



**EXECUTIVE DEPARTMENT
EXECUTIVE ORDER NO. JBE 16-04**

EXECUTIVE BRANCH – EXPENDITURE REDUCTION

WHEREAS,

pursuant to *La. R.S. 39:75(A)(1)*, the Division of Administration is directed to submit a monthly budget status report to the Joint Legislative Committee on the Budget (hereafter "the Committee") indicating the balance of the budget for the State General Fund and dedicated funds by comparing the official forecast for these funds to the total authorized appropriations from each fund; once approved by the Committee, the most recent budget status report becomes the official budget status of the State;

WHEREAS,

if the most recently approved budget status report indicates that the total appropriation from any fund will exceed the official forecast for that fund, *La. R.S. 39:75(B)* requires the Committee to immediately notify the Governor that a projected deficit exists for that fund;

WHEREAS,

on February 13, 2016, the Committee notified the Governor that it approved a budget status report at its February 13, 2016, meeting, indicating that a projected deficit of \$570,100,000 exists in the State General Fund for Fiscal Year 2015-2016, based on the revised official forecast of revenue available for appropriation adopted by the Revenue Estimating Conference on February 10, 2016, compared to total appropriations;

WHEREAS,

once notified that a projected deficit exists, pursuant to Article VII, Section 10, of the Constitution of Louisiana and *La. R.S. 39:75(C)(1)(a)*, the Governor has interim budget balancing powers to adjust the budget, including the authority to reduce appropriations for the executive branch of government for any program that is appropriated from a fund that is in a deficit posture, not exceeding three percent (3%) in the aggregate of the total appropriations for each budget unit for the fiscal year up to 5% of the State General Fund allocations or appropriations, or \$445,640,766, and if the Governor does not make necessary adjustments in the appropriations to eliminate the projected deficit within thirty (30) days of the determination of the projected deficit in a fund, *La. R.S. 39:75(D)* mandates that the Governor call a special session of the Louisiana Legislature for that purpose;

WHEREAS,

on November 20, 2015, the Committee notified the Governor of a projected deficit of \$487,277,518 in the current fiscal year;

WHEREAS,

the Governor and the Committee reduced the State General Fund appropriations by \$352,665,361 under Article VII, Section 10, of the Constitution of Louisiana, leaving a possible State General Fund reduction of \$92,975,405 under this authority for the Governor and the Committee;

WHEREAS,

since the state has less than five months remaining in the current fiscal year and State General Fund dollars are now limited, I have reviewed and elected to cut, by this order, 10% of the remaining three-fifths of the State General Fund available for further reduction, while protecting higher

education and Medicaid from further State General Fund reductions;

WHEREAS,

as authorized by Article VII, Section 10, of the Constitution of Louisiana, and *La. R.S. 39:75(C)(1)(a)*, I am exercising my unilateral interim budget balancing powers to reduce the projected deficit by \$21,734,240;

WHEREAS,

one-third of the Budget Stabilization Fund as determined by *La. R.S. 39:95* is \$156,624,004, and \$28,164,341 of that amount was authorized by the legislature to help resolve the deficit declared on November 20, 2015;

WHEREAS,

as authorized by *La. R.S. 39:94(C)(2)* and *La. R.S. 39:87(1)*, I am requesting the legislature to approve the use of the Budget Stabilization Fund in the amount of \$128,459,663 which is the remainder of the one-third balance of the fund at the beginning of the current fiscal year in accordance with *La. R.S. 39:95*;

WHEREAS,

after utilizing those authorities, \$419,906,097 remains of the projected deficit which must be eliminated, therefore I direct the Commissioner of Administration to present to the Committee for its approval a plan to further reduce the projected deficit pursuant to *La. R. S. 39:75(C)*, including \$5,630,023 under Article VII, Section 10, of the Constitution of Louisiana;

WHEREAS,

the remaining \$65,611,142 reductions authorized by Article VII, Section 10, of the Constitution of Louisiana by the Governor and the Committee would be taken by higher education and Medicaid after consideration by the Legislature during the First Extraordinary Session;

WHEREAS,

I will present to the Legislature in the 2016 First Extraordinary Session additional reductions, revenues, and statutory changes to eliminate the remaining amount of the deficit; and

WHEREAS,

this Executive Order and the plan to be submitted to the Committee and the Legislature may utilize all or a portion of the General Fund dollar savings objective specified in Executive Order JBE 2016-03.

NOW THEREFORE, I, JOHN BEL EDWARDS, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and laws of the State of Louisiana, do hereby order and direct as follows:

SECTION 1:

The following departments, agencies, and/or budget units (hereafter "Unit" and/or "Units") of the executive branch of the State of Louisiana, as described in and/or funded by appropriations through Acts 16, 26, and 46 of the 2015 Regular Session of the Louisiana Legislature (hereafter "the Acts"), shall reduce expenditure of funds appropriated to the Unit from the State General Fund by the Acts, and associated positions, in the amounts shown below:

	<u>State General Fund</u>
<u>Schedule 01-Executive Department</u>	
01-100 Executive Office	\$ 138,812
01-102 Office of the State Inspector General	\$ 52,251
01-103 Mental Health Advocacy Service	\$ 64,196
01-106 Louisiana Tax Commission	\$ 72,395
01-107 Division of Administration	\$ 478,883
01-111 Governor's Office of Homeland Security and Emergency Preparedness	\$ 34,002
01-112 Department of Military Affairs	\$ 535,430
01-129 Louisiana Commission on Law Enforcement	\$ 125,235
01-133 Office of Elderly Affairs	\$ 344,533
<u>Schedule 04-Elected Officials</u>	
04-139 Secretary of State	\$ 768,568

04-146 Lieutenant Governor	\$	13,051
04-160 Agriculture and Forestry	\$	111,000
<u>Schedule 05-Economic Development</u>		
05-251 Office of the Secretary	\$	190,457
05-252 Office of Business Development	\$	157,528
<u>Schedule 06-Culture, Recreation and Tourism</u>		
06-261 Office of the Secretary	\$	77,458
06-262 Office of the State Library of Louisiana	\$	26,002
06-263 Office of State Museum	\$	54,638
06-264 Office of State Parks	\$	545,720
06-265 Office of Cultural Development	\$	2,762
06-267 Office of Tourism	\$	23,850
<u>Schedule 08-Public Safety and Corrections – Youth Services</u>		
08-403 Office of Juvenile Justice	\$	2,366,971
<u>Schedule 09-Health and Hospitals</u>		
09-300 Jefferson Parish Human Services Authority	\$	111,648
09-301 Florida Parishes Human Services Authority	\$	202,620
09-302 Capital Area Human Services District	\$	270,352
09-303 Developmental Disabilities Council	\$	13,751
09-304 Metropolitan Human Services District	\$	494,323
09-307 Office of the Secretary	\$	614,798
09-309 South Central Louisiana Human Services Authority	\$	369,007
09-310 Northeast Delta Human Services Authority	\$	175,081
09-320 Office of Aging and Adult Services	\$	131,966
09-324 Louisiana Emergency Response Network	\$	44,285
09-325 Acadiana Area Human Services District	\$	269,039
09-326 Office of Public Health	\$	715,009
09-330 Office of Behavioral Health	\$	412,749
09-340 Office of Citizens with Developmental Disabilities	\$	201,445
09-375 Imperial Calcasieu Human Services Authority	\$	189,777
09-376 Central Louisiana Human Services District	\$	235,906
09-377 Northwest Louisiana Human Services District	\$	136,605
<u>Schedule 10-Department of Children and Family Services</u>		
10-360 Office of Children and Family Services	\$	4,137,390
<u>Schedule 11-Natural Resources</u>		
11-434 Office of Mineral Resources	\$	39,492
<u>Schedule 13 – Environmental Quality</u>		
13-850 Office of the Secretary	\$	18,301
<u>Schedule 14-Louisiana Workforce Commission</u>		
14-474 Workforce Support and Training	\$	3,967
<u>Schedule 17-Civil Service</u>		
17-562 Ethics Administration	\$	86,852
17-563 State Police Commission	\$	9,259
17-565 Board of Tax Appeals	\$	5,251
<u>Schedule 19-Special Schools and Commissions</u>		
19B-653 Louisiana Schools for the Deaf and Visually Impaired	\$	566,770
19B-657 Louisiana School for Math, Science, and the Arts	\$	151,469
19B-662 Louisiana Educational Television Authority	\$	31,345
19B-666 Board of Elementary and Secondary Education	\$	15,701
19B-673 New Orleans Center for the Creative Arts	\$	128,925
<u>Schedule 19-Department of Education</u>		

19D-678 State Activities	\$	945,439
19D-681 Subgrantee Assistance	\$	2,052,790
19D-682 Recovery School District	\$	37,189
19D-697 Nonpublic Educational Assistance	\$	788,821
19D-699 Special School District	\$	259,468

<u>Schedule 19E-Louisiana State University Health Science Center</u>		
19E-610 Louisiana Health Care Services Division	\$	1,116,282

Schedule 20-Other Requirements

20-906 District Attorneys and Assistant District Attorneys	\$	523,864
20-933 Governor's Conferences and Interstate Compacts	\$	2,778
20-941 Agriculture and Forestry – Pass Through Funds	\$	40,784

SECTION 2:

A. No later than February 29, 2016, the head of each Unit listed in Section 1 of this Order shall submit to the Commissioner of Administration (hereafter "Commissioner") a mid-year budget reduction plan, on the BA-7 form and questionnaire, which reflects the Unit's proposed allocation of the expenditure reduction ordered in Section 1 of this Order (hereafter "mid-year budget reduction plan"), and a description of the methodology used to formulate the mid-year budget reduction plan.

B. In the event that positions of employment will be affected by the mid-year budget reduction, these positions should be included in your mid-year budget reduction plan.

C. No Unit shall implement the expenditure reduction mandated by Section 1 of this Order without the Commissioner's prior written approval of the Unit's mid-year budget reduction plan.

D. After the Commissioner has given approval of a Unit's mid-year budget reduction plan, any change to the mid-year budget reduction plan requires prior written approval from the commissioner.

SECTION 3:

The Commissioner is authorized to develop additional guidelines as necessary to facilitate the administration of this Order.

SECTION 4:

All departments, commissions, boards, offices, entities, agencies, and officers of the State of Louisiana, or any political subdivision thereof, are authorized and directed to cooperate in the implementation of the provisions of this Order.

SECTION 5:

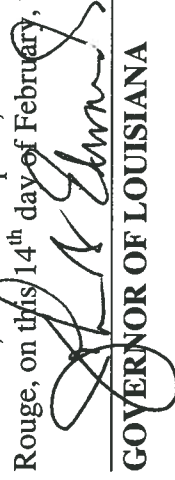
This Order is effective upon signature and shall remain in effect through June 30, 2016, unless amended, modified, terminated, or rescinded prior to that date.



ATTEST BY
 THE GOVERNOR

 SECRETARY OF STATE

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the city of Baton Rouge, on this 14th day of February, 2016.


 GOVERNOR OF LOUISIANA