget
 Source: DOA Mid-Year Adjustment Tracking Report and FY21 Proposed Budget and Supporting Documents

MAJOR ITEMS FUNDED WITH SGF

Department of Education (+\$91M SGF)

- \$25M - Increase funding for Early Childhood Services
- \$66M - MFP
 - \$39M - Base per pupil increase (1.375%)
 - \$27M - Special needs weight, local and community development incentives

Higher Education (+\$40M SGF)

- \$11M - Statewide adjustments for mandated costs
- \$10M - Funding Formula
- \$10M - Specialized Units
- \$ 5.6M - TOPS
- \$ 1.0M - Increase in Go Grants (from \$28M to \$29M)

STATE GENERAL FUND SWAPS

\$200 million of State General Fund is being used to offset reductions in other Means of Financing

Act 612 of 2018

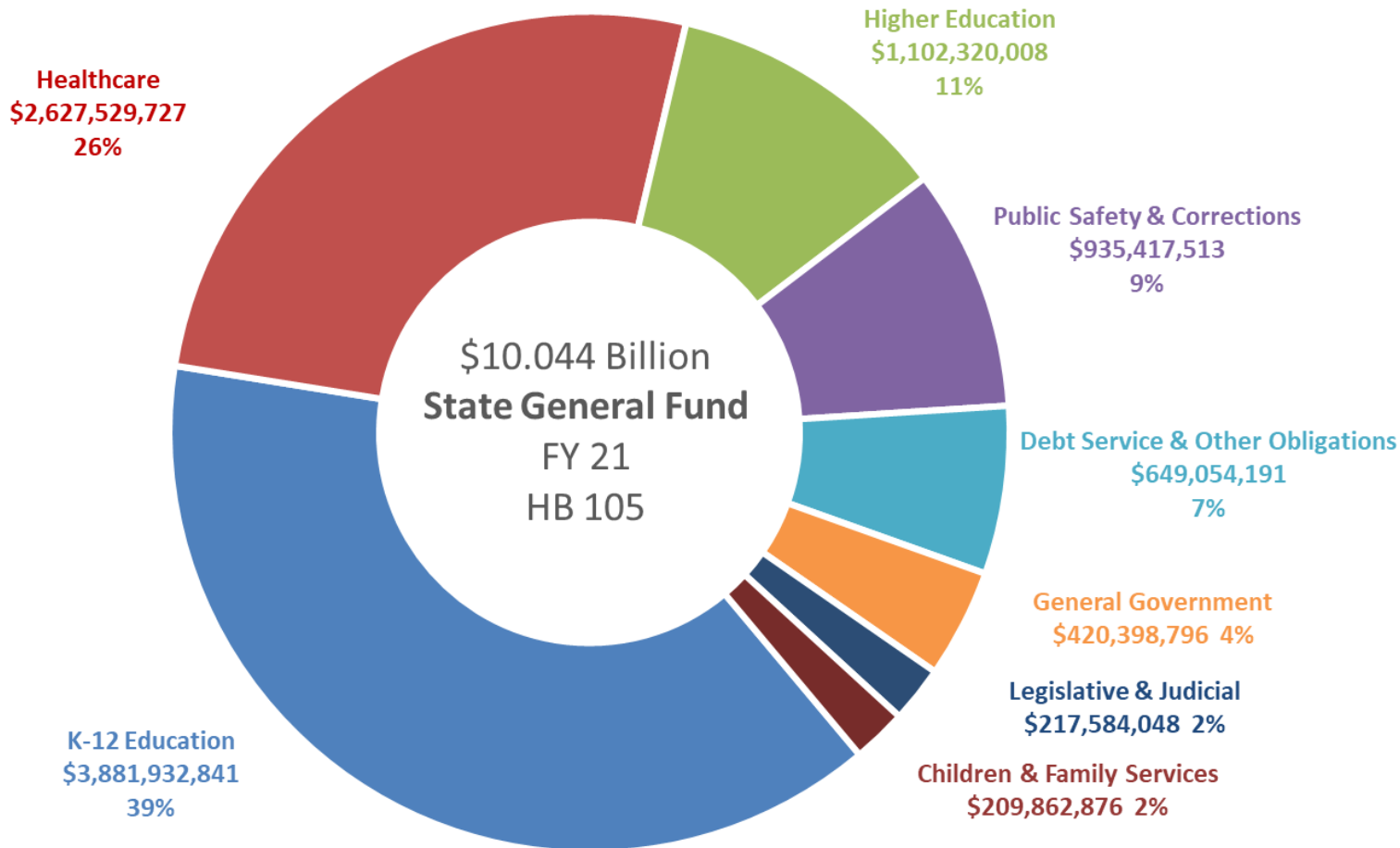
\$133M - Tobacco Tax Medicaid Match Fund and Health Trust Fund

\$1.9M - Indigent Parent Representation Program Fund

Other Swaps

- FMAP Rate Change - \$25M
- Medical Assistance Trust Fund - \$11.5M
- Lottery Proceeds Fund - \$20M
- SELF Fund - \$5.3M

STATE GENERAL FUND BY CATEGORY



Source: Budget Supporting Documents and HB 105 of 2020 RS

STATE GENERAL FUND BY CATEGORY

Category	FY19 Actuals	FY20 Existing Budget	FY21 State Budget	% Change FY19-FY21
K-12 Education	\$3,634,485,065	\$3,766,267,442	\$3,881,932,841	6.81%
Healthcare	\$2,495,008,195	\$2,485,262,613	\$2,627,529,727	5.31%
Higher Education	\$1,026,226,070	\$1,062,048,947	\$1,102,320,008	7.41%
Public Safety, Corrections, & Youth Services	\$922,504,854	\$937,592,645	\$935,417,513	1.40%
Debt Service & Other Obligations*	\$845,612,315	\$665,094,975	\$649,054,191	(23.24%)
General Government*	\$452,576,840	\$398,441,319	\$420,398,796	(7.11%)
Legislative & Judicial	\$218,553,900	\$213,933,047	\$217,584,048	(0.44%)
Children & Family Services	\$198,521,413	\$208,169,246	\$209,862,876	5.71%
TOTAL	\$9,793,488,652	\$9,736,810,234	\$10,044,100,000	2.6%

*FY19 Actuals for Debt Service and Other Obligations includes \$200M in capital outlay spending and General Government includes \$31M in surplus retirement appropriations.

COMPARISON OF TOTAL BUDGET

DEPT	Existing FY 19-20	State Budget FY 20-21	Difference
LDH	\$14,869,558,473	\$15,166,229,298	\$296,670,825
Education	\$5,490,617,390	\$5,684,110,131	\$193,492,741
Higher Ed	\$2,850,909,748	\$2,939,237,784	\$88,328,036
Ancillary	\$2,351,269,821	\$2,412,326,635	\$61,056,814
Other Req	\$803,684,956	\$825,267,353	\$21,582,397
Wildlife	\$151,682,183	\$161,833,977	\$10,151,794
Public Safety	\$474,380,467	\$483,865,210	\$9,484,743
DOTD	\$626,033,794	\$632,653,054	\$6,619,260
Youth Services	\$141,888,396	\$148,168,338	\$6,279,942
Sec State	\$93,033,962	\$98,540,596	\$5,506,634
DOR	\$107,996,014	\$112,836,801	\$4,840,787
Veterans	\$73,305,686	\$77,222,121	\$3,916,435
Judicial	\$171,093,866	\$174,744,867	\$3,651,001
DEQ	\$134,008,686	\$136,417,220	\$2,408,534
LSU HCSD	\$62,118,880	\$63,479,784	\$1,360,904
Civil Service	\$21,652,536	\$22,947,111	\$1,294,575
Ag and Forestry	\$73,373,213	\$74,298,101	\$924,888

DEPT	Existing FY 19-20	State Budget FY 20-21	Difference
DCFS	\$698,522,392	\$699,408,698	\$886,306
Lt Governor	\$7,263,328	\$8,143,105	\$879,777
Insurance	\$32,829,836	\$33,422,842	\$593,006
Nat Resources	\$60,274,964	\$60,820,845	\$545,881
PSC	\$9,722,536	\$10,242,843	\$520,307
Treasurer	\$11,730,895	\$12,073,877	\$342,982
CRT	\$93,396,386	\$93,646,898	\$250,512
Legislative	\$95,997,999	\$95,997,999	\$0
Capital Outlay	\$1,546,150,060	\$1,546,150,060	\$0
Attorney Gen	\$77,305,070	\$76,617,312	(\$687,758)
DED	\$43,944,128	\$41,055,901	(\$2,888,227)
Workforce	\$288,082,392	\$285,169,844	(\$2,912,548)
Corrections	\$583,974,237	\$580,272,653	(\$3,701,584)
Special Schools	\$103,616,696	\$84,765,004	(\$18,851,692)
Non-Approp	\$621,238,015	\$596,575,644	(\$24,662,371)
Executive	\$2,185,495,365	\$2,005,603,356	(\$179,892,009)
TOTAL	\$34,956,152,370	\$35,444,145,262	\$487,992,892

Note: Carryforwards are removed from FY20 Existing Operating Budget

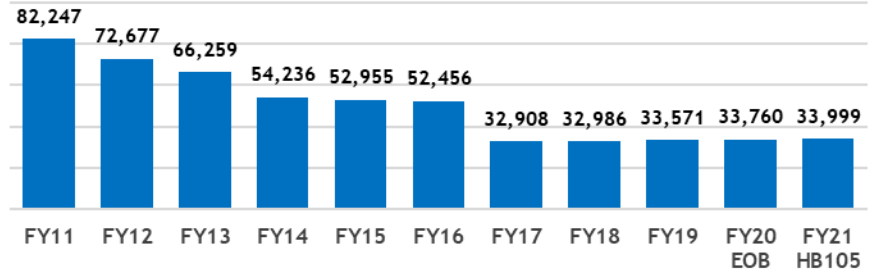
Source: DOA Mid-Year Adjustment Tracking Report and FY21 Proposed Budget and Supporting Documents

PERSONNEL INFORMATION

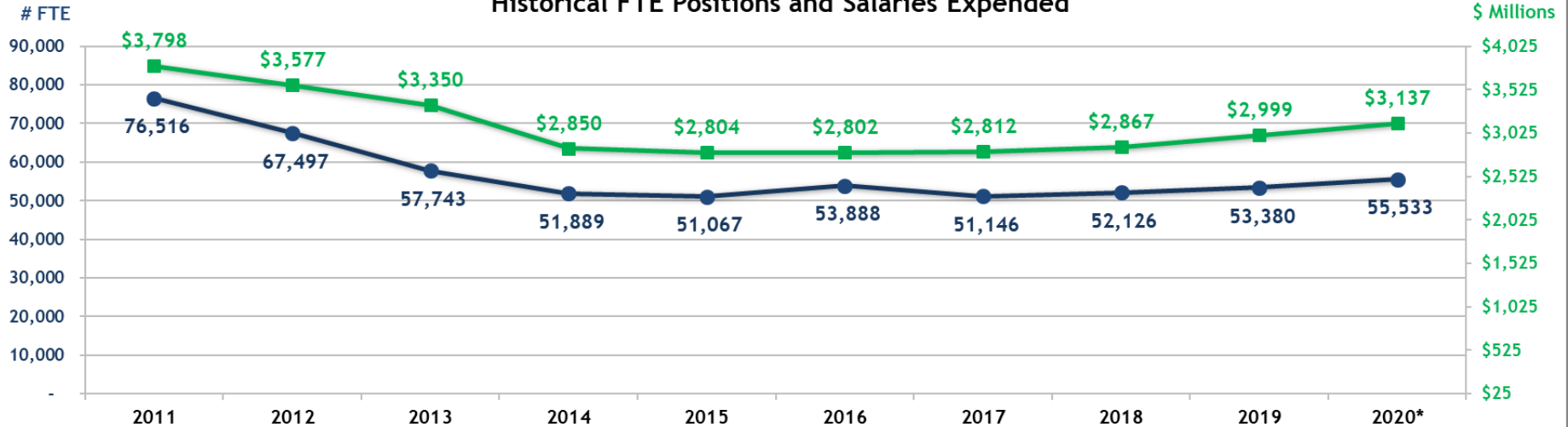
FY 2021 Recommended Positions

33,999	Total Authorized T.O. Positions (31,324 Classified, 2,675 Unclassified)
1,715	Authorized Other Charges Positions
1,404	Non-T.O. FTE Positions
2,295	Vacant Positions (February 3, 2020)

Historical Authorized T.O. Positions



Historical FTE Positions and Salaries Expended



SURPLUS VS EXCESS

Excess

- In current year
- Recurring money
- After session, REC raises forecast above what was appropriated during session
- After session, State General Fund can only be spent in supplemental appropriation bill during next legislative session
- Can be spent on any appropriation

Surplus

- From prior year (closing the books)
- Non-recurring money
- Amount of State General Fund remaining once a fiscal year is over and all closeout activities are finished
- Can only be spent on **6 constitutional items**

FY20 POTENTIAL EXCESS

FY 20 SGF Official Forecast Adopted 4/10/19
\$9.7248 Billion

January 2020 REC Proposed Increases

LFO - **\$235.7M**

DOA - **\$169.9M**

Typically spent in the supplemental bill

POTENTIAL USES OF EXCESS

\$97 Million of Current Items Requiring Action from latest Fiscal Status Statement

- **\$47.8 million** - LDH final payment of federal tax for MCO contracts
- **\$18.4 million** - Corrections - personnel services, medical, and acquisitions
- **\$15.9 million** - Local Housing increase in per diem and population
- **\$ 7.4 million** - Repay FEMA for multiple disasters (4th of 5 payments)
- **\$ 5.0 million** - State share of emergency efforts related to Tropical Storm Barry
- **\$ 2.0 million** - Projected cost for cybersecurity emergency

Source: Fiscal Status Statement approved by JCLB at 2/20/20 meeting

SURPLUS - USE OF NON-RECURRING FUNDS

Article VII, Section 10 appropriation of money in the official forecast designated as nonrecurring shall be made only for:

1. Deposit into the Budget Stabilization Fund **(25% required)**
2. Payments against the retirement systems' unfunded accrued liability **(10% required)**
3. Retiring or the defeasance of bonds
4. Funding for capital outlay projects
5. New highway construction for which federal matching funds are available
6. Deposit into the Coastal Protection and Restoration Fund

FY19 SURPLUS - \$535 MILLION

\$187.25M for 2 Requirements

- \$133.75M - Budget Stabilization (Rainy Day)
- \$ 53.50M - TRSL and LASERS UAL Payments

\$347.75M remaining that can be spent on any of 6 options

- Typically spent in capital outlay bill, supplemental bill, and funds bills.

HFD RESOURCES

HFD website - includes:

- Budget Hearing Schedule
- Budget Presentations
- Budget Tracker - updated throughout session
- Historical Budget Information

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