

LOUISIANA STATE BUDGET*

Fiscal Year 10-11 Total Budget = \$30.4 billion

\$7.7 billion from State General Funds

\$11.5 billion from Federal Funds

Fiscal Year 09-10 Total Budget = \$35.4 billion

\$8.8 billion from State General Funds

\$16.2 billion from Federal Funds

* THESE FIGURES INCLUDE THE LEGISLATIVE EXPENSE, JUDICIAL EXPENSE, ANCILLARY APPROPRIATIONS, CAPITAL OUTLAY, AND NON-APPROPRIATED OTHER REQUIREMENTS.

CHANGE FROM FY 09-10 TO FY 10-11

TOTAL BUDGET DECREASE OF \$5 BILLION

\$1.1 BILLION LESS STATE GENERAL FUNDS

\$4.7 BILLION LESS FEDERAL FUNDS

CHANGE IN FUNDING

(in billions)

MEANS OF FINANCE	FY 09-10	FY 10-11	Difference
State General Funds	\$8.8	\$7.7	-\$1.1
Interagency Transfers	\$3.3	\$3.6	\$0.3
Self-Generated	\$3.0	\$2.9	-\$0.1
Statutory Dedications	\$4.1	\$4.7	\$0.6
Federal Funds	\$16.2	\$11.5	-\$4.7
TOTAL	\$35.4	\$30.4	-\$5.0

The decrease in federal funds is due to the reduction of FEMA funds related to hurricane disaster recovery which is in the final stages. Hurricane disaster recovery funding is approx. \$3 billion in FY 10-11.

ALLOCATION OF STATE GENERAL FUNDS

In Fiscal Year 10-11

The \$7.7 billion in state funds are allocated as follows:

Elementary Education – \$3.3 billion (43%)

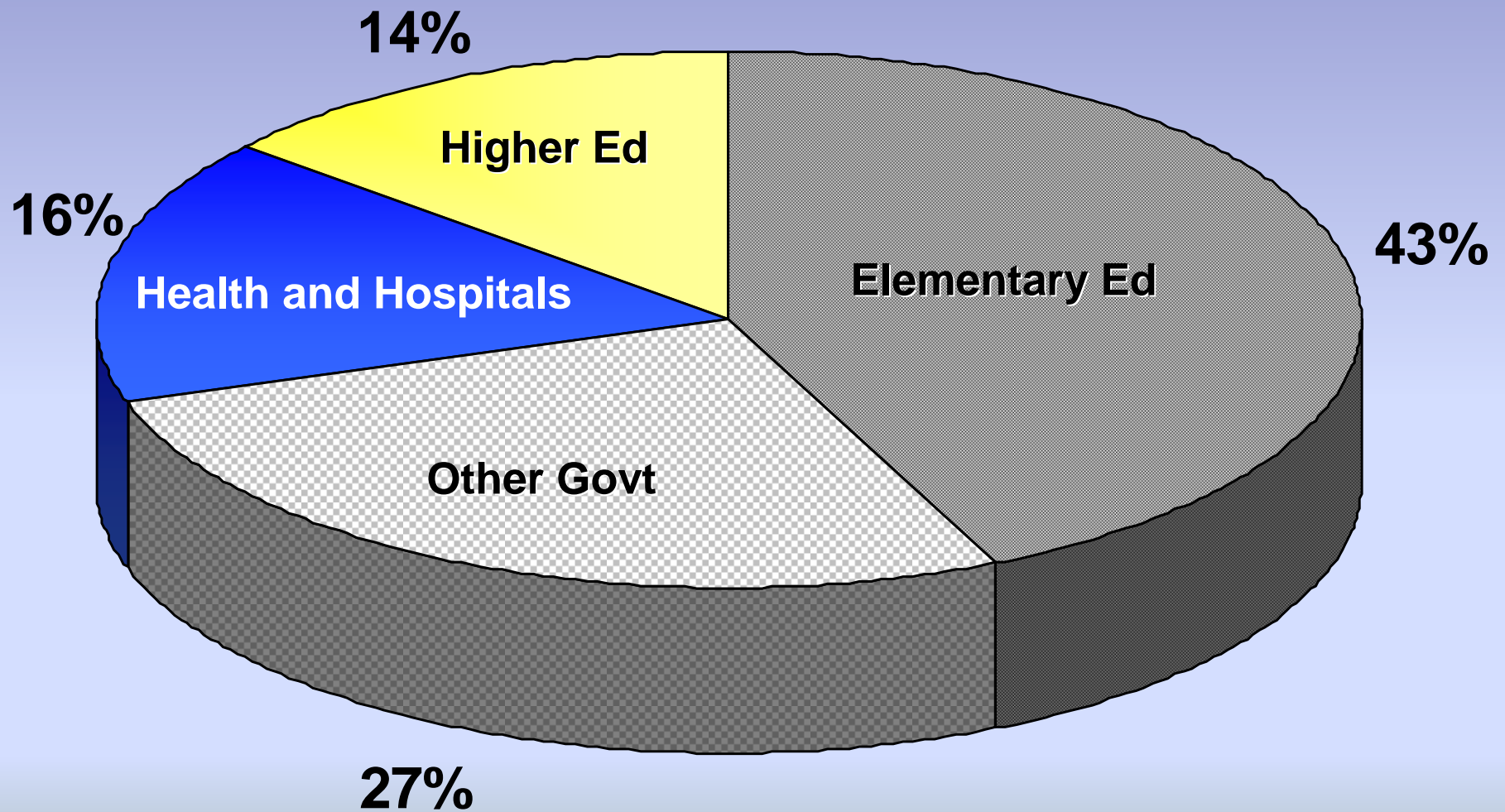
Health and Hospitals – \$1.2 billion (16%)

Higher Education – \$1.1 billion (14%)

Other Government - \$2.1 billion (27%)

-73% of the State General Funds are allocated to Education and Healthcare.

ALLOCATION OF STATE GENERAL FUNDS In Fiscal Year 10-11



BUDGET SHORTFALLS

Revenue projections for Fiscal Years 09-10 and 10-11 declined significantly starting in December of 2009.

FY 09-10 shortfall = \$829 million

FY 10-11 shortfall = \$689 million

- \$302 million revised revenue estimates
- \$387 million replacing funds and other budget needs

FY 09-10 SHORTFALL (\$829 million)

1ST Mid-Year Shortfall = \$248 million (Dec. 2009)

Governor Jindal made cuts to state agencies to resolve deficit.

2nd and 3rd Shortfall = \$581 million (April and June 2010)

Resolved as follows:

- \$198 mill – Rainy Day Fund
- \$154 mill – DHH Cost Reports
- \$68 mill – Cut to State Agencies (\$30 mill to Higher Ed and \$10 mill to DHH)
- \$63 mill – State Emergency Response Fund
- \$33 mill – Cash Swap From Capital Outlay
- \$25 mill – Various Fund Balances
- \$23 mill – Unspent Interim Emergency Board Funds
- \$17 mill – Eli Lilly Drug Settlement

FY 10-11 REVENUE SHORTFALL (\$302 million)

FY 10-11 Shortfall = \$302 million

(based on Revenue Estimating adopting \$245 mill and \$57 mill shortfalls)

The shortfall was eliminated through the use of revenue from the following sources:

- \$145 mill – Tax Amnesty (of \$482 million collected)
- \$77 mill – State Emergency Response Fund
- \$80 mill – Cuts to State Agencies

Additional budget shortfall on next page.

FY 10-11 FUNDS SHORTFALL (\$387 million)

FY 10-11 DHH Shortfall = \$309 million

FY 10-11 Other Needs = \$78 million

FY 10-11 Total = \$387 million

This shortfall was eliminated through the use of revenue from the following sources:

- \$106 mill – Enhancement of Federal Medicaid Assistance
- \$97 mill – Tax Amnesty
- \$90 mill – DHH Cost Reports
- \$76 mill – 2009 State General Fund Surplus
- \$18 mill – Artificial Reef Fund

USE OF FUNDS TO RESOLVE FY 10 AND FY 11 BUDGET SHORTFALLS

FUNDS	In Millions		
	INITIAL BALANCE	USED	REMAINING BALANCE
RAINY DAY FUND	\$842	\$198	\$644
TAX AMNESTY	\$242	\$242	\$0
STATE EMERGENCY RESPONSE FUND	\$144	\$140	\$4
2008-09 CASH SURPLUS	\$76	\$76	\$0
ARTIFICIAL REEF FUND	\$42	\$18	\$24
ELI LILLY DRUG SETTLEMENT	\$17	\$17	\$0
VARIOUS OTHER FUNDS	\$41	\$33	\$8

FISCAL YEAR 11-12

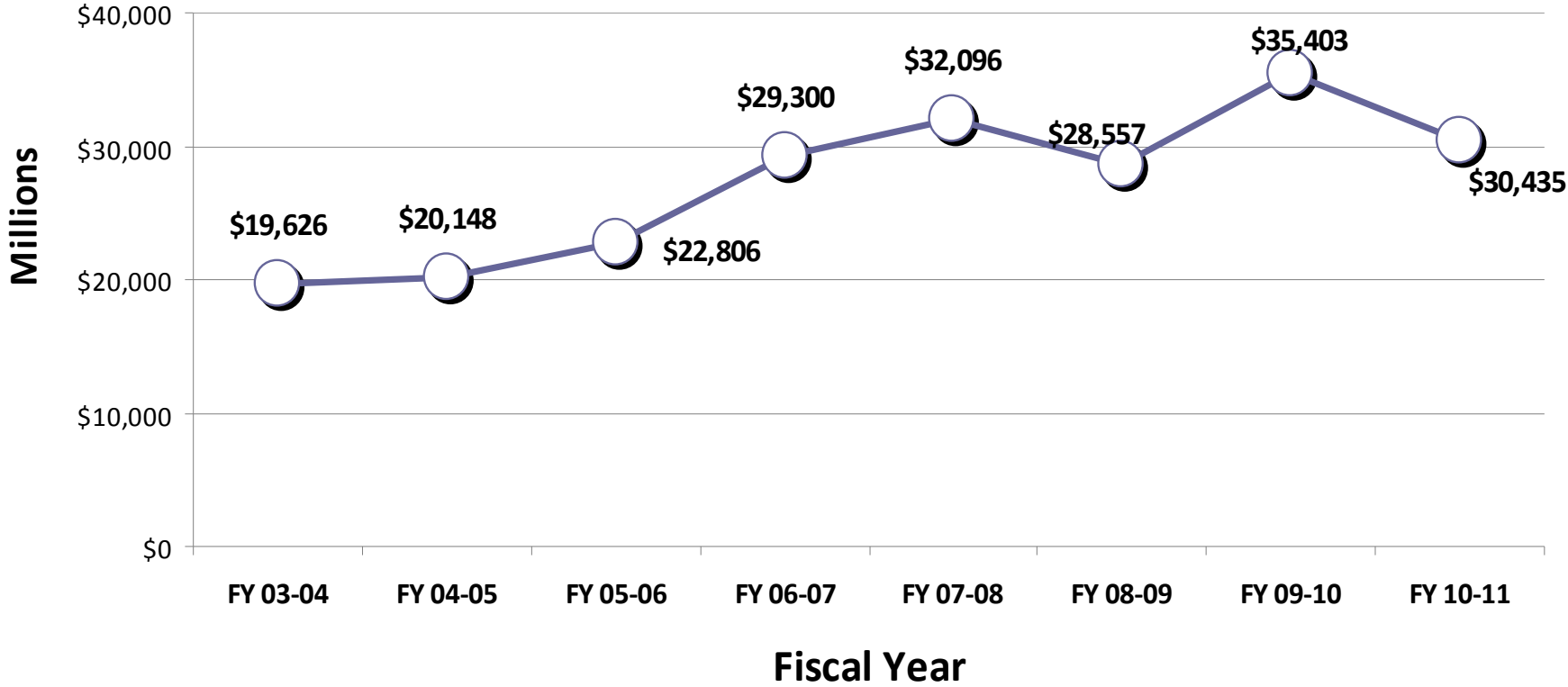
\$2.4 BILLION PROJECTED SHORTFALL

**\$586 MILLION IN ONE-TIME FUNDS ADD TO
THE BUDGET PROBLEM**

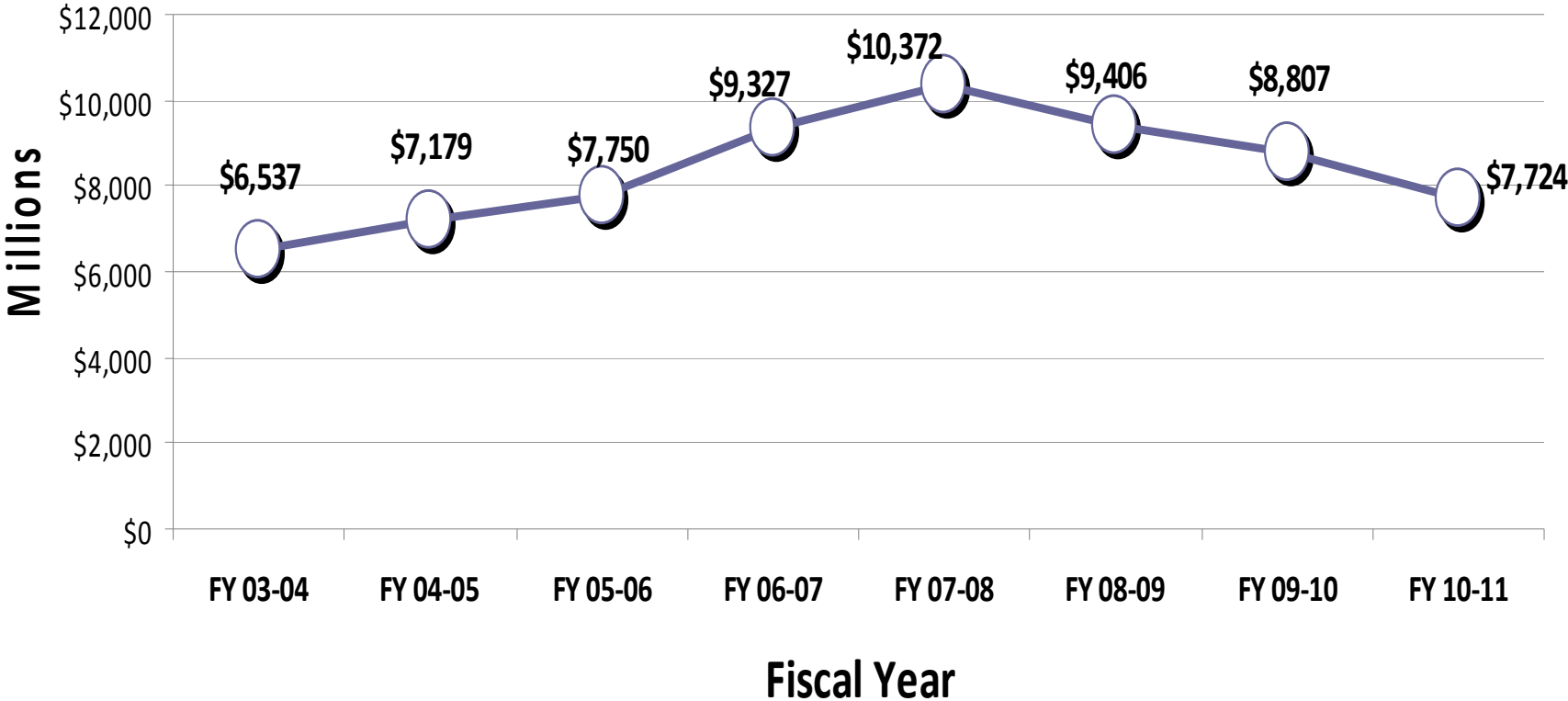
**A DECLINING ECONOMY AND THE LOSS OF
\$1 BILLION IN FEDERAL STIMULUS ARE
ALSO MAJOR CONTRIBUTORS TO THE
SHORTFALL**

Note: The shortfall is as of the last five-year forecast in May 2010.

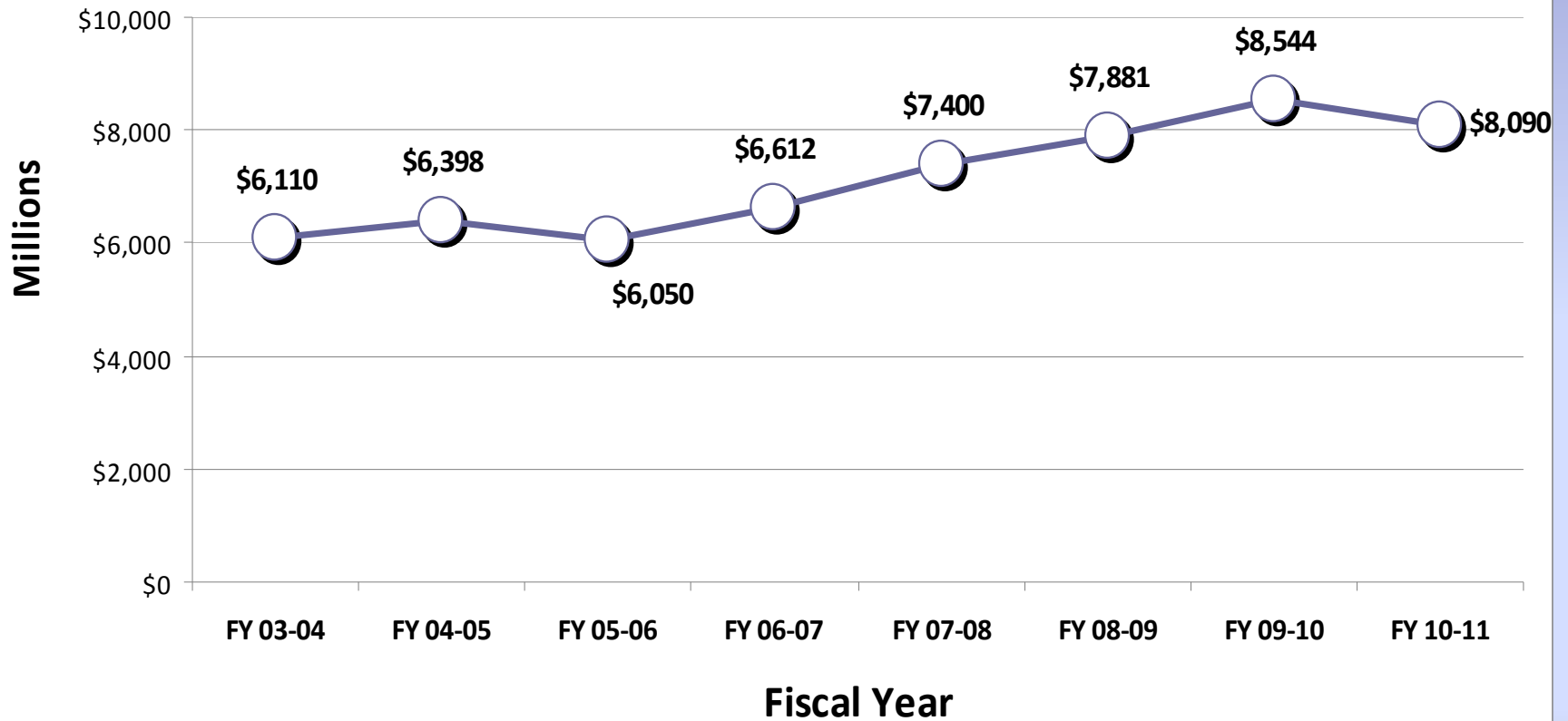
TOTAL STATE BUDGET (Total Funding)



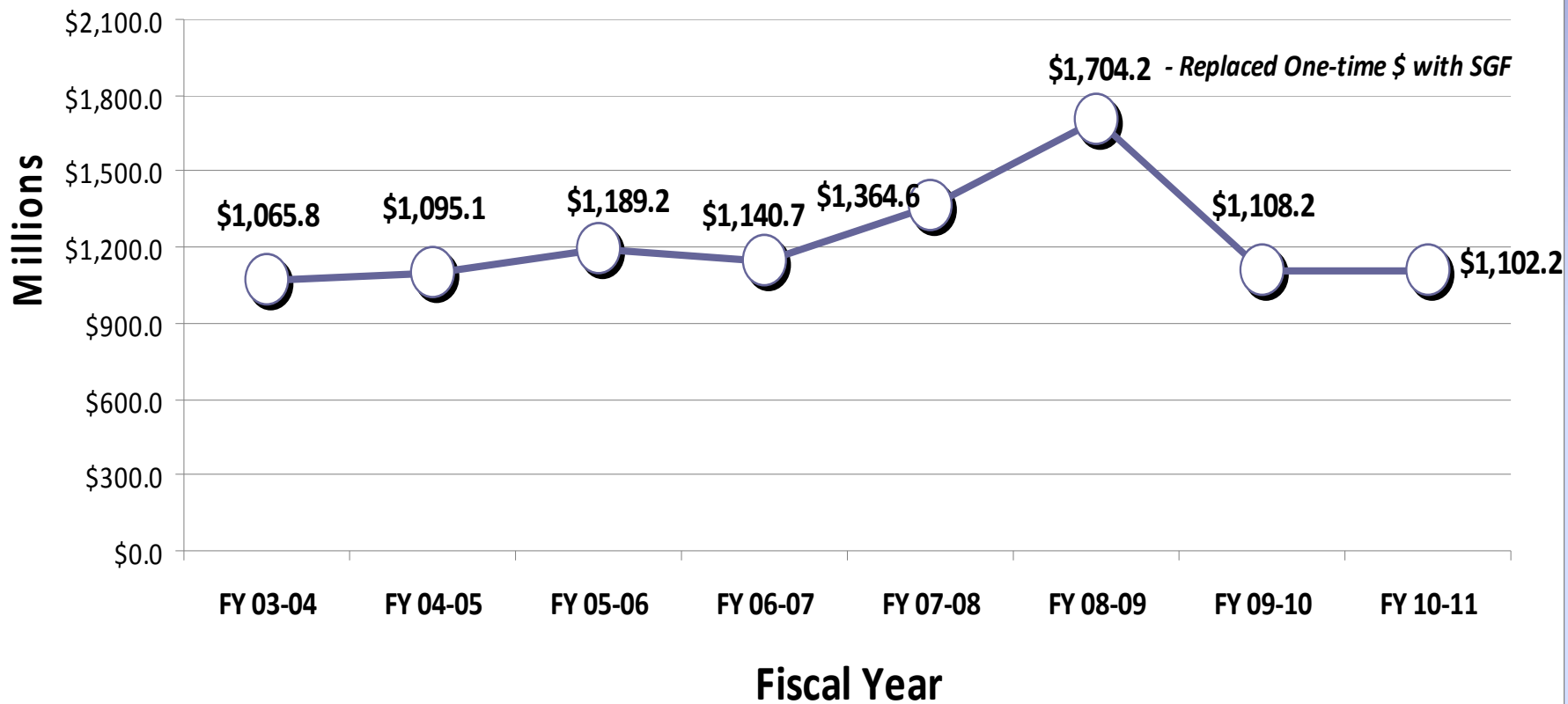
TOTAL STATE BUDGET (State General Fund)



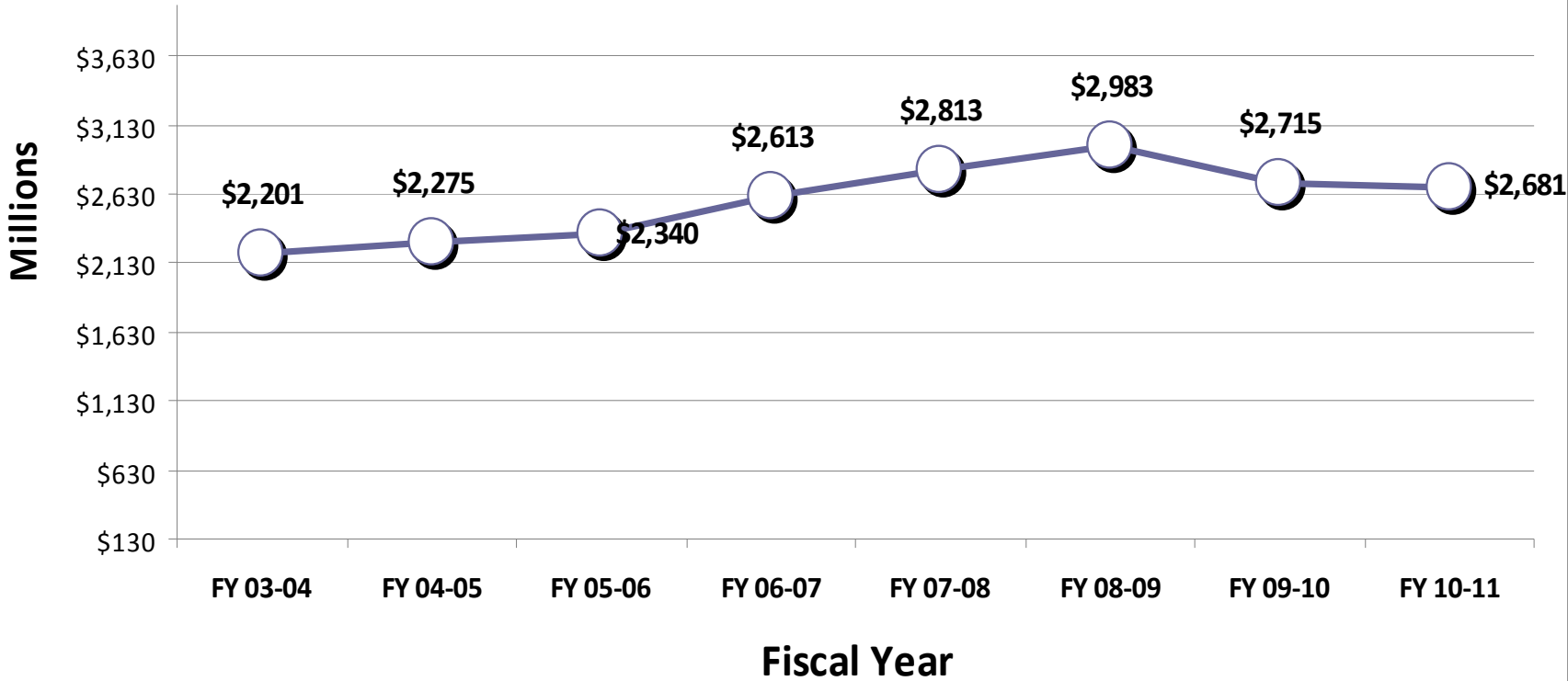
DEPARTMENT OF HEALTH & HOSPITALS (Total Funding)



DEPARTMENT OF HEALTH AND HOSPITALS (State General Fund)

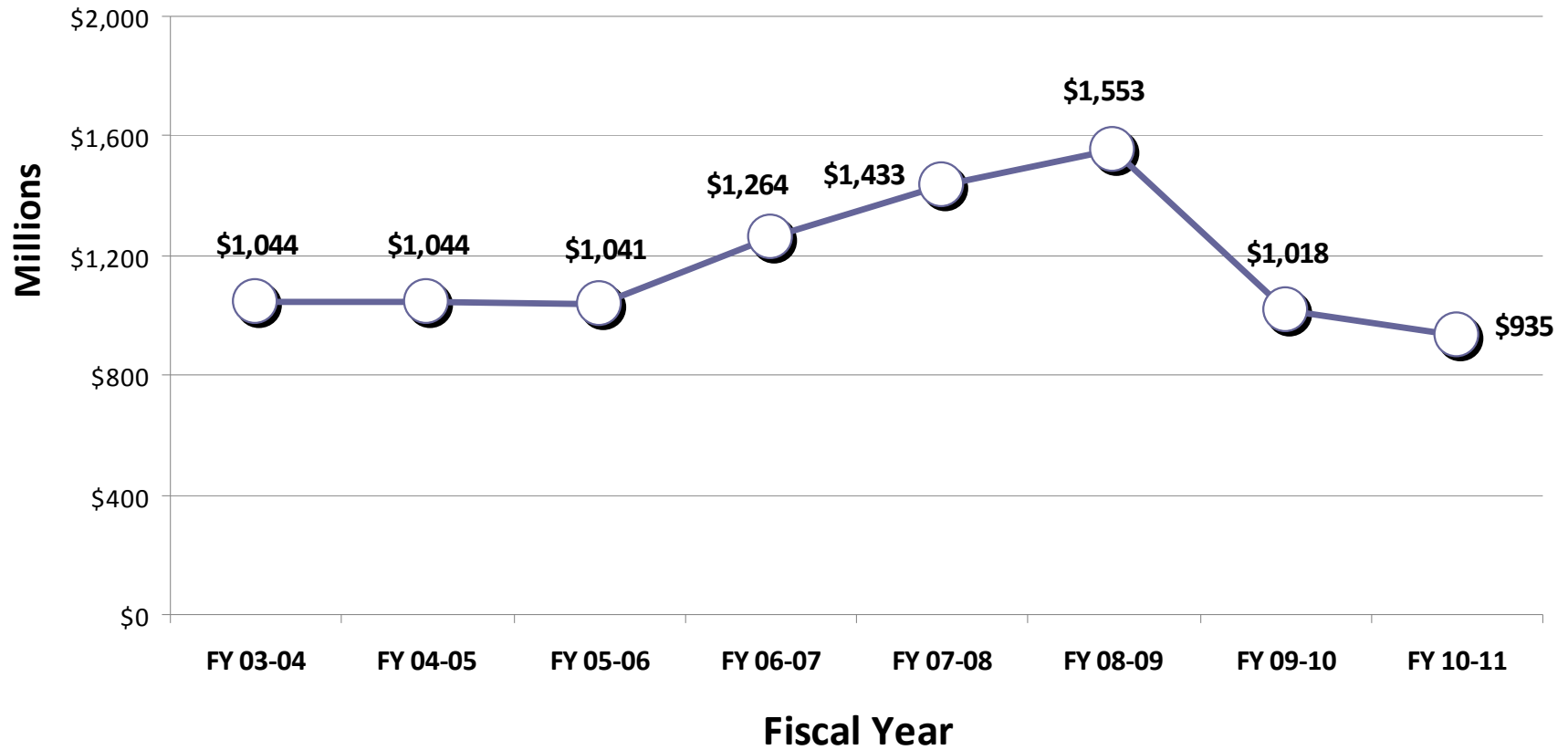


HIGHER EDUCATION (Total Funding)



Note: For comparison purposes, FY 09-10 and FY 10-11 numbers exclude Office of Student Financial Assistance funds, which were not part of Higher Education in prior fiscal years.

HIGHER EDUCATION (State General Fund)



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