

Expenditures made under the authority of Act 685 of the 2024 Regular Legislative Session (RLS) of the Louisiana Legislature are subject to the provisions of the Preamble of Act 685, as well as Title 39 of the Louisiana Revised Statutes (LRS).

MID-YEAR ADJUSTMENTS (BA-7s)

Section 3 of Act 685 provides for the addition of Federal Funds, Fees and Self-generated Revenues, Statutory Dedications and Interagency Transfers. R.S. 39:73(C) provides for transfers from one program to another with the approval of the Division of Administration, Office of Planning and Budget (DOA, OPB) and the Joint Legislative Committee on the Budget (JLCB). Any BA-7 request to increase Fees and Self-generated Revenues or Statutory Dedications must have the revenues recognized by the Revenue Estimate Conference (REC) according to Act 419 of the 2013 RLS {R.S. 39:54(A)}.

The BA-7 form is updated yearly after every legislative session. Check the OPB website and use the most recent version. The revised [BA-7 form](#) (MS Excel file) and questionnaire (MS Word file) are available on the OPB's website under "[Forms, Guidelines and Memos – Mid-year Adjustment \(BA-7\) Forms.](#)" BA-7 requests requiring JLCB approval must be submitted electronically to the following:

- Office of Planning and Budget email: OPB.DOA@la.gov;
- assigned Office of Planning and Budget Analyst;
- assigned Office of Planning and Budget Manager;
- Legislative Fiscal Office email: fiscaloffice@legis.la.gov; and
- Joint Legislative Committee on the Budget (JLCB): Raynel Gascon (gasconr@legis.la.gov)

This request must be submitted a minimum of sixteen (16) working days prior to consideration by JLCB (see Preamble Section 17.A. of Act 4 of the 2024 RLS). This Letter of Ancillary Appropriation package includes the schedule for submission of BA-7s requiring JLCB approval. The person(s) from the agency most knowledgeable about items on the JLCB agenda must be present at these hearings to answer detailed questions.

DOA takes a firm position on timely submission and full justification of BA-7 requests. The agency deadline noted on the JLCB BA-7 schedule is the last possible day for submission. However, submission of a BA-7 on the deadline date does not guarantee the BA-7 will be on the agenda for the next JLCB meeting. To allow sufficient time for a thorough analysis by OPB, BA-7 requests should be submitted as early as possible, rather than on the deadline date. As a reminder, the 2025 RLS begins Monday, April 14, 2025. The scheduling of a JLCB meeting is difficult at best during a legislative session; therefore, it is recommended to plan ahead and submit BA-7s prior to that time frame. BA-7s not submitted in accordance with scheduled deadlines will be considered only when extreme circumstances requiring immediate action exist.

REMINDER: OPB will not accept a request using any previous BA-7 form or when the BA-7 form and/or questionnaire is incomplete. If information (financial or performance) on the BA-7 form and questionnaire is insufficient to justify the request, OPB will return the BA-7 request for further information. If a BA-7 is not submitted in time for a thorough analysis, it will not—except

when the OPB determines that extreme circumstances requiring immediate action exist—be placed on the JLCB agenda.

In no case should actions requiring BA-7 approval be undertaken prior to completion of the approval process. DOA and JLCB take a hardline approach to "after the fact" BA-7s. As a result, BA-7s submitted after expenditures are made pursuant to the BA-7 may be denied.

APPROPRIATION ACCOUNTABILITY

Each agency is responsible for allocating appropriations to the proper Fund Center (Organization Unit) and Commitment Item (Object Code). Specially, the Personal Services expenditure categories – Salaries (511000), Other Compensation (5120000), Related Benefits (5130000) and Personal Services expenditures within Other Charges (5600000) – should be spread down to the lower commitment item level. **The deadline for spreading an agency's budget at the commitment item level is August 30, 2024.**

The expenditure category allocations reflected were determined during FY 2024-2025 appropriation process. Movement between expenditure categories will require an online workflow approval process in the LaGov Financial Management System.

OPB will review and take action on all (FMBB) budget supplements and budget returns. For (FMBB) budget transfers, OPB will only review transfers at certain levels of appropriation (see table below).

- A budget supplement is used to increase the overall budget appropriation via the BA-7 process.
- A budget return is used to decrease the overall budget appropriation via the BA-7 process. A budget transfer is used to transfer budget across funds (MOF), funds centers (ORGS), and commitment items (Expenditure Objects).
- A budget transfer may or may not be part of the BA-7 process.

The entry of a budget supplement, budget return or budget transfer (between MOF and/or between Agency Programs) is part of the overall process, which includes an offline approval process (BA-7), and online workflow process using these FMBB transactions. It is important to notify the necessary approval entities throughout the LaGov document approval process. See the following links for transaction code FMBB instructions:

[Budget Supplement](#)

[Budget Return](#)

[Budget Transfer](#)

Process	Module	BA-7?	Workflow Approval Levels
Budget Supplement (Increase to budget)	FM	Y	Department, OSRAP, OPB, STO
Budget Return (Decrease to budget)	FM	Y	Department, OSRAP, OPB, STO
Budget Transfer Between Funds	FM	Y	Department, OSRAP, OPB, STO
Budget Transfer Between Agency Programs	FM	Y	Department, OSRAP, OPB, STO
Budget Transfer to/from Unallotted Budget Type	FM	Y	Department, OSRAP, OPB, STO
Budget Transfer b/w Expense Categories	FM	N	Department, OPB
Transferring within Fund/Agency Programs & expense categories (for multiple programs and/or expense categories)	FM	N	Department
Transfer within an Appropriated Program & within an Expense Category	FM	N	Department

For agencies providing excel sheets for a FMBB transaction, please email the request and file to the appropriate OPB analyst. The OPB analyst will forward the request to the LaGov team for uploading the adjustment into ECC once approved.

Incomplete or insufficiently justified proposals will be returned without action. Further, any transfer of funding from the Salaries category may effectively result in a subsequent reduction of positions associated with that funding. Failure to spread or realign the budget into the proper commitment items (object level) and organizations may cause unnecessary budgetary problems—delays in transaction processing in the current year, as well as complications in analysis and development of the ensuing fiscal year budget.

AGENCY COST ALLOCATIONS FOR STATE EMPLOYEES GROUP BENEFITS AND STATE RETIREMENT SYSTEMS

Although there is not specific language included in Act 685 of the 2024 RLS regarding state employee group benefits or retirement allocations, ancillary agencies are subject to the same requirements that are included in Section 8.D. and 8.E. of Act 4 of the 2024 RLS. These sections contain language regarding the cost assessment allocation proposed by the Office of Group Benefits, and language that may affect the budget unit of each agency regarding the state retirement allocation. Be sure to reflect the costs of these allocations when you spread your budget.

The retirement rates for FY 2024-2025 are:

Louisiana State Employees Retirement System (LASERS),

- Rank and File, 34.7%
- Judges and Court Officers, 40.2%
- Legislators, 30.7%
- Corrections Primary, 32.4%
- Corrections Secondary, 37.9%
- Wildlife, 46.4%
- Peace Officers, 35.6%
- Alcohol and Tobacco, 35.8%
- Bridge Police, 33.7%
- Judges (Act 992 of 2010), 38.3%
- Hazardous Duty (Act 992 of 2010), 40.4%

Teachers Retirement System of Louisiana (TRSL),

- Regular Teachers, 21.5%
- Higher Education, 20.9%
- Lunch Plan A, 21.5%
- Lunch Plan B, 21.5%

Louisiana State Police Retirement System (LSPRS),

- Regular, 71.5%

UNEMPLOYMENT COMPENSATION PAY

The state unemployment compensation program is self-insured. The Louisiana Workforce Commission (LWC) processes and pays unemployment insurance claims filed by eligible former workers of the state. Each agency is directly responsible for payment to the LWC.

It is vital to pay these claims timely, because the LWC's assessment of interest and penalties on delinquent bills is severe. Under the provisions of R.S. 23:1543(A), the LWC assesses an interest fee of 1% per month, then adds the interest amount to the unpaid balance and charges a 5% penalty on the sum of those two amounts. The penalty is progressive, meaning the amount for month two is 10%; for month three, 15%; and so on, to a maximum of 25% per month. For example, the first month of penalty and interest payment on an unpaid balance of \$745,000 is calculated as follows:

$\$745,000 \times .05 = \$37,250$; $(\$745,000 + 37,250) \times .01 = \$7,823$ or total penalties and interest of \$45,073.

Based on the calculations above, the penalty and interest for the second month would be \$87,698 and for the third month, \$141,760.

POSITION CONTROL

Only employees in the permanent state work force are paid from expenditure codes (commitment items) 5110010, 5110025, and/or 5981000, in accordance with LaGov Uniform Chart of Accounts definitions:

5110010 - Salaries-Classified-Regular: Compensation paid to full-time or part-time classified employees hired on a continuing basis;

5110025 - Salaries-Unclassified-Regular: Compensation paid to full-time or part-time unclassified employees hired on a continuing basis; and

5981000 - AUX Programs-Salaries: Salaries related to auxiliary programs.

Payments for salaries from these expenditure codes for employees in the classified and unclassified state service are limited to those employees with permanent or probationary status. Any changes in positions, either number or classification, are subject to the provisions of R.S. 39:84. Furthermore, all requests for personnel action submitted to State Civil Service should reflect the proper expenditure code for the position affected.

Letter of Ancillary Appropriation

Page 6

July 1, 2024

To the extent that position information is in the LaGov HR system, it is imperative the information be maintained with regard to the appropriate salary code, as OPB will use the LaGov HR system to examine your filled positions and vacancies in FY 2024-2025 and determine salary recommendations for FY 2025-2026.

All positions, other than those paid out of Other Compensation expenditure category, should be placed in the authorized Table of Organization (T.O.) and Authorized Other Charges. Positions in the Other Compensation expenditure category should be placed in non-T.O. FTE (full time equivalent). Authorized Other Charges positions must conform to at least one of the criteria below:

1. The agency does not have the authority to hire and terminate the employee.
2. The position is seasonal but not permanent.
3. The position has legislative authority to be excluded from the authorized T.O.

All positions for which the department has the authority to employ and terminate the individuals, and the positions are designated for more than one (1) year, should be placed in the authorized T.O. If there is reason to deviate from this policy, please contact your OPB budget analyst.

CONTENTS OF COMPLETE APPROPRIATION LETTER PACKAGE

The following documents are included in the Appropriation Letter package. Please ensure the proper personnel acquire all of these documents. These documents can be accessed by email or OPB website.

1. Letter of Ancillary Appropriation
2. Schedule for BA-7s requiring JLCB approval
3. Act 685 of the 2024 RLS should be reviewed for any special language affecting appropriation and gubernatorial vetoes.
4. Initial LaGov ECC FM Budget Load File
5. Enacted Report Package
6. Performance Standards at Appropriated

If you have any questions regarding the agency's appropriation, or need additional information, please contact your OPB budget analyst.

Sincerely,



Ternisa Hutchinson
State Budget Director

TH: CGH

Attachments