

Office of Planning and Budget
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

MEMORANDUM

TO: To Whom It May Concern

FROM: Barry R. Dussé, State Director of Planning and Budget *BRD*

DATE: August 14, 2017

SUBJECT: Clarification of the Preamble Language Contained in Act 3 of the 2017
2nd Extraordinary Session of the Legislature (page 12, lines 5-9)

Preamble language contained in Act 3 of the 2017 2nd Extraordinary Session of the Legislature (page 12, lines 5-9):

*5 G. The governor of Louisiana is hereby authorized, urged, and requested, acting through
6 the commissioner of administration, to instruct all departments and agencies of the executive
7 branch to implement a deficit avoidance plan which shall be in the aggregate amount of at
8 least \$60,000,000. The commissioner of administration shall report monthly to the Joint
9 Legislative Committee on the Budget on the deficit avoidance plan.*

The Commissioner submitted and discussed the attached plan at the August 11, 2017, meeting of the Joint Legislative Committee on the Budget (JLCB). The plan is subject to change from one month to the next. It will not be finalized unless and until a deficit occurs.

At this time, the budgets of the agencies involved will not be reduced. The agencies are expected to hold and not expend these dollars until (a) after the FY17 actuals are known (after October 15, 2017), (b) and the Revenue Estimating Conference meets later in the calendar year to revise the FY18 forecast, and (c) the Commissioner advises the agencies that they are authorized to expend the funds in accordance with budget authority.

We intentionally are trying to identify expenditures that will occur in the second half of the fiscal years to eliminate any negative impact to agencies from holding these expenditures at this time as a deficit does not exist.

If a deficit in either or both FY17 and FY18 occurs, budgets will be reduced in accordance with the law.

If there is no deficit in either fiscal year, the agencies will be authorized to expend the dollars as appropriated.

BRD:kh

**Statewide
Recommended Deficit Avoidance Plan Summary
Fiscal Year 2017 - 2018**

DEPT-APP #	APP. NAME	GEN. FUND	TOTAL	T.O.	Description of Item
- NOTE - For this Report:					
A. Negative numbers represent either an Increase in Revenue or a Decrease in Expenditures.					
B. Positive numbers represent either a Decrease in Revenue or an Increase in Expenditures.					
01-100	Executive Office	(\$10,000)	(\$10,000)	0	Reduction of IT contract.
01-106	Louisiana Tax Commission	(\$15,000)	(\$15,000)	0	Delay hiring of two vacant positions.
01-107	Division of Administration	(\$681,503)	(\$681,503)	0	Delay on Information Technology services and projects (\$500,000). SGF savings from the Facility Planning and Control (FPC) by paying a portion of the rent in Claiborne out of Interagency Transfers (\$181,503).
01-129	Louisiana Commission on Law Enforcement	(\$15,000)	(\$15,000)	0	Reduction on Human Trafficking and Sexual Assault training program.
01-133	Office of Elderly Affairs	(\$760,964)	(\$760,964)	0	Reduction of half year payment of the Supplemental Senior Center funding. The senior centers (primarily Orleans) may be closed for the second half of the year.
04-139	Secretary of State	(\$38,470)	(\$38,470)	0	Reductions would come from museum's maintenance and supplies. This reduction may delay certain maintenance at various museums.
04-141	Attorney General	(\$240,374)	(\$240,374)	0	Reduction for Professional Services and Other Charges for legal services, expert witnesses, and court costs. Also, this may impact efforts to digitize legal documents.
04-158	Public Service Commission	(\$66,396)	(\$66,396)	0	Reductions to the Utility and Carrier Inspection Fund may delay IT project migrating to the new STAR (Store, Track and Report) PSC Case Management System and upgrades to the power outage mapping system.
06-264	State Parks	(\$245,000)	(\$245,000)	0	Reductions to maintenance to address unforeseen urgent needs that come up during the year.
08B-419	Office of State Police	(\$1,715,000)	(\$1,715,000)	(1)	<u>LWIN</u> - Savings of \$1.5M achieved through a reduction in funding for LWIN tower site maintenance, resulting in the inability for LSP to add new tower sites (unless funded 100% by locals) and to cover the expense of major repairs to sites (this would be the responsibility of the locals). DPS' budget includes \$8.4M for LWIN maintenance, which provides for the payment of utilities, the contracts with Motorola, necessary repairs, and T-1 lines (through OTS). <u>Recruiting Section</u> - Savings of \$215,000 by eliminating the LSP Recruiting Section and one (1) T.O.; other sections of LSP would absorb this responsibility. Potential impacts from the loss of a dedicated Recruiting Section include a decrease in the quality of cadet applicants.
08C-403	Office of Juvenile Justice	(\$5,452,968)	(\$5,452,968)	0	The agency will delay the opening of the Acadiana Center for Youth until FY19. In FY18, \$7,200,000 was appropriated for this facility with the opening slated for April 2018. \$1,747,032 will remain appropriated in FY18 for the purpose of purchasing supplies and furniture acquisitions. These purchases would aid in the facility being used as temporary shelter for youth during emergency/disaster related events.
09-LDH	Louisiana Department of Health	(\$428,624)	(\$489,729)	0	25% Reduction to Supplies for all program agencies

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09-LDH	Louisiana Department of Health	(\$1,164,291)	\$0	0	MOF Swap for Office of the Secretary (OS) and Florida Parish Human Service Authority (FPHSA) (OS swap with Medical Assistance Programs Fraud Detection Fund - reverses a portion of the FY 18 means of financing substitution with SGF based on an updated projection of available funds; FPHSA has anticipated increase in FSGR)
09-LDH	Louisiana Department of Health	(\$103,444)	(\$103,444)	0	Reductions from underutilization of contracts at Human Service Districts.
09-302	Capital Human Service District	(\$288,000)	(\$288,000)	0	Savings from Medicaid Expansion
09-305	Medical Vendor Administration	(\$1,000,000)	(\$2,105,168)		Reduce Operating Services funding.
09-306	Medical Vendor Payments	(\$17,548,159)	(\$66,521,653)	0	Public Private Partnerships reductions - 4% reduction from FY18 starting budget; This would apply to all supplemental payments funded with SGF.
09-340	Office for Citizens with Developmental Disabilities	(\$12,500)	(\$12,500)	0	Reduce Louisiana Assistive Technology Access Network (LATAN) line item appropriation by 5%.
10-360	Office of Children and Family Services	(\$400,873)	(\$1,336,243)	0	Delay filling 20 vacant positions in the Division of Management and Finance. These positions include Executive Management Advisor, Accountants, Admin Coordinators, Budget Administrator/Analyst and Program Specialists. All 20 positions have been vacant for at least eight months.
12-440	Office of Revenue	(\$1,694,608)	(\$1,694,608)	0	Delaying the hiring of approximately 20 positions. The agency currently has 69 vacant positions. So, this should provide little impact to services as they still have a pool of vacancies to work with in filling important positions.
13-856	Office of Environmental Quality	\$0	(\$194,317)	0	A 5% reduction to the Hazardous Waste Site Clean Up Fund would delay remediation work until 2019. If a backfill of this fund is done, then there should be no impact to Waste Site clean up projects.
13-856	Office of Environmental Quality	\$0	(\$298,590)	0	The reduction in Environmental Trust Fund is for professional services projects. There are currently no professional services contracts in place. Federal requirements have changed where the department can delay contracts till next FY. No impact.
14-474	Louisiana Workforce Commission	(\$184,997)	(\$868,531)	0	Louisiana Rehabilitation Services – Existing clients and individuals on the waiting list that fall under order of selection one are eligible to receive services. Any reduction in funding will reduce the programs ability to serve additional clients on the waiting list. Also with the new federal requirement that 15% of the total assigned federal matching funds be used for Pre-employment Transition Service Programs (PETS), this reduction in federal funding may impact the Jobs for America's Graduates (JAG) program by \$102,530.
16-513	Office of Wildlife	\$0	(\$500,000)	0	Delay related to acquisition funding for the purchase of land. There is \$1.5m of Conservation dollars in this agency for the expansion of wildlife habitat.
19A-HIED	Higher Education	(\$12,700,000)	(\$12,700,000)	0	This amount represents nearly 1.7% of the appropriation excluding TOPS or 33% of the last month's draw (\$38m) allocated to the institutions.
19D-678	State Activities	(\$225,509)	(\$225,509)	0	Delay filling 5 vacant positions including Educational Program Consultants, Budget Administrator, Budget Analyst and Education Research Analyst. All of these positions have been vacant since on or before 06/30/2017. These are the only vacancies in the agency which are funded in whole or in part by State General Fund.

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19D-697	Nonpublic Educational Assistance	(\$208,930)	(\$208,930)	0	Reduces funding for the Required Services Program by 2.5% of FY 2017-2018 Appropriated. This is funding provided to participating nonpublic schools to comply with state reporting mandates and other types of reporting. In FY 2016-2017, the level of funding provided for reimbursement of 56% of the amount to which participating schools were eligible. This reduction will further decrease the reimbursement percentage. Payments are made to participating schools in June of each year.
19D-699	Special School District	(\$180,407)	(\$180,407)	0	Delay filling 4 vacant positions including Psychologist, Paraeducator, and Instructor. These positions have been vacant since before 06/30/2017.
19E-610	HCSD-Lallie Kemp	(\$250,454)	(\$250,454)	0	Reduce Surgery to Outpatient only - this would impact over 200 patients annually, as well as eliminate self generated revenue Reduction to pharmacy - this will reduce the hours of availability of the pharmacist. Eliminate telemed services - this will impact approximately 1500 patients annually;
20-451	Local Housing of State Adult Offenders	(\$14,018,529)	(\$14,018,529)	0	Approximately one month's payment to local sheriffs for the housing of state adult offenders, including transitional work programs and reentry services.
20-931	Louisiana Economic Development Debt Service and State Commitments	(\$350,000)	(\$350,000)	0	Economic Development Debt Service and State Commitments - this reduction may cause the agency to negotiate a delayed payment agreement for a new commitment.
		(\$60,000,000)	(\$111,587,287)	(1)	TOTAL