

FY17 REDUCTION TALKING POINTS
AFTER SECOND SPECIAL SESSION OF 2016

Executive Department:

- Executive Office \$0.7m: cuts on personnel services and contracts.
- Office of the State Inspector General \$419k: elimination of funding for 3 T.O. positions and reductions on travel, supplies, operating services.
- Division of Administration \$6.5m:
 - cuts on personnel services, termination pay and executive level staff
 - cuts on legal contracts
 - delayed implementation of statewide State Resource Management (SRM) system
- Louisiana Commission on Law Enforcement \$236k:
 - reduction on Human Trafficking training activity
 - LA Victim Notification System (LAVNS)

Secretary of State:

(\$890,269) 23% reduction to General Fund excluding Elections Program:

- Reduction of funding will impact museums.
- The Secretary of State has testified that he will keep museums open at current hours, but will reevaluate in the middle of the fiscal year to determine any closures and/or reduced operating hours.

Department of Justice:

(\$5,907,307)

AG – The proposed 15% reduction to the Office of Attorney General is equivalent to \$1,907,307. The Legislature reduced an additional \$4 million in SGF from their budget. No information was provided from the agency on the impact of these reductions. This now represents a 46.5% reduction to the General Fund.

Office of Lieutenant Governor:

(\$188,347)

LGOV - Reduction will be realized through operational expenditures in the Administrative Program.

Department of Agriculture and Forestry:
(\$2,019,584)

AGRI – A 7.5% reduction in SGF for Agriculture and Forestry will result in the following:

- Management and Finance –
 - Reduction of \$531,586 and 6 filled and 6 vacant positions impacting areas including Accounting, IT, Purchasing, and Auditing. Additionally the Indian Creek Recreation Area will be closed during non-peak seasons.
- Animal Health and Food Safety –
 - \$613,830 and 5 filled positions will be reduced resulting in delays in livestock disease investigations, delay or denial of interstate livestock shipments, and reduced inspections and monitoring of livestock markets and dealers.
- Agricultural and Environmental Sciences –
 - \$814,168 will be reduced which will impact the prevention, control, and eradication of crop pests or diseases endangering Louisiana’s agricultural crops, forests, and horticultural industries. The reductions will also result the delay of planned software upgrades and IT solutions for on-line applications and payments. The reductions to this program will be largely be offset by additional anticipated revenue from industry fees passed in 2015
- Agro-Consumer Services –
 - A reduction of \$60,000 will impact the inspection of all weighing, measuring, metering, scanning and packaging devices used commercially.
- The Department has requested to utilize a one time balance in their Licensing and Regulatory Boards Fund (off-budget account) to make payments towards debt service in FY 17 thereby freeing a portion of the Louisiana Agricultural Finance Authority Fund to be used to offset the above reductions to SGF. If this is done the SGF reduction will not have an impact on the Department in FY 17.

Economic Development:
(\$4,300,000)

- \$1,173,333 from Fast Start of which \$166,000 is from the annualizing of FY16 cuts of Salaries and Related Benefits Salaries and Related Benefits.
- \$1,173,334 million reduction in Marketing
- \$1,360,000 for the elimination of the Matching Grants-Tier 1 Program
- \$200,000 for Project Site Specific

- \$174,000 reduction of funding is from the annualizing of FY16 cuts of Salaries and Related Benefits.
 - \$50,000 Executive Activity
 - \$74,000 Legal Activity
 - \$40,000 Business Development Activity
 - \$10,000 Communication and Marketing Activity
- \$173,333 State Economic Competitiveness
- \$46,000 reduction in general operations
- There is a line item amendment which allocates \$120,000 out of Economic Development's budget. This is in addition to the \$4.3 million reduction lined out above. The \$120,000 will be taken from general operations. The total reduction for general operations will be \$166,000.

Culture, Recreation, and Tourism:
(\$5,711,118)

Office of the Secretary – \$570,040 reduction will be realized through:

- Personal Services with a reduction of 7 T.O.

Office of the State Library of Louisiana - \$675,093 reduction will be realized through:

- Reduced hours for Homework Louisiana
- Reduced technology support for the public libraries
- A reduction to the Louisiana Book Festival which will result in a scaled-back event
- The elimination of the Print Shop
- No purchases of library materials or hardware and software
- The reduction of State General Fund may result in a loss of Federal funds

Office of State Museum - \$814,434 reduction will be realized through:

- A reduction of 4 T.O.
- Complete closure of the following museums: Madame John's Legacy (New Orleans), E.D. White Historic Site (Thibodaux), and Wedell-Williams Aviation and Cypress Sawmill Museum (Patterson)

Office of State Parks - \$3,357,448 reduction will be realized through:

- A reduction of 41 T.O.
- A reduction in maintenance and repairs
- A closure of the following State Parks: Hodges Gardens, Lake Bistineau, St. Bernard, Chemin-A-Haut, and Lake Bruin
- A closure of the following historic sites: Rebel, Mansfield, Fort Jesup, Centenary, Marksville, Plaquemines, and Winter Quarters

Office of Cultural Development - \$294,103 reduction will be realized through:

- Eliminating the Main Street program community grants
- Significantly reducing all statewide arts grants and decentralized arts grants to all 64 parishes

- Eliminating the Poverty Point Archaeology program which could eventually result in the loss of the UNESCO World Heritage Site Designation

Office of Tourism – This agency has no State General Fund budgeted for Fiscal Year 2017, therefore it does not have a State General Fund reduction.

Corrections Services Including Local Housing of State Adult Offenders)
(\$29,278,392)

- **Corrections** shortfall of \$16,025,216 SGF impacts the following:
 - \$4,288,752 – Delay of Equipment Purchases: planned expenditures were meant to work down a backlog created over the past seven(7) years due to no funding provided for replacement acquisitions
 - \$1,582,349 – Pharmaceutical Expenditures: increase in drug costs specifically in the areas of cancer treatment and hepatitis.
 - \$1,054,213 – Utility Rate Increases: increased use of technical and monitoring equipment.
 - \$918,165 – Human Capital Management funding reduction
 - \$3,593,332 – Winn Correctional Center: \$6.61 reduction in the per-diem (from \$31.91 to \$25.30) paid to the private operator.
 - \$3,588,405 – Allen Correctional Center: \$6.63 reduction in the per-diem (from \$31.91 to \$25.28) paid to the private operator.
 - \$1,000,000 – State General Fund will be decreased as a result of an increase in Fees and Self-generated Revenues: Unpaid probation and parole fees for offenders in Transitional Work Program. Corrections will attempt to collect \$50 per month for fees in arrears.
- **Local Housing of State Adult Offenders** shortfall of \$7,662,500 SGF impacts the following:
 - \$4,405,950 – Needed to fully-fund the projected number of offenders participating in a Transitional Work Program at the current per-diem rates (\$10.25 for contract programs and \$14.39 for non-contract programs).
 - \$3,256,550 – Needed to prevent the closure of all nine (9) Day Reporting Centers (DRC); Corrections Services indicated that they are currently seeking to keep four (4) DRCs open utilizing the current level of funding.

Youth Services:
(\$14,451,792)

- **Secure Care Reduction - \$14,198,680**
 - \$14,198,680 – Acadiana Center for Youth (Central Southwest Region) – Delay in the opening of this facility which is located in Bunkie, Louisiana.
- **Probation and Parole - \$122,176**
 - The agency will experience a shortfall in Supplies.
- **Administration - \$130,936**

- Central Office staff: funding for two positions will be eliminated.

Department of Health and Hospitals:

(\$102,587,029)

- Medicaid
 - \$20m - Reduce Managed Care PMPM from 50% to 25% in Actuarially sound range
 - \$21m - Eliminate OT for Waivers and Long Term Care services (New federal regulation for paying overtime to home care workers)
 - \$4.3m – Changes to Psychosocial Rehabilitation Services for youth
 - \$8.6m -Reduce Funding for Unfilled Waiver Slots (134 Adult Day Health Care, 38 Children’s Choice, 743 Community Choice, 119 Supports, and 286 New Opportunity (NOW) waivers)
 - \$17 million will have to be reduced from the 13th Checkwrite if contingency funding does not become available.
 - \$12.7 million is no longer needed for the Chabert Public Private Partnership
- DHH Program Offices and LGEs -\$18.2M
 - LGEs – Significant reductions to behavioral health and services for the developmentally disabled. These reductions include:
 - Crisis Counseling and Outpatient behavioral health services
 - Flexible Family Funds which helps families meet the extraordinary expenses of raising a child with Developmental Disabilities
 - Inpatient Detoxification and Rehabilitation Services

Department of Children and Family Services (DCFS):

(\$5,329,591)

- Shortfall of **\$5,329,591** SGF impacts the following:
 - Funding for 51 positions in SNAP (Food Stamps)
 - Funding for mandatory training for Child Support Enforcement and SNAP staff regarding Federal rules, regulations, and requirements.
 - Funding to DHH associated with the Coordinated System of Care (CSoC)
 - Allows DCFS to draw down \$3.40M of matching Federal Funds.

Department of Natural Resources:

(\$1,657,356) 15% reduction

- **Office of Secretary** – (\$80,356)
 - Policy Planner position eliminated effective April 2016 (retiring employee).

- **Office of Conservation – (\$500,000)**
 - Reduction includes 4 filled positions and 4 existing vacancies across 6 activities: Groundwater, Commercial Facilities, Underground Injection, Field Inspection, District Well Operations, and Production Audit. This will result in service reduction and processing delays that may affect the number of inspections, permits issued, production audits, and regulatory responsiveness. This will impact ability to continue to fulfill recommendations resulting from Legislative Auditor's Performance Audit.
- **Office of Mineral Resources – (\$1,077,000)**
 - Reduction includes 2 filled positions and 7 existing vacancies. Reduction in services in lease management, seismic review and permitting, audit services (field and desk), bid evaluation/award, and geological review. Number of new field audits will be limited which will increase audit cycle timeframe for large payers due to vacancies, which will impact royalty revenue collection for the State General Fund

Department of Revenue:
(\$3,423,599)

Tax Collection Program– A 7.5% reduction of general fund dollars to the agency would mean the following:

- Reduction of some non-TO positions or hours and require the agency to increase their hold on vacant positions to require the agency to hold 20-30 positions vacant. The agency will have to conduct monthly review of fiscal position and monthly projections of cost to ensure they are strategically filling vacancies in proper areas and manage the vacancy percentage.
- Potential reduction of TO positions through a layoff,
- Reduction of the Tier 1 call center will result in delays in email responses, increased call wait times and an increase in the abandonment rate. The level of impact is dependent upon the terms that can be negotiated with the vendor for reduced services, which are yet to be negotiated.
- Reduced seasonal workforce for the FY17 Income Tax processing season. The amount of the reduction is yet to be determined, but will increase the processing times of paper returns, depositing of funds and issuing of income tax refunds filed on the paper form.

Louisiana Workforce Commission:
(\$1,632,624)

- \$7,664,901 total – Reduction Louisiana Rehabilitation Services (LRS) (\$1,632,624 in State General Fund and \$6,032,277 in Federal Funds). This will only leave the first two orders of selection open.

Higher Education:

**(\$990,000 Higher Education)
(\$87,702,809 TOPS)**

- (\$0.9 million) - Reduction for Higher Education. This is a \$990,000 net reduction for Higher Education, excluding TOPS awards.
- \$149.1 million in State General Fund for TOPS awards. The total for TOPS awards will be \$209.4 million. The TOPS projection for FY17 is \$297.1 which leaves an overall reduction to TOPS of \$87.7 million.

Special Schools and Commissions:

(\$1,058,208)

- **LSDVI** - \$279,184 provides funding for three positions including Instructors and Resident Advisors as well as travel for athletic events.
- **LSMSA** - \$132,667 provides funding for three positions including Instructors and Counselors.
- **LETA** - \$377,802 includes \$282,605 for four broadcast engineer positions and \$95,197 for deferred maintenance on essential broadcast hardware.
- **BESE** - \$121,816 provides funding for two research/policy analyst positions.
- **NOCCA** - \$146,739 provides funding for operating services and contractual obligations.

Louisiana Department of Education:

(\$41,015,701)

- **MFP** - \$24.2M to continue funding added outside of the MFP Formula in FY 2015-2016.
- **Vouchers** - \$2.5M to continue funding for the Voucher Program at the FY 2015-2016 level.
- **Special School District** - \$900k provides funding for 14 positions including Educators and Instructional Coaches.
- **Non-Public Educational Assistance**- \$6.9M total includes \$400k to fully restore the School Lunch Salary Supplemental Program and \$6.5M to fully restore funding to Required Services.

- **Subgrantee Assistance** - \$3.0M for “Laura I.” funding for students with certain exceptionalities. An additional \$400k is associated with other educational programs in this budget unit.
- **State Activities** - \$2.3M for 11 Field Services positions to provide assistance and guidance to local districts as well as for contractual obligations and travel associated with audits of local school districts.
- **Recovery School District** - \$800k for statewide costs including Legislative Auditor fees, Risk Management premiums, and Office of Technology Services fees.

LSU Heath Care Services Division:

(\$2,316,285)

- \$2,316,285 reduction for the LSU Heath Care Services Division.
- There is no reduction for the Lallie Kemp Regional Medical Center.

General Obligation Debt Service:

- General Obligation Debt Service will be fully funded at \$401.5 million.

Judicial:

(\$8,307,964)

JUDI – EOB is \$159,838,908 in SGF. There was a SGF reduction of \$15,983,891 (10%) from EOB during the Regular Session. \$7,675,927 (4.8%) in SGF was restored during the Second Extraordinary Session. The total SGF is now \$151,530,944 or a reduction of \$8,307,964 (5.2%) from EOB. HB 616 (Judiciary Bill) was filed with \$176,306,107 in SGF which resulted in a reduction of \$24,775,163. \$9.4m in TANF from DCFS was increased to offset part of that reduction.

Legislative:

(\$7,335,281)

LEGI – The proposed reduction of 10% from EOB is equivalent to \$7,335,281.