

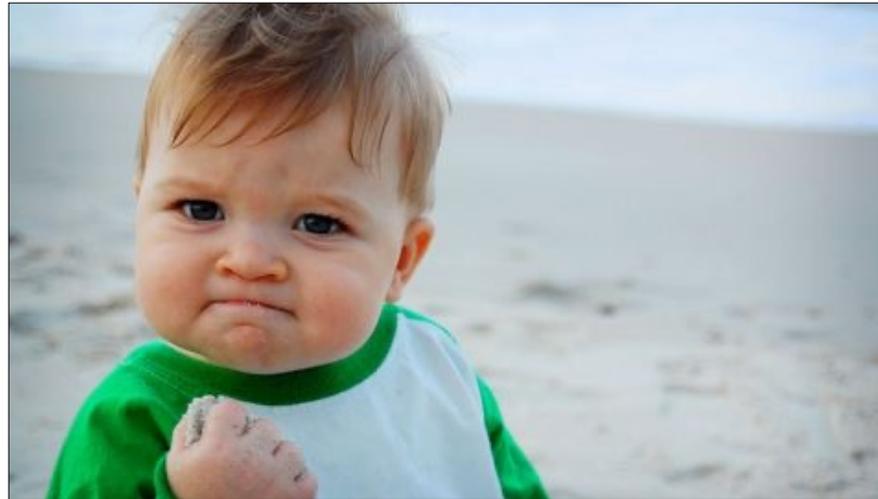


**Executive Budget**  
**Fiscal Year 2022-2023**  
Senate Finance Committee  
February 22, 2022

**John Bel Edwards**  
**Governor**

Four things come not back: the spoken word, the sped arrow, the past life and the neglected opportunity.

—Arabian proverb



We are Tough.  
We are Resilient.  
We are Optimistic.



Be Happy.  
Be Disciplined.  
Be Smart.

# The Opportunity: Sources of One-Time Funding



American Rescue Plan	\$1.4 billion
FY 21 Surplus	\$700 million
FY 22 Projected Excess	\$853 million
<b>TOTAL</b>	<b>\$2.83 billion</b>



**O'JAYS**

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**4ZH 69185**  
"MIXED MASTERS"  
XBS 69185A  
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# American Rescue Plan



- Louisiana received \$3.011 billion in Fiscal Year 2021
- Funds appropriated and transferred — \$1.626 billion
- Recommendations for remainder of funds — \$1.384 billion
  - Unemployment Insurance Fund — \$550 million
  - Transportation Projects — \$275 million
  - Water/sewer projects — \$559 million

# Transportation Projects



Lake Charles I-10 Bridge	\$100 million
I-49 South	\$100 million
DOTD Opportunity Fund	\$50 million
Baton Rouge/New Orleans Rail	\$25 million
<b>Total</b>	<b>\$275 million</b>



# Water Sector Fund

81 Water Projects	\$193 million	65%
35 Sewer Projects	\$104 million	35%
116 Projects	\$297 million	

\$559 million reserved for second tranch

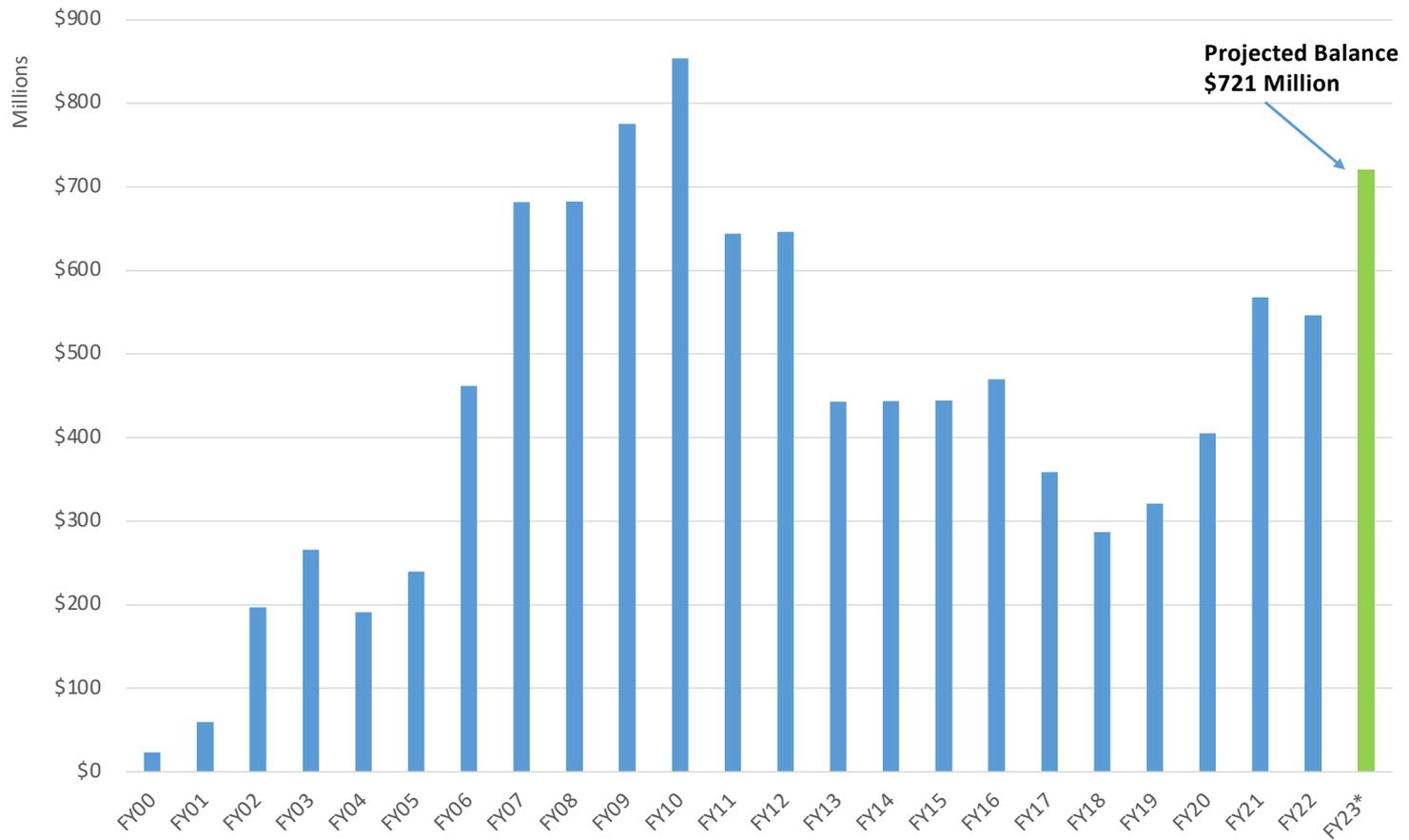
FY 21 Surplus  
\$700 Million



# Recommendation for Surplus Dollars

25%	Budget Stabilization Fund (Rainy Day)	\$175 M
10%	Unfunded Accrued Liability (UAL)	\$70 M
	DOTD Highway Program	
	Matching Funds for Redistribution	\$25 M
	FY23 Match for Infrastructure (IIJA)	\$171 M
	CPRA Master Plan Project	\$150 M
	Capital Outlay – Deferred Maintenance	\$109 M

### Budget Stabilization Fund - Beginning Balances (July 1 of Fiscal Year)



\*Includes anticipated deposit of \$174.8 million of FY21 Surplus.

# FY 22 Excess

# Revised Revenue Estimates for FY 2021-2022



	<b>Prior Forecast May 18, 2021</b>	<b>Revised Official Forecast January 11, 2022</b>
Taxes, Licenses & Fees	\$12,296.3	\$13,869.0
Dedications	(\$2,408.7)	(\$3,134.1)
State General Fund Direct	\$9,887.6	\$10,735.0

In  
Millions

Official forecast increased state general fund direct by \$847.4 million

# FY 22 Recommendations for Supplemental and Funds Bills



## FY 2021-2022 Supplemental and Funds Bills

- \$400 million for the Hurricane Storm Damage and Risk Reduction System second payment to Corps of Engineers
- In excess of \$450 million for FEMA repayments for cost share obligations for storms dating back to Katrina
- Deposits into the Early Childhood fund based on current year savings in DOE due to lower student count – approx. \$50 million
- \$42.5 million to DOTD for IJA match
- \$500 million deposit into a new fund for a new Mississippi River Bridge



## FY 2021-2022 Supplemental and Funds Bills

- \$1.5 million – Northwest LA Crime Lab
- \$3 million – Death benefits for the Military
- \$5 million – NCAA Final Four this March
- \$6.9 million--LWIN transition to Ethernet and new generators
- \$10 million – Louisiana Outdoors Forever Fund
- \$16.7 million – Corrections and Public Safety
- \$65 million – Judgments
- \$65 million – Cash capital outlay projects

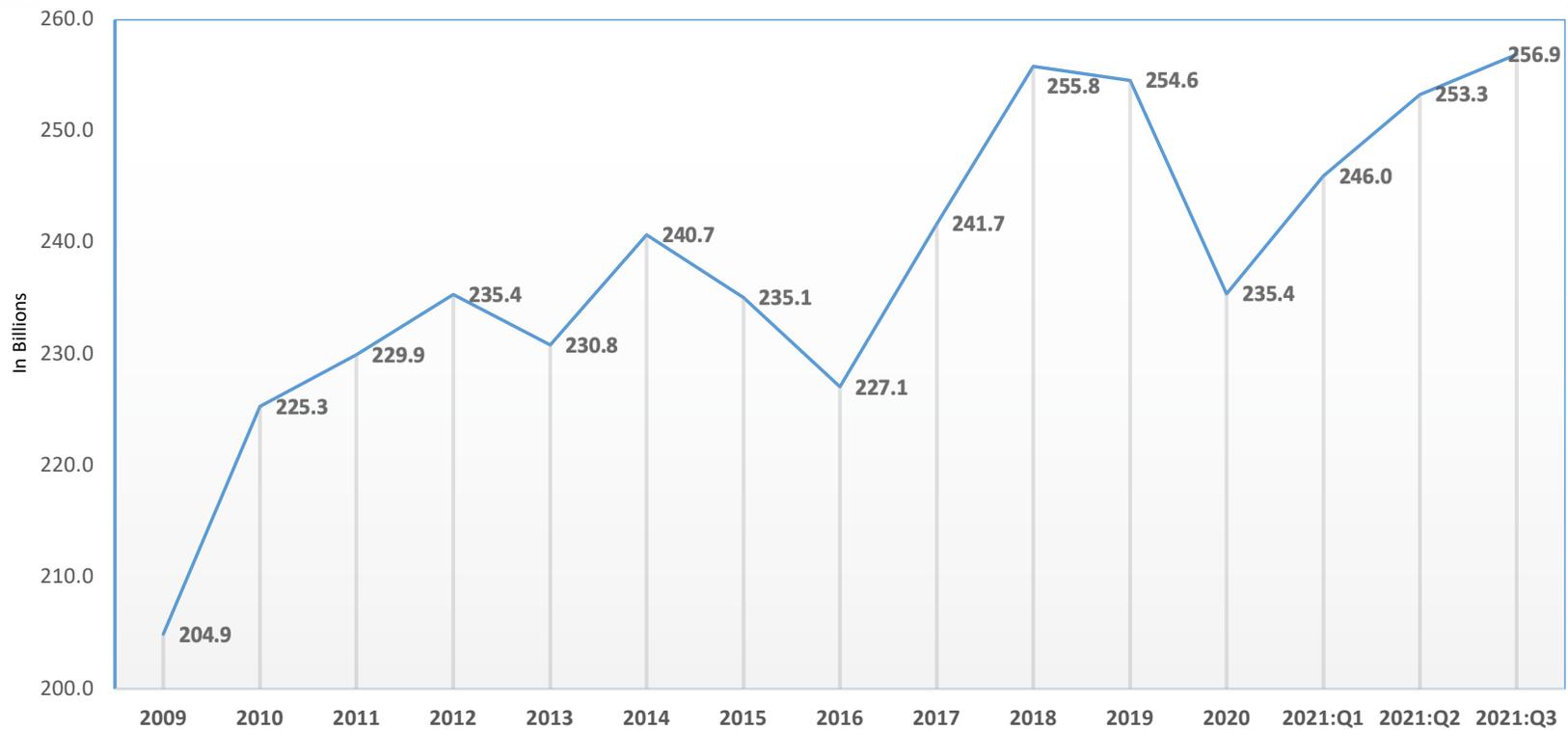


# Investing in Roads and Bridges

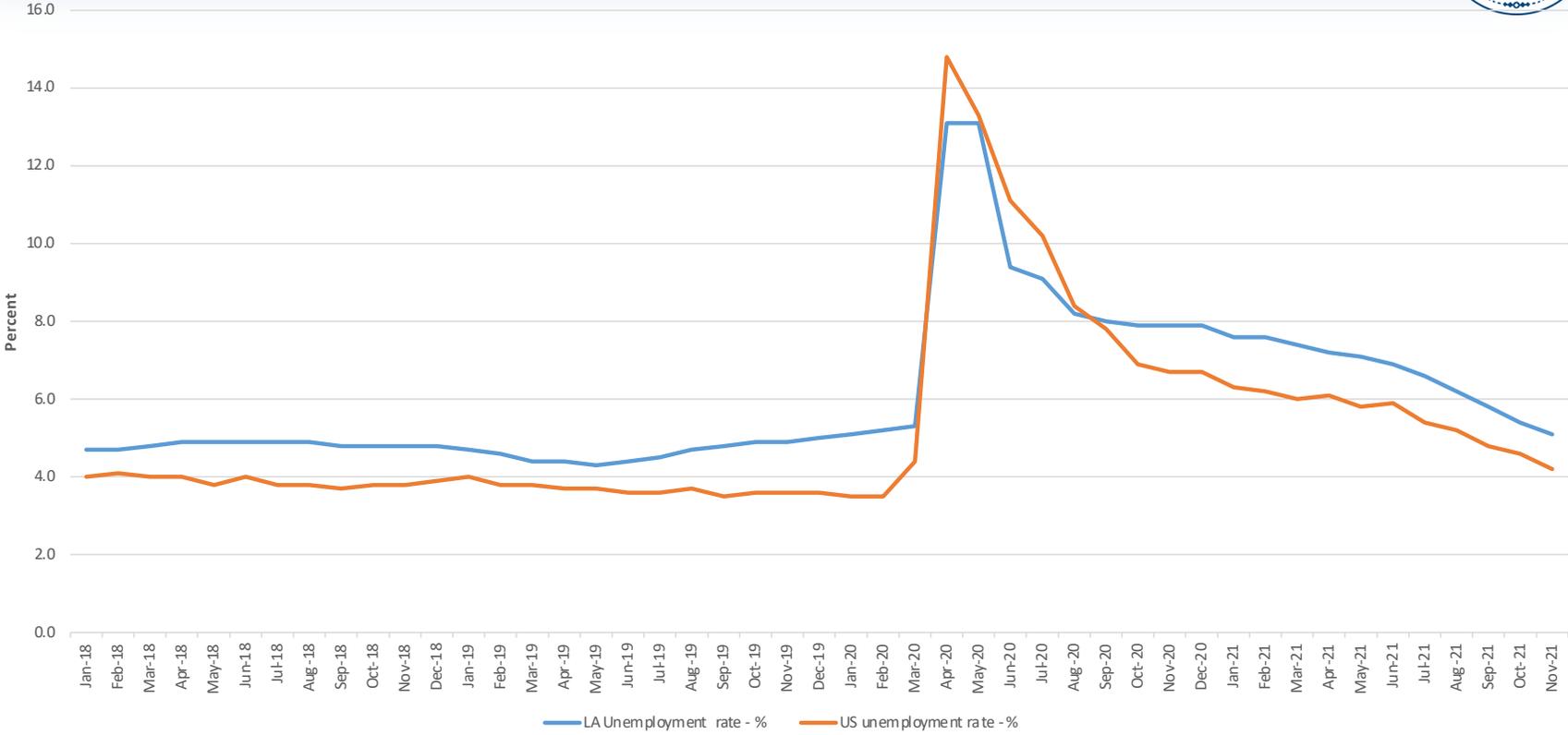
<b>FY 21 State General Fund Surplus</b>	
FY 23 – Match for existing identified projects	\$170.6 million
FY 23 – Match for August redistribution	\$25.0 million
Total FY 21 SGF Surplus	\$195.6 million
<b>FY 22 State General Fund Excess</b>	
F Y22 – Match for existing identified projects, redistribution and competitive IJJA grants	\$42.5 million
New Baton Rouge Bridge Fund	\$500.0 million
Total FY 22 SGF Excess	\$542.5 million
<b>American Rescue Plan</b>	
Lake Charles Bridge	\$100.0 million
Baton Rouge to New Orleans Rail	\$25.0 million
Opportunity/Contingency Fund – Competitive grants, opportunities and cost overruns	\$50.0 million
Total American Rescue Plan	\$275.0 million
<b>Total Additional Funding for DOTD</b>	<b>\$1,031.1 billion</b>

# FY 22 Accomplishments

# Louisiana Annual Gross Domestic Product (GDP): 2009-2021



# Louisiana Unemployment Rate



# Rating Agency Review



## Moody's Rating Agency, January 12, 2022

Louisiana's **positive outlook reflects** the significant progress the state has made restoring its financial reserves in recent years by **aligning revenue and spending** in a post-energy boom era, rebuilding liquidity and generating budgetary surpluses. The state's recovery, however, depends in part on the recovery of New Orleans (A2 stable), the state's largest city and a popular tourism destination.

Factors that could lead to an upgrade include: long-term growth and diversification of the state economy that offset the volatility of the energy sector as well as sustained trend of structural budget balance with continued strengthening of reserves and liquidity.

# New Economic Activity and Investment



Year	Number of Project Wins	Capital Investment	New Direct and Indirect Jobs	Retained Jobs
2016	36	\$22.15 billion	6,908	4,807
2017	45	\$4.64 billion	13,964	7,987
2018	47	\$6.73 billion	7,188	8,095
2019	83	\$8.45 billion	12,331	15,581
2020	58	\$12.7 billion	11,632	8,692
2021	63	\$20.56 billion	17,802	17,665
<b>Total</b>	<b>332</b>	<b>\$75.2 billion</b>	<b>69,825</b>	<b>62,827</b>



# DOTD Accomplishments

## Projects Let January 2016 through December 10, 2021

Number of projects let:	1,790
Total Cost:	\$4,492,807,888
Miles of road affected:	5,947

For State FY 20-21, from July 2020 through June 2021, DOTD took bids on 236 projects with a total letting value of \$618 million. The Agency received \$65 million in federal re-distributed funds in August 2021, which were immediately obligated toward new construction projects.

## COVID Relief Funding

Over \$17M in Federal COVID relief funding for non-urban transits.

An additional \$174 million in COVID Relief (CRRSA) funds that can be used on, but not limited to, highways, bridges, and ferries to perform routine and preventive maintenance, rehabilitation, and overlays on new and existing roadways throughout the state.

DOTD was appropriated \$563 million of ARPA funding in FY 22.



# Mississippi River Deepening

The total cost estimate of the River Deepening Project with utility relocation is approximately \$262.28 million

Federal Sources: \$175 million

State Sources: \$86 million

Other: \$2 million

SW pass deepening is complete. USACE currently validating the depth of the utilities at the mouth of the River and Rich Bend.

Phase 2 — utility relocation

Phase 3 is deepening between New Orleans and Baton Rouge and cannot be completed until Phase 2 is completed



# 2021 IN REVIEW: 47 PROJECTS IN CONSTRUCTION

**15 New Construction Starts: \$978 Million Total Value**  
**13 Projects Completed: \$258 Million Total Value**  
**Miles of Levees Improved: 18+ miles**  
**Sediment Dredged: 11.4 Million Cubic Yards**  
**(65 Million CY Total Vol.)**  
**Acres Created: 1,923 acres** (3 square miles)



## MAJOR PROJECT ANNOUNCEMENTS, INCLUDING:

HNC Lock Complex – Groundbreaking	(\$358 Million RESTORE)
Terrebonne Basin Barrier Islands – Completion of Trinity	(\$170 Million NFWF)
West Shore Lake Pontchartrain – Construction Start	(\$760 Million USACE/State)
Spanish Pass, Golden Triangle, Lake Borgne – Construction Start	(\$257 Million NRDA)

# Supporting the Health Care Surge



	2020 – Spring, Summer, & Fall Completers	2021 – Spring, Summer, & Fall Completers	Total - Health Care Support since the Beginning of the Pandemic
Health care graduates finishing early or on-time in Louisiana public and private institutions, including:	7,500	5,000	12,500
Medical and pharmacy degrees	719	437	1,156
Certificate/technical diplomas (e.g. EMT, LPN)	2,109	719	2,828
Associate degrees (e.g. respiratory care therapist, nursing, occupational and physical therapy assistant)	1,156	780	1,936
Bachelor’s degrees (e.g. allied health, registered nurse)	1,601	2240	3,841
Master, doctoral, and professional degrees (e.g. nurse practitioner, physical therapy)	809	724	1,533

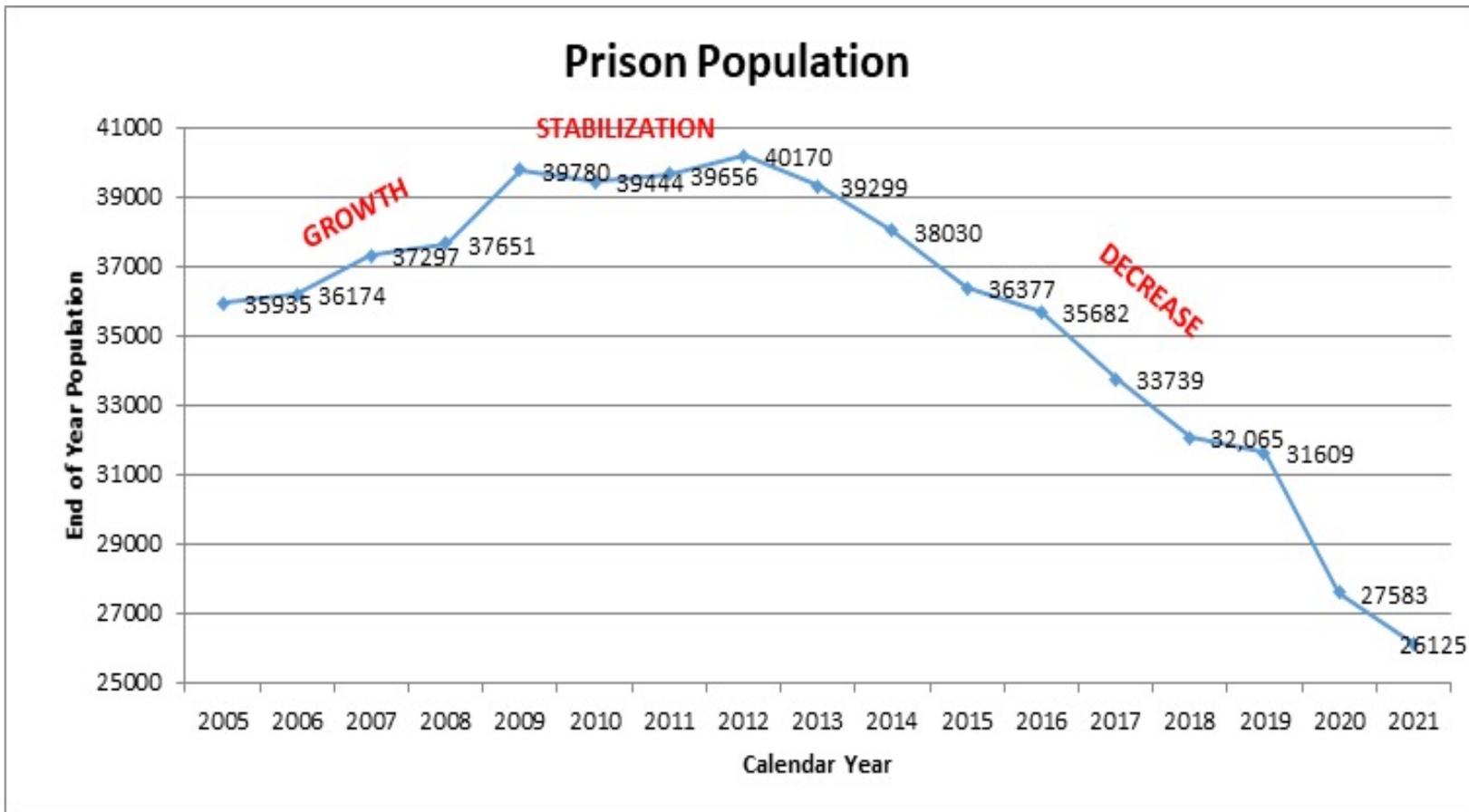


# K-12 Education

From catastrophic hurricanes to a global pandemic, Louisiana faced extraordinary obstacles in 2021. Nonetheless, Louisiana students, teachers, administrators, and parents have shown unwavering resilience every single day.

Thanks to their hard work, LDOE has been able to implement the third most aggressive return to school plan in the United States, according to the American Enterprise Institute.

- \$25 million in new State General Fund to Early Childhood to assist with rate changes.



# FY 2022-2023 Executive Budget



## Revised Revenue Estimates for FY 2022-2023

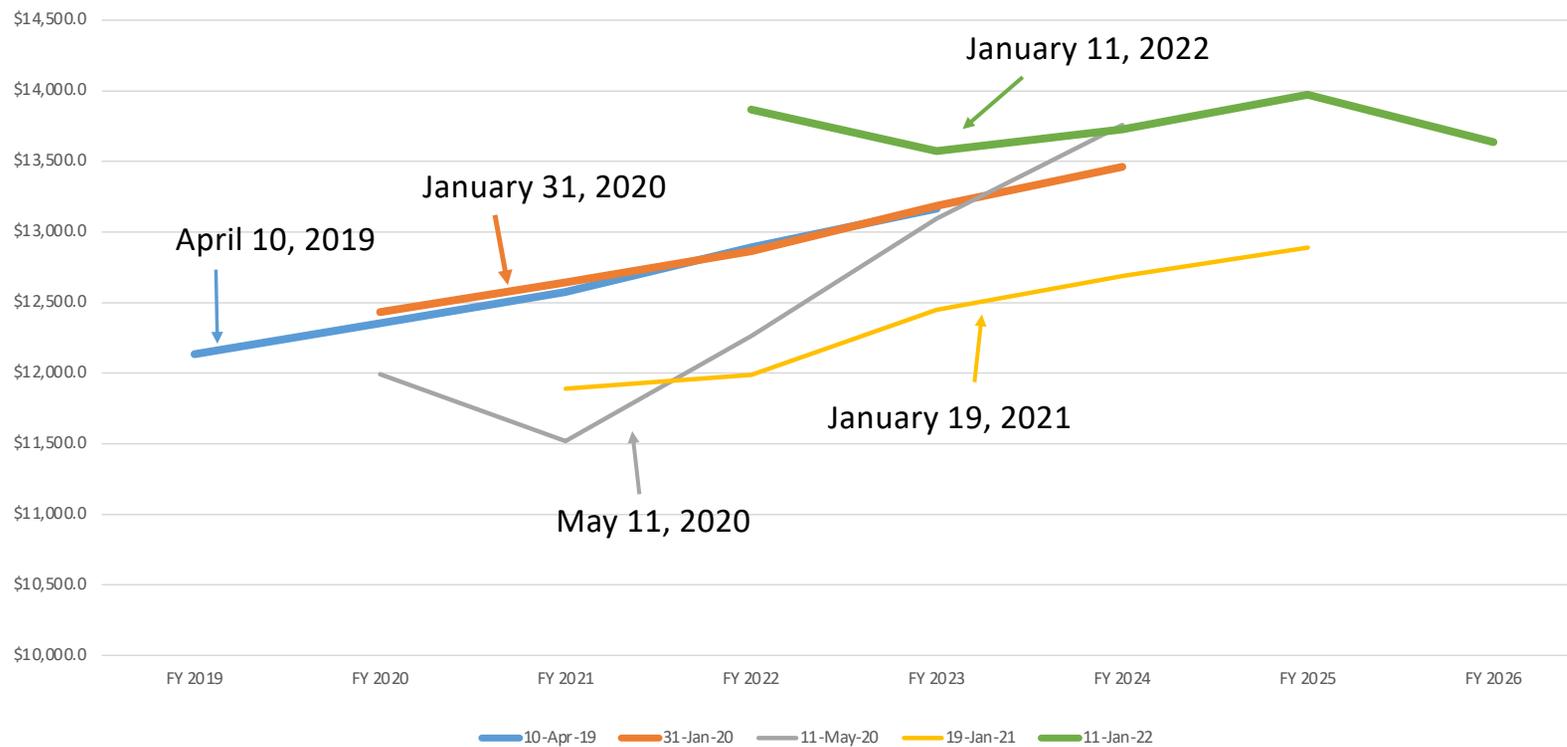
	Forecast May 18, 2021	Official Forecast January 11, 2022
Taxes, Licenses & Fees	\$12,610.1	\$13,573.1
Dedications	(\$2,445.7)	(\$2,637.3)
State General Fund Direct	\$10,164.4	\$10,935.8

In  
Millions

Official forecast increased state general fund direct by \$771.4 million



# Revenue Outlook Before Pandemic and Now: Taxes, Licenses and Fees



# FY 2021-2022 Budget Comparisons

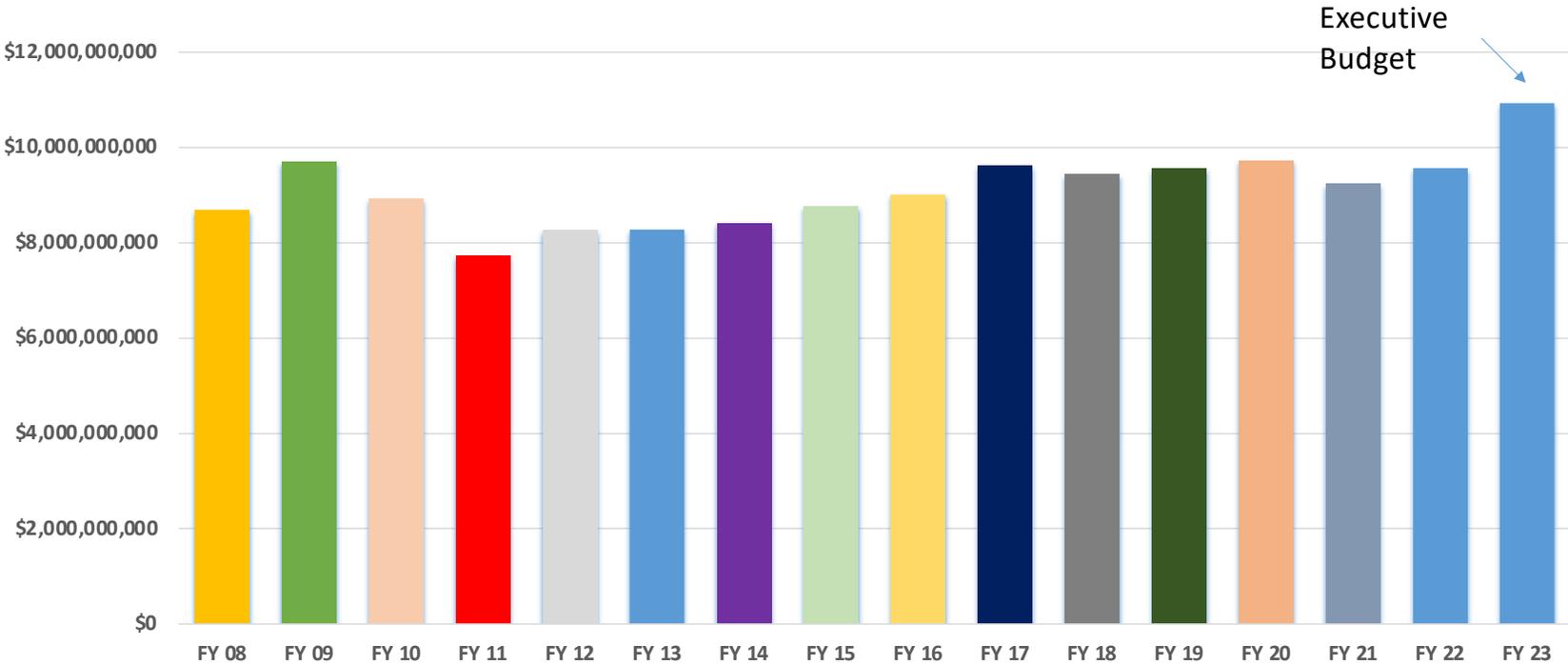


	FY 2021-2022 Existing Operating Budget	FY 2022-2023 Executive Budget	Over/Under Budgeted
General Fund	\$10,066.9	\$10,935.8	\$868.9
Fees/Self- Generated	\$3,374.7	\$3,531.6	\$156.9
Statutory Dedications	\$6,457.4	\$4,480.0	(\$1,977.4)
Federal Funds	\$20,330.9	\$19,690.7	(\$640.2)
<b>Total</b>	<b>\$40,229.9</b>	<b>\$38,638.1</b>	<b>(\$1,591.8)</b>

In  
Millions

Exclusive of double counts

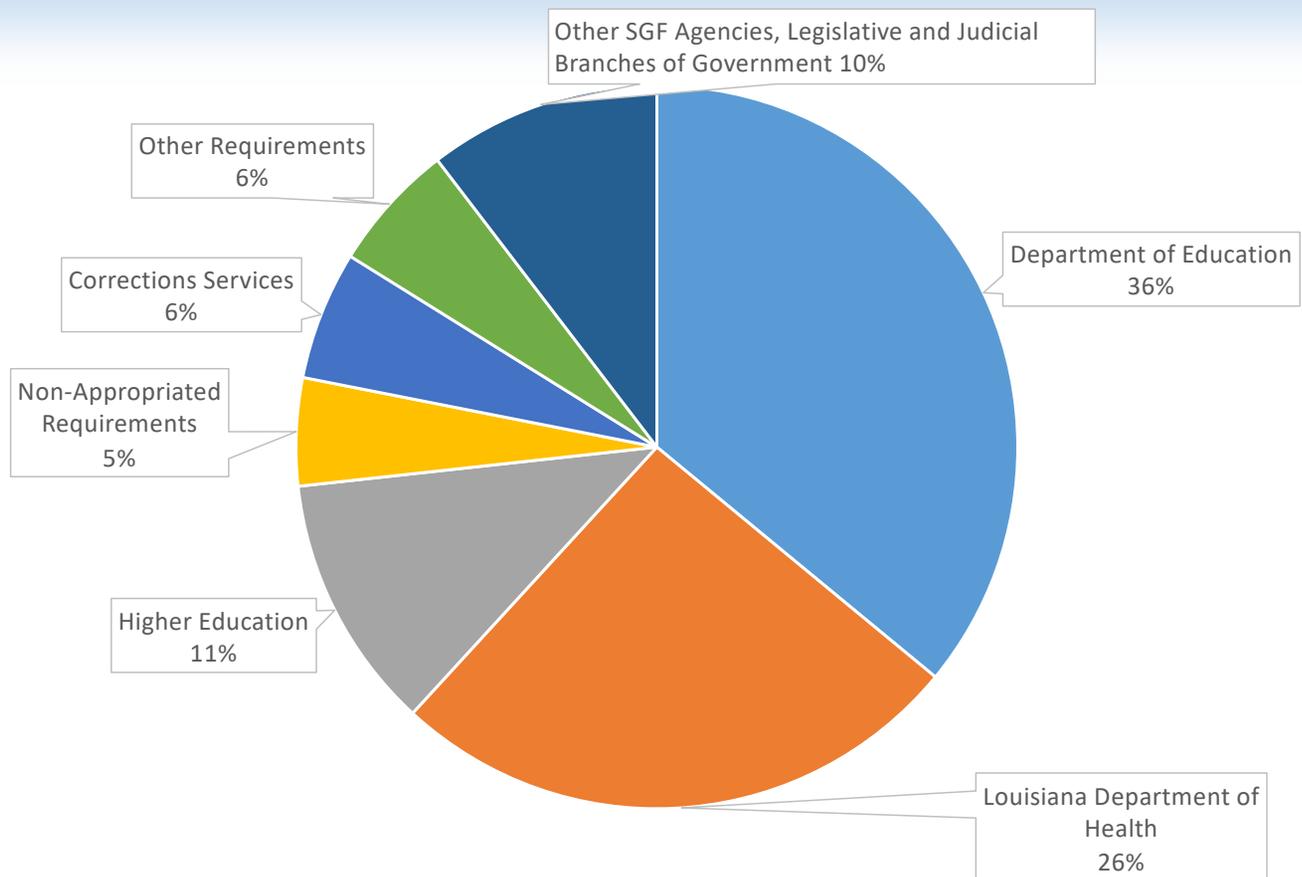
# General Fund Budget



General Fund Budgeted July 1



# State General Fund





# FY 2022-2023 Executive Budget

## Investing in the Future with No One-Time Money

Major Increases	General Fund
Replacement of one-time funds	\$671.2
K-12 Teacher Pay Increases @ \$1,500/\$750	\$148.4
Higher Education faculty pay increase, statewide costs	\$103.9
Acquisitions and major repairs	\$36.8
LDH equalizing rates for Personal Care Services	\$33.8
Supplemental Pay increases @\$100	\$25.7
Early Childhood — rate and accessibility increases	\$25.0

In  
Millions

# General Fund Investment



- Replacement of one-time funds for emergency FMAP and Lottery — \$671.2 million
- Budgeting for the lower blended FMAP rate for FY 23 — \$67.4 million
- Providing funds for state agency acquisitions and repairs — \$36.8 million



# General Fund Investment

## Department of Education

- Minimum Foundation Program is fully funded
- Student count during FY 2023 is currently projected to have a small increase over current year
- \$148.4 million for teacher and support worker pay raise
- \$25 million for early childhood rate and accessibility increases approved by BESE January 18, 2022



# General Fund Investment

## Early Childhood Education

- Working closely with DOE to maximize productivity
  - Increase per child rate to providers \$25 million
  - Increase LA4 rate per pupil \$17 million
  - Increase rate for Nonpublic School Early Childhood Development (NSECD) \$1.4 million
  - Add additional funding for 256 students on waitlist for Student Scholarship For Education Excellence Program (SSEBP) \$4.1 million
- NOTE: In FY 22, \$25 million DOE funding redirected from MFP (due to lower student count) to Early Childhood Fund, which creates matching dollars for local district support \$25 million



# General Fund Investment

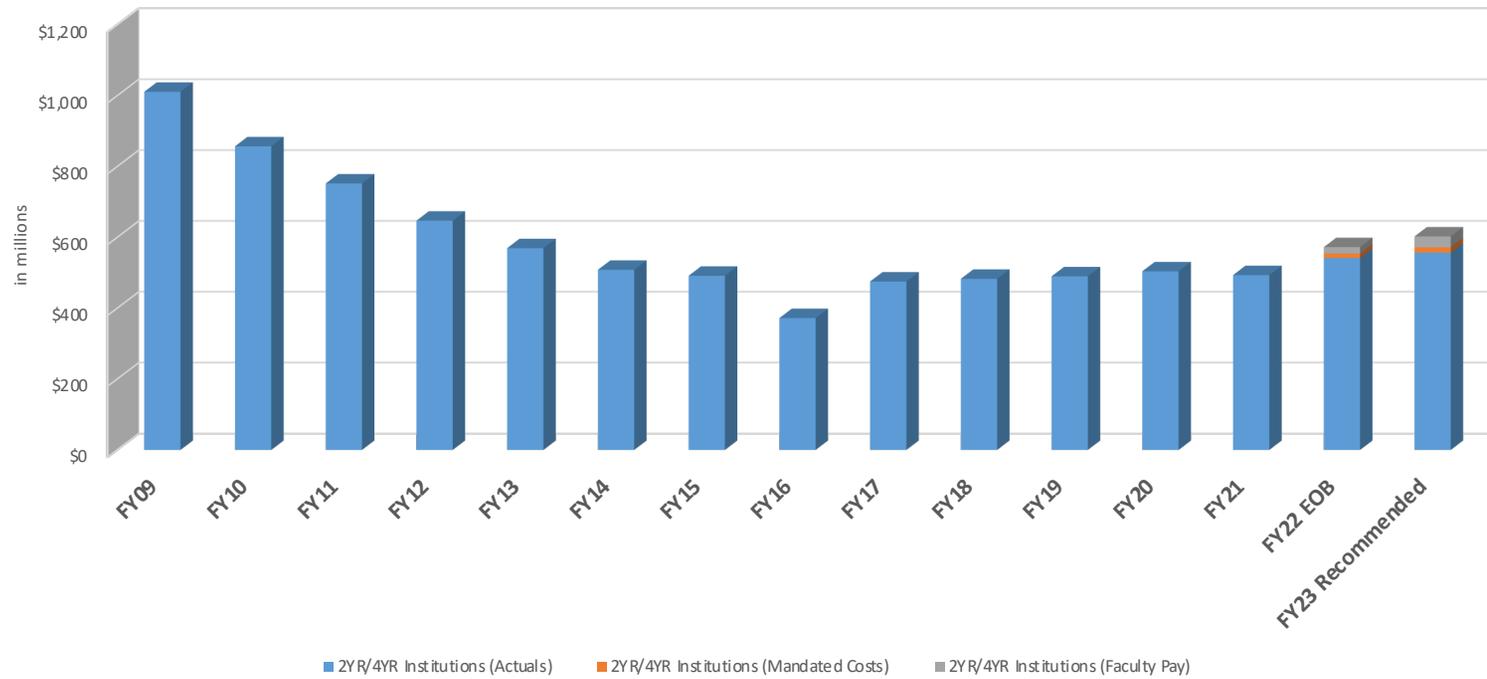
## Higher Education

• Faculty Pay increase/related benefits	\$31.7 million
• Mandated cost increases and LSU First	\$18.0 million
• Formula funding	\$25.0 million
• Go Grants	\$15.0 million
• Title IX offices	\$5.0 million
• Pennington youth obesity pilot program	\$5.0 million
• LSU and SU Ag programs	\$4.1 million

# Higher Education



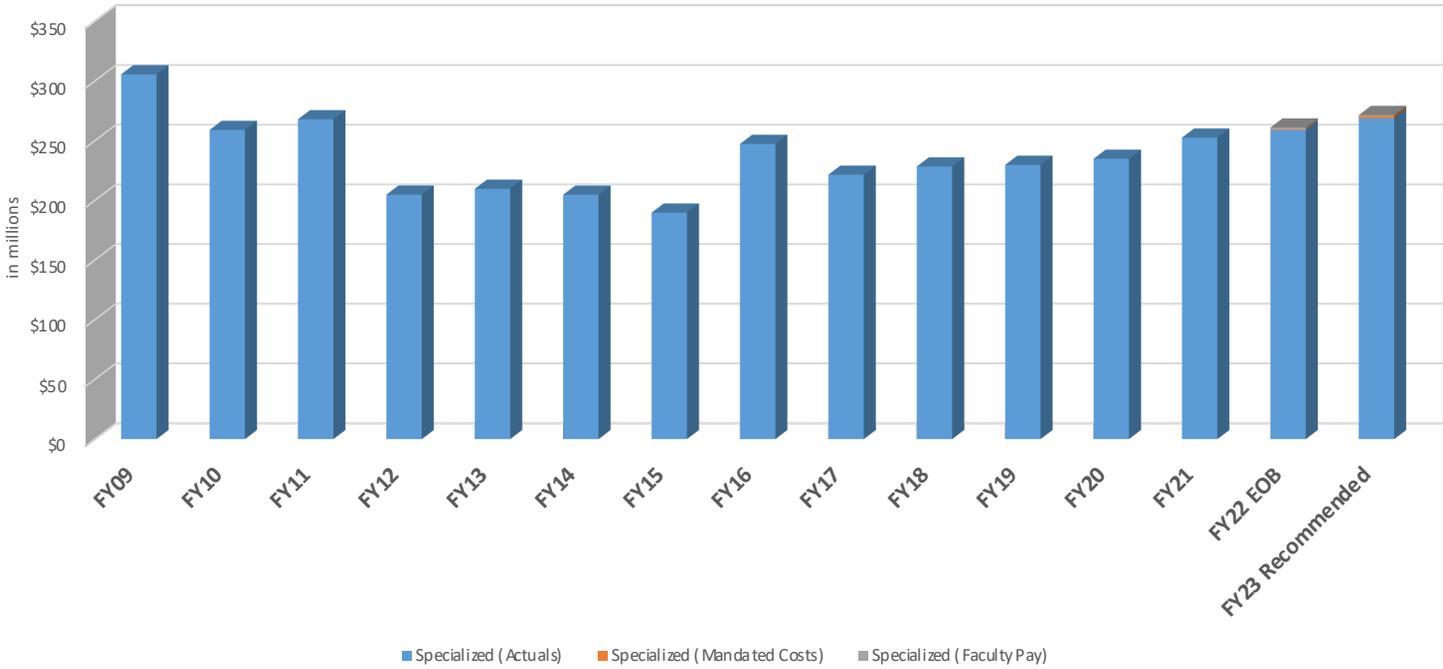
## 2YR/4YR Institutions (Actuals)



# Higher Education



Specialized Institutions (Actuals)



# Louisiana Department of Health



- General Fund is increased by \$546.6 million, MATF fund decreased by \$232.4 million, and federal funds decreased by \$314.1 million.
- There is no Public Health Emergency (PHE) enhanced rate built into the budget for FY 23.
- Directed Payment model is NOT included at this time. LDH is currently communicating with CMS.



# Medical Vendor Payments & OBH Rate Increases

Requested by ARC and Community Provider Association

Item	Requested by Advocates	Funded
Raise LT-PCS and Community Choices rates (brings rate to \$18.50/hour)	\$33.9 Million	\$33.9 Million
ICF rebase – includes \$12 add-on for employee retention (brings per diem to \$220.66)	\$8.3 Million	\$7.75 Million
Annualize rate increase for DD waivers (raised \$2.50/hour to \$18.50/hour in FY22)	\$6.8 Million NOW Fund	\$6.8 Million NOW Fund
Support Coordination rate increase (not reimbursed on a per hour basis)	\$3.3 Million	\$0
Transportation services for DD individuals	\$1.5 Million	\$0



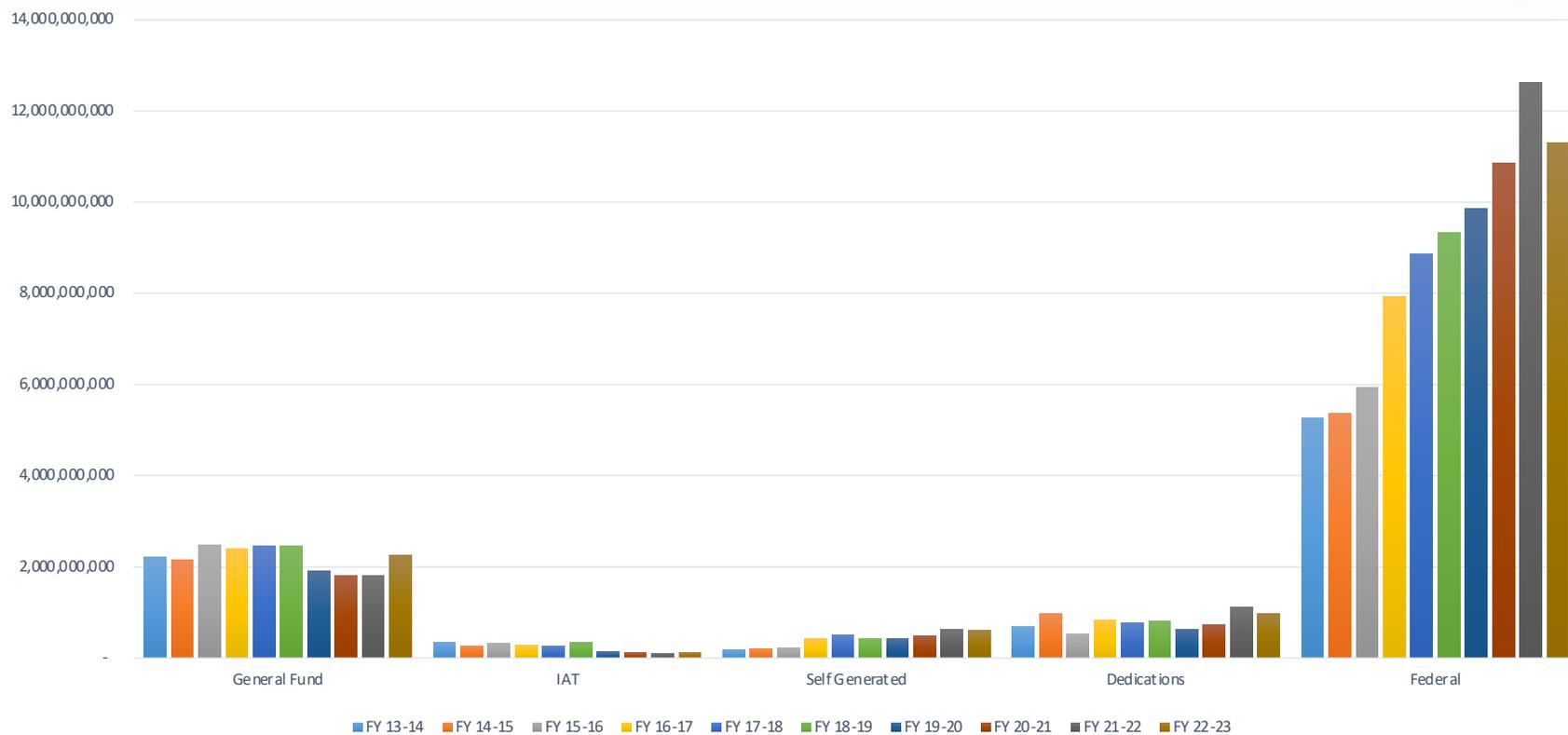
# Medical Vendor Payments & OBH Rate Increases

Requested by LDH

<b>Item</b>	<b>Requested</b>	<b>Funded</b>
Nursing Home per diem add-on for employee retention (\$4/day)	\$7.6 Million	\$7.6 Million
Harmony per diem increase (from \$105 to \$175)	\$2.6 Million	\$2.6 Million
Grace per diem increase (from \$108 to \$180)	\$1.2 Million	\$1.2 Million
Additional amount for 58 beds being added in FY 23	\$1.5 Million	\$1.5 Million



# Medical Vendor Payments



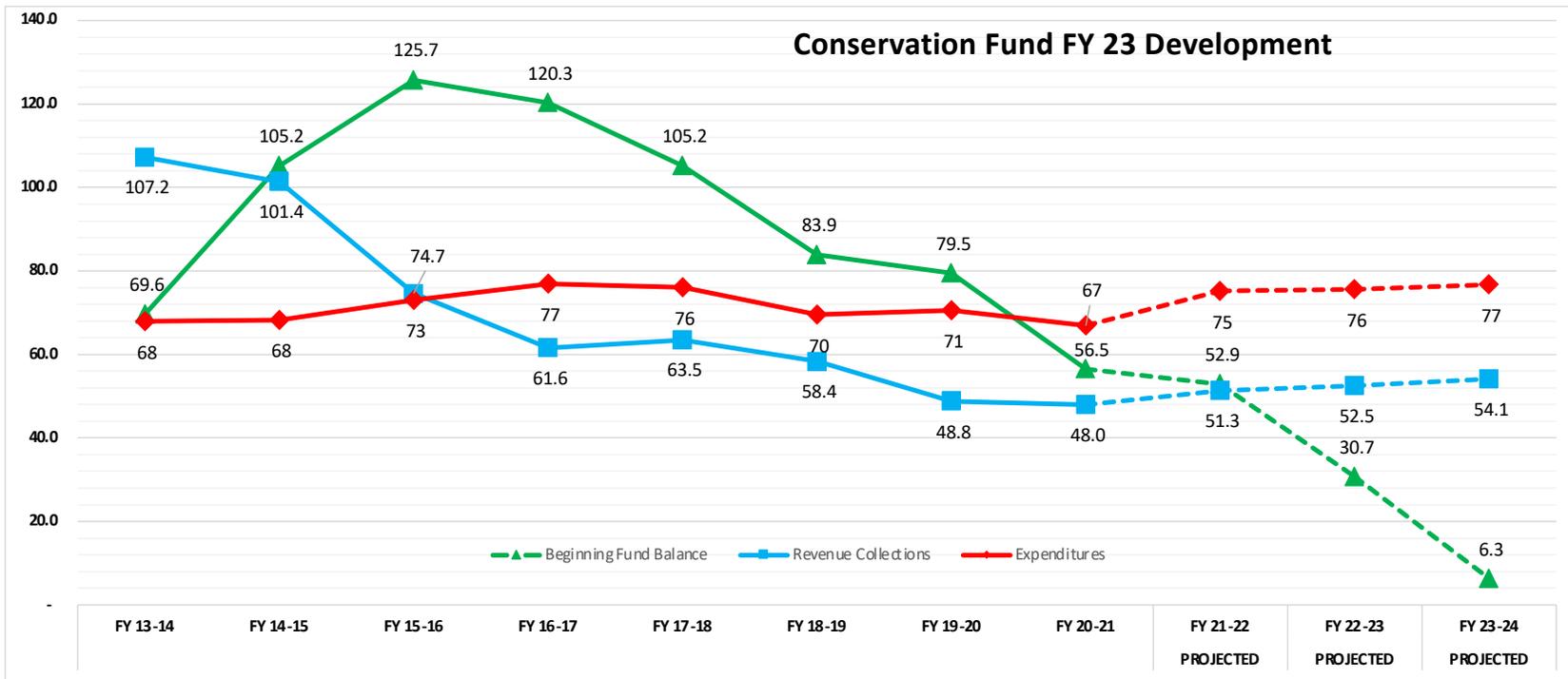
# Department of Children & Family Services



## Personal Services and IT System Projects

- No vacancies were eliminated in the Executive Budget
- System Projects includes a total of \$12.6 million for the Comprehensive Child Welfare Information System (CCWIS)
- Includes \$10.5 million for the conversion of the current OnBase Repository System to FileNet, which is a larger electronic document management system
- Includes \$8.4 million for the Child Support Enforcement (CSE) Modernization Project to transition into the second phase, which will improve the operations for the CSE program beginning 4/1/23

# Conservation Fund





# Office of Technology Services

## Modernization Update

- HCR 121 of the 2017 Regular Session identified 157 IT systems at operational risk with a projected replacement cost of \$1 billion
  - 31 systems have been completed reducing backlog by \$375 million
  - 50 systems are currently in process and will reduce backlog by \$400 million



# Office of Technology Services

## LaGov Update

- All eligible state organizations have been implemented in LaGov for expenditure accounting, procurement, asset management, real estate, inventory, and fleet management
- Statewide implementation of revenue management, and operating budget development for the remaining 4 agencies is in process
- Implementation of the Capital Outlay Budget development is in process

# Office of Technology Services



## ESF 17 (Cyber) Update

- ESF 17 responded to and assisted in the restoration of services for 12 local government entities in 2021
- ESF 17 installed and configured premium endpoint detection and response software for approximately 50 public entities in 2021
- OTS strategically partners with the Louisiana National Guard and Louisiana State Police cyber resources to create and operationally embed agency centers of cyber excellence for infrastructure assessments and forensic investigation



# Broadband

- \$711 million in total project costs
- \$440 million in GUMBO grant funding requests (Round 1)
- 215,000 households proposed to be served
- 58 of 64 parishes
- \$90 million to be awarded in March
- 14,000 businesses proposed to be served
- 167 applications
- 58 parishes represented
- 23 companies
- \$90 million available for Round 2 opening in early summer

## Comparison of State General Fund at EOB Freeze to Recommended

(Exclusive of Contingencies and Inclusive of Double Counts)

Department Name	EOB Freeze 12/1/2021	Executive Budget	Recommended Over/(Under) EOB Freeze	Percent Change
Executive	202,177,419	178,599,140	(23,578,279)	(11.66%)
Veterans Affairs	13,106,602	13,982,883	876,281	6.69%
Secretary of State	56,922,580	63,663,715	6,741,135	11.84%
Attorney General	16,759,976	15,332,745	(1,427,231)	(8.52%)
Lieutenant Governor	1,094,165	2,844,088	1,749,923	159.93%
State Treasurer	90,000	-	(90,000)	(100.00%)
Public Service Commission	-	-	-	0.00%
Agriculture & Forestry	19,723,864	24,140,486	4,416,622	22.39%
Commissioner of Insurance	-	-	-	0.00%
Economic Development	44,235,921	38,545,648	(5,690,273)	(12.86%)
Culture, Recreation & Tourism	35,815,256	35,251,420	(563,836)	(1.57%)
Transportation & Development	16,150,000	5,000,000	(11,150,000)	(69.04%)
Corrections Services	562,077,172	629,648,552	67,571,380	12.02%
Public Safety Services	4,101,659	2,894,000	(1,207,659)	(29.44%)
Youth Services	130,395,033	138,368,190	7,973,157	6.11%
Health & Hospitals	2,349,184,553	2,828,697,630	479,513,077	20.41%
Children & Family Services	223,588,005	249,463,416	25,875,411	11.57%
Natural Resources	7,933,771	10,584,407	2,650,636	33.41%
Revenue	-	-	-	0.00%
Environmental Quality	3,529,624	4,568,830	1,039,206	29.44%

## Comparison of State General Fund at EOB Freeze to Recommended

(Exclusive of Contingencies and Inclusive of Double Counts)

Department Name	EOB Freeze 12/1/2020	Executive Budget	Recommended Over/(Under) EOB Freeze	Percent Change
Workforce Commission	9,595,933	10,595,933	1,000,000	10.42%
Wildlife & Fisheries	295,000	8,350,000	8,055,000	2730.51%
Civil Service	6,146,574	6,818,368	671,794	10.93%
Retirement Systems	-	-	-	0.00%
Higher Education	1,174,941,971	1,250,587,272	75,645,301	6.44%
Other Education	57,325,844	58,278,646	952,802	1.66%
Dept. of Education	3,660,845,184	3,933,285,471	272,440,287	7.44%
Health Care Services Division	24,983,780	25,530,111	546,331	2.19%
Other Requirements	639,619,047	628,514,802	(11,123,701)	(1.74%)
<b>General App. Bill</b>	<b>\$9,260,638,933</b>	<b>\$10,163,545,753</b>	<b>\$902,887,364</b>	<b>9.75%</b>
Ancillary	-	-	-	0.00%
Non-Appropriated	525,352,685	526,904,967	1,552,282	0.30%
Judicial App. Bill	164,008,439	171,739,107	7,730,668	4.71%
Leg. App. Bill	73,610,173	73,610,173	-	0.00%
Special Acts	-	-	-	0.00%
Capital Outlay	43,331,996	-	(43,331,996)	(100.00%)
<b>Other App. Bills &amp; Requirements</b>	<b>\$806,303,293</b>	<b>\$772,254,247</b>	<b>(\$34,049,046)</b>	<b>(4.22%)</b>
<b>Total State Requirements</b>	<b>\$10,066,942,226</b>	<b>\$10,935,800,000</b>	<b>\$868,838,318</b>	<b>8.63%</b>

# Seize the Moment



- Don't blow it
- \$2.83 billion in one-time money
- Use it exclusively for one-time needs
- Pay down debt
- Seed the Early Childhood Education Fund
- Invest \$1 billion on roads, highways, and bridges
- Create fund for new Baton Rouge bridge



## Invest in FY 23

- Increase teacher pay
- Increase faculty pay
- Commit more than \$150 million in new dollars for Higher Education
- Increase supplemental pay
- Raise rates for all ICF/OD providers