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TO: The Honorable Charles E. Kleckley, Speaker of the House of Representatives
Honorable Members of the House of Representatives

FROM: John D. Carpenter, Legislative Fiscal Officer
Evan J. Brasseaux, LFO Staff Director

DATE: May 20, 2015

SUBJECT: House Rule 7.19, HB 1 Engrossed, FY 17 Financing Replacement

Pursuant to House Rule 7.19, the Legislative Fiscal Office (LFO) is required to submit a report to the House of Representatives, which indicates whether the appropriation bill appropriates one-time money within the Engrossed version of HB 1. The LFO is providing this list for HB 1 – Engrossed and a discussion of the FY 17 financing decisions that will have to be made in FY 17 as a result of the current structure of the FY 16 operating budget.

If you have any questions about any of the information presented in this memo, please contact me by email at carpenterj@legis.la.gov or by phone at 225-342-7233.

HR 7.19 One-Time Money List

Pursuant to HR 7.19(C)(2), the threshold calculation is the difference between the FY 16 SGF forecast of \$8,596.3 B and FY 17 SGF forecast of \$8,812.7 B, which equates to \$216.4 M of SGF revenue growth. The amount of one-time funds, as defined by HR 7.19, allowed to be appropriated in HB 1 for FY 16 expenditure is approximately \$216.4 M. **After Adopted House Appropriations Committee amendments to HB 1 and HB 566, there is no (\$0) one-time money as defined in House Rule 7.19 in HB 1 Engrossed.**

FY 17 Replacement Financing Decision List

Although HR 7.19 contains a definition of “one-time money,” the rule itself is not indicative of the financing decisions that will have to be made in FY 17 relative to the current structure of the FY 16 operating budget. Due to this issue, the LFO is not only providing the HR 7.19 list to comply with the House Rule, we are also providing you with a list of the significant potential FY 17 financing replacements that will have to be made as a result of the proposed FY 16 budget. See Table 1 below for a listing of resources being utilized in FY 16 that will likely require another revenue source in FY 17. The \$440 M of financing needs are in addition to any other continuation budget requirements not yet resolved in the FY 16 budget. These additional funding requirements will likely result in an FY 17 anticipated funding shortage that could exceed \$440 M. The \$440 M of potential financing replacement in FY 17 is a significant reduction compared to the amount of FY 16 financing replacement of approximately \$1 B.

TABLE 1		
State Agency	Potential Financing Replacement in FY 17	FY 16 Funding Sources
Medicaid Program	\$50,000,000	2013 Tax Amnesty Fund
Medicaid Program	\$52,856,978	Overcollections Fund (Various Sources)
Debt Defeasance - SGF	\$124,958,094	FY 14 Cash Position
Bond Premium - SGF	\$29,041,496	Net Premium from 2014 D Sale
Bond Premium - SGF	\$37,720,878	Net Premium from 2015 A&B Sale
WISE	\$24,300,000	CDBG Hurricane Disaster Recovery Funds
Hospital Outlier	\$3,783,000	CDBG Hurricane Disaster Recovery Funds
N.O. Community Health Connection	\$8,000,000	CDBG Hurricane Disaster Recovery Funds
FQHC	\$6,075,000	CDBG Hurricane Disaster Recovery Funds
HCR 8 - SGF*	\$103,000,000	Suspends business utilities exemptions from adoption to 60 days after the 2016 Regular Legislative Session.
TOTAL	\$439,735,446	

*The Table above assumes that the Revenue Estimating Conference (REC), as part of the overall sales tax revenue forecast, will recognize the SGF generated from HCR 8.

Note: The supplementary section of HB 1 Engrossed that appropriates \$245.3 M of expenditures with revenues not yet recognized by REC is not included within this analysis.