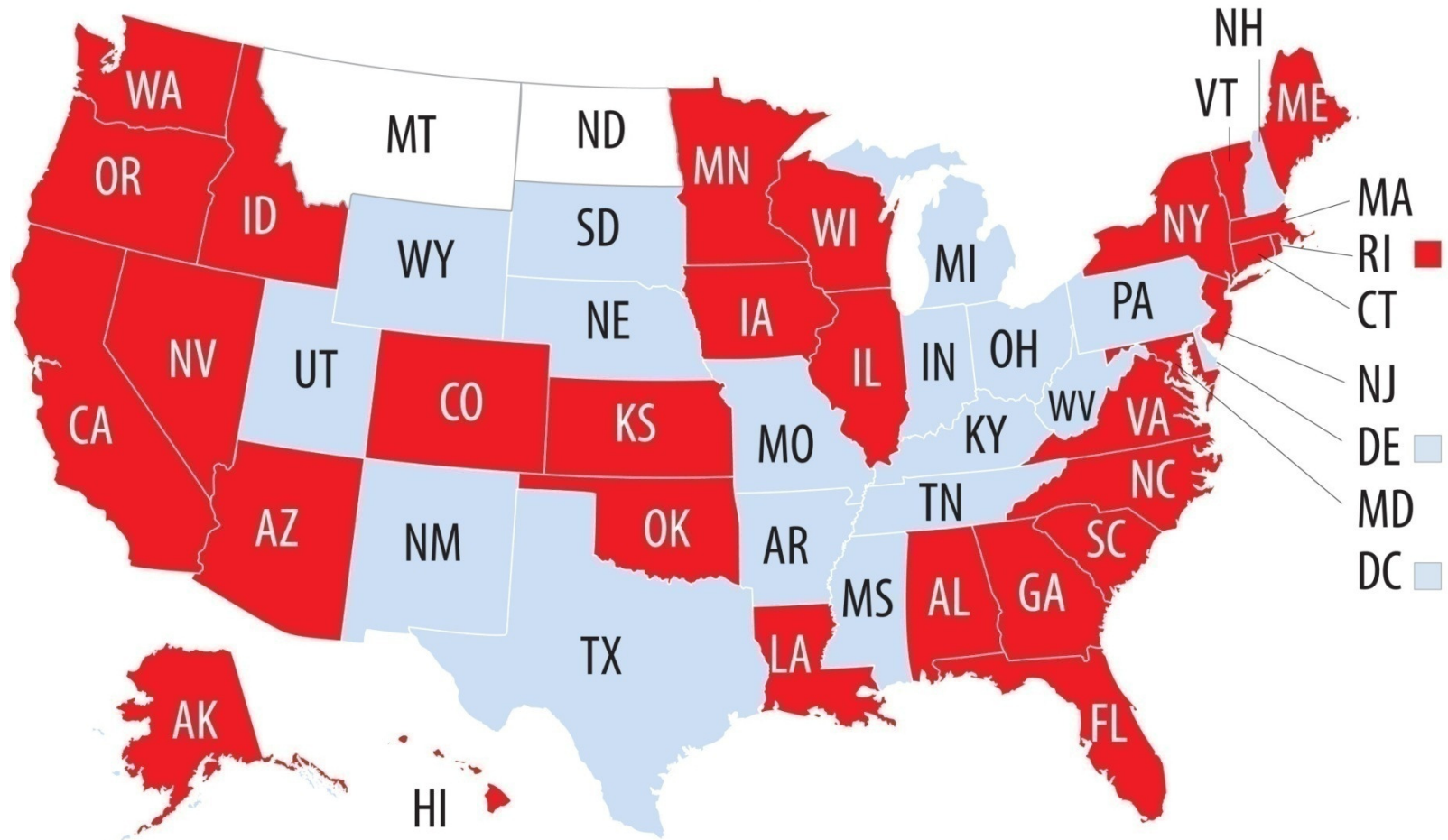


LOUISIANA AT THE
CROSSROADS
*RESPONSIBLE RESPONSES TO
LOUISIANA'S FISCAL CRISIS*

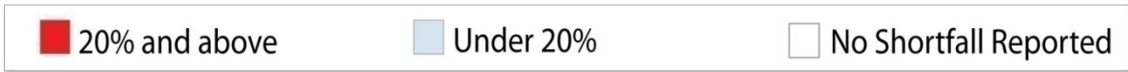


Louisiana Budget Project

48 States Face Budget Shortfalls.



Shortfalls as share of FY09 General Fund Expenditures.



4-Year Base Line Projection

<i>(in millions)</i>	FY09	FY10	FY11	FY12
State General Fund Revenue	\$9,490	\$8,851	\$8,021	\$8,204
State General Fund Expenditure	\$9,475	\$9,046	\$9,163	\$10,522
Adjustments	\$15	\$53	\$104	\$104
Cumulative Balance	\$0	(\$248)	(\$1,247)	(\$2,422)

Percent of Total Budget

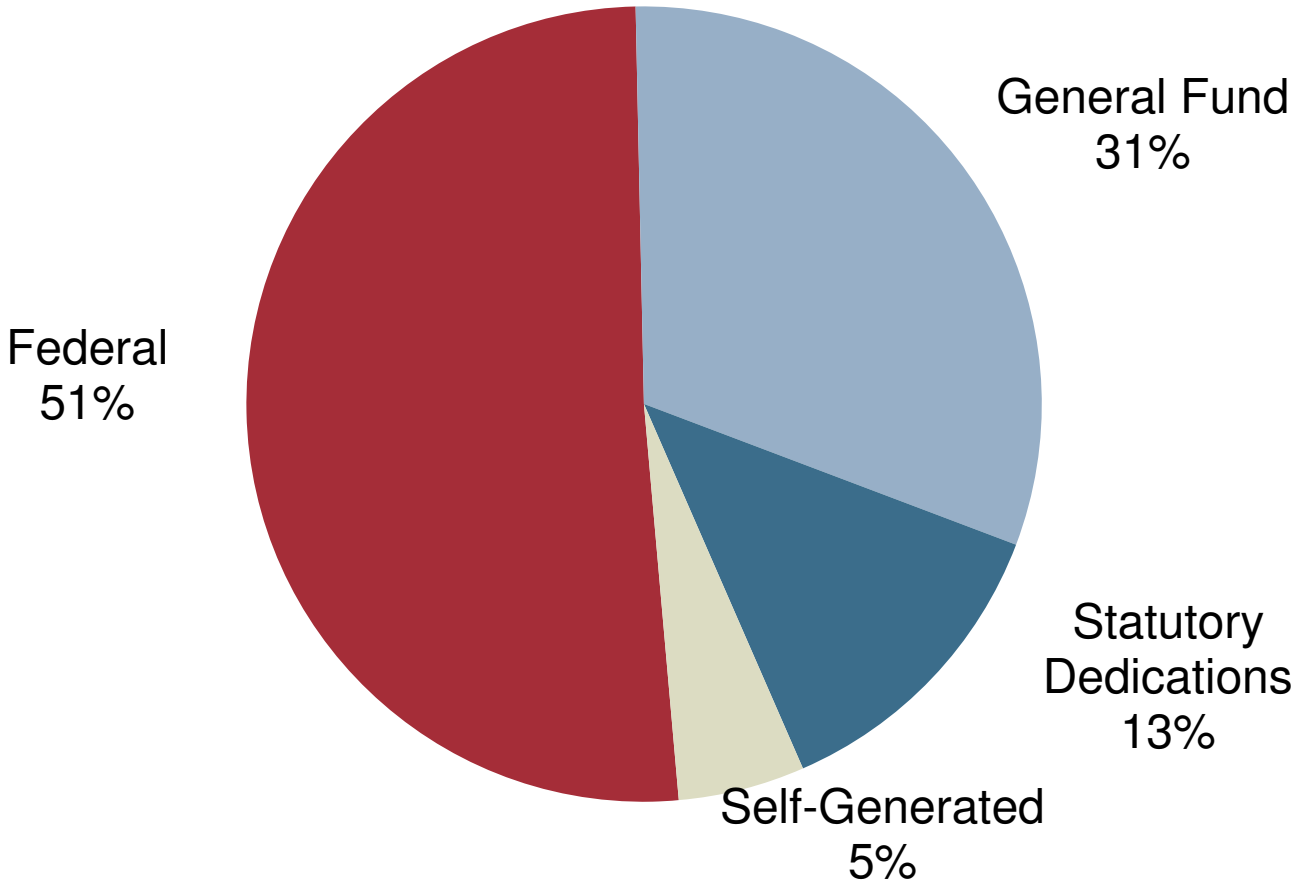
$$\text{\$2.4 billion} \div \text{\$29 billion} = \text{8\%}$$

3-year Cumulative Shortfall

Total FY10 Budget

Percent of total
FY10 budget to be
cut over 3 years

FY10 Total Means of Financing



Percent of State General Fund Spending

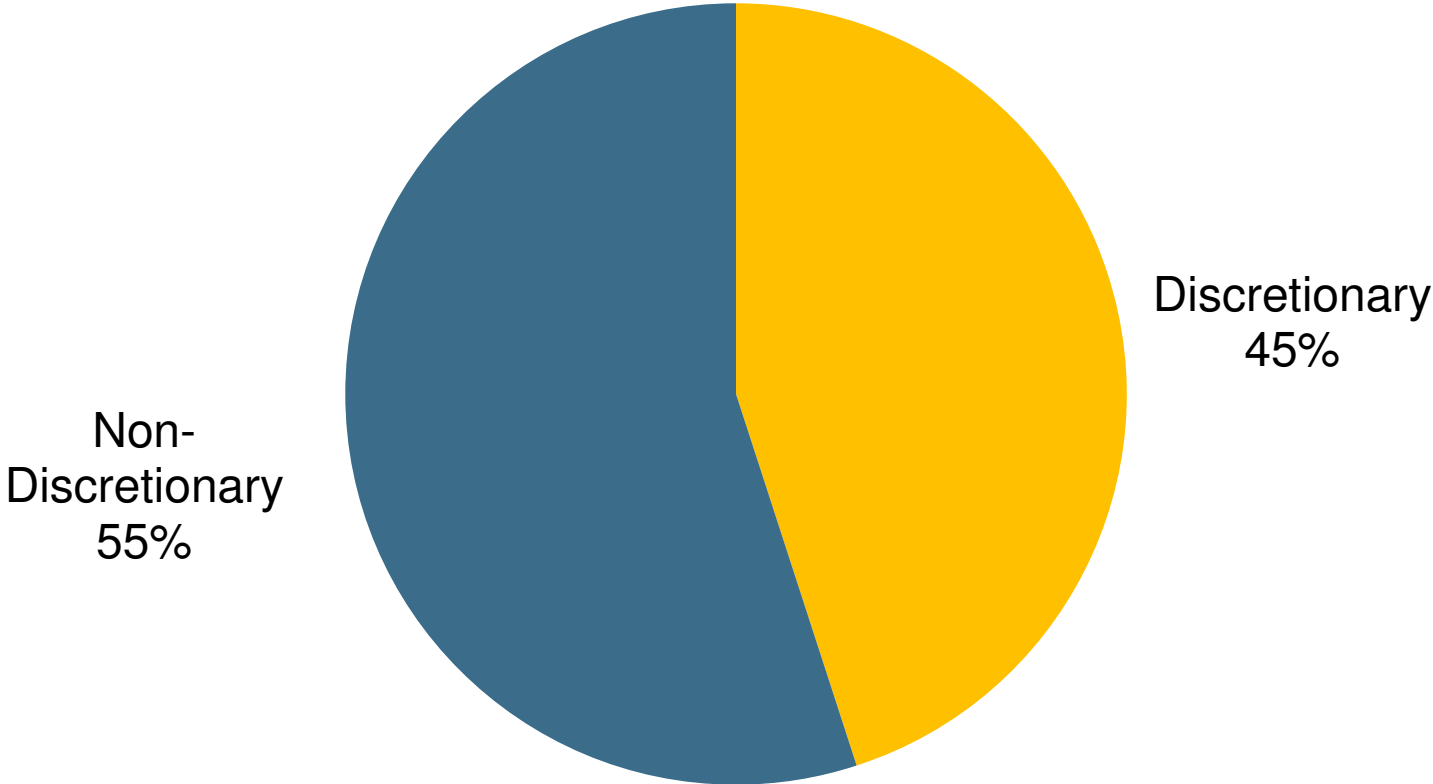
$$\text{\$2.4 billion} \div \text{\$9 billion} = \text{27\%}$$

3-year Cumulative Shortfall

FY10 State General Fund

Percent of FY10
state general fund to
be cut over 3 years

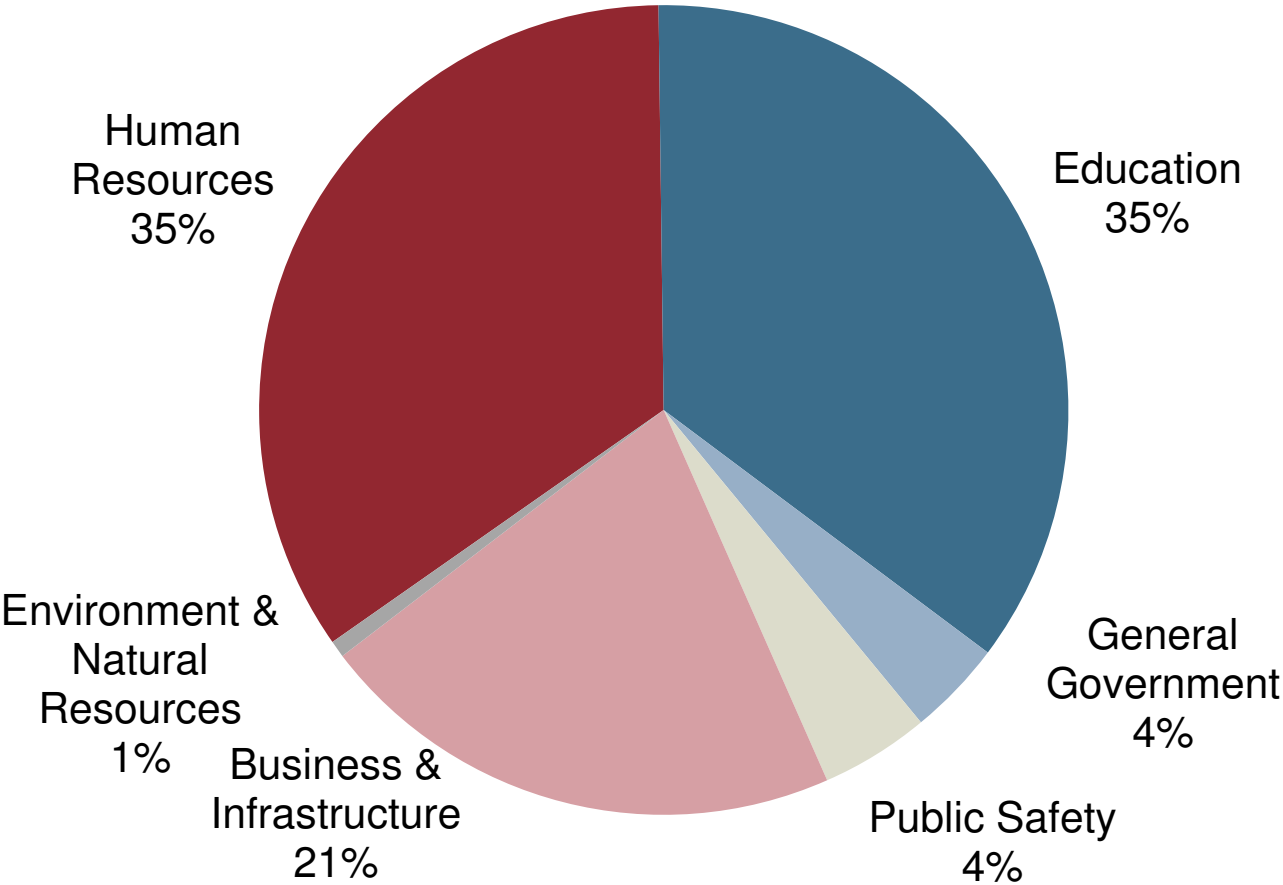
Discretionary vs. Non-Discretionary



Percent of Recurring Discretionary Spending

$$\begin{array}{ccc} \$2.4 \text{ billion} & \div & \$3.3 \text{ billion} = 73\% \\ \text{3-year Cumulative Shortfall} & & \text{FY10 Discretionary Funds} \\ & & \text{(minus one-time funds for} \\ & & \text{Capital Outlay)} \\ & & \text{Percent of FY10} \\ & & \text{recurring discretionary} \\ & & \text{fund to be cut over 3} \\ & & \text{years} \end{array}$$

FY10 Discretionary Expenditures



Fiscal Effect of Stelly Repeals

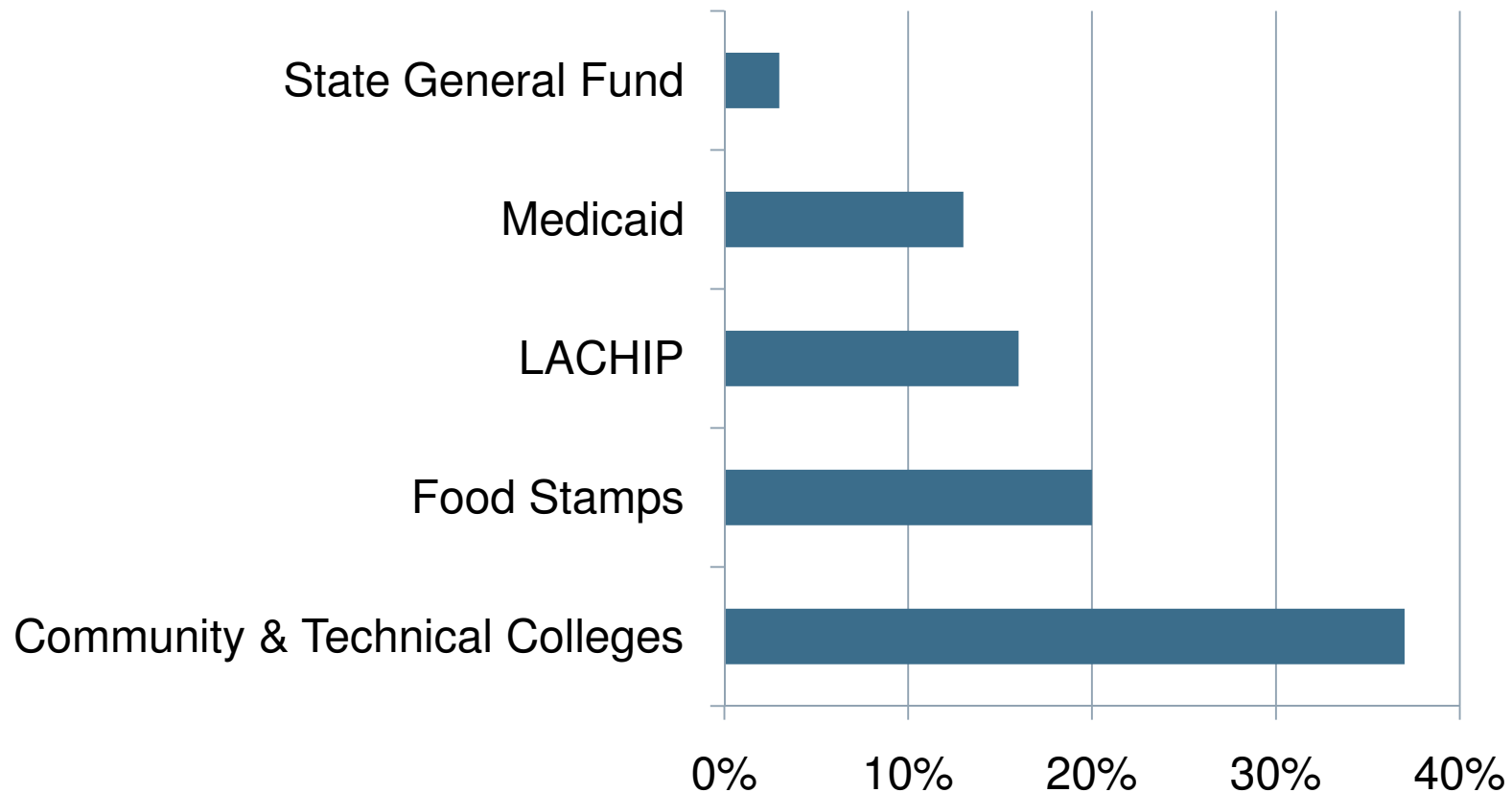
<i>(in millions)</i>	FY08	FY09	FY10	FY11	FY12	5-Year Total
Excess Itemized Deductions	\$157	\$190	\$308	\$332	\$357	\$1,344
Bracket Changes	\$0	\$0	\$359	\$251	\$262	\$872
Total Cost	\$157	\$190	\$667	\$583	\$619	\$2,216

FY11 Executive Budget

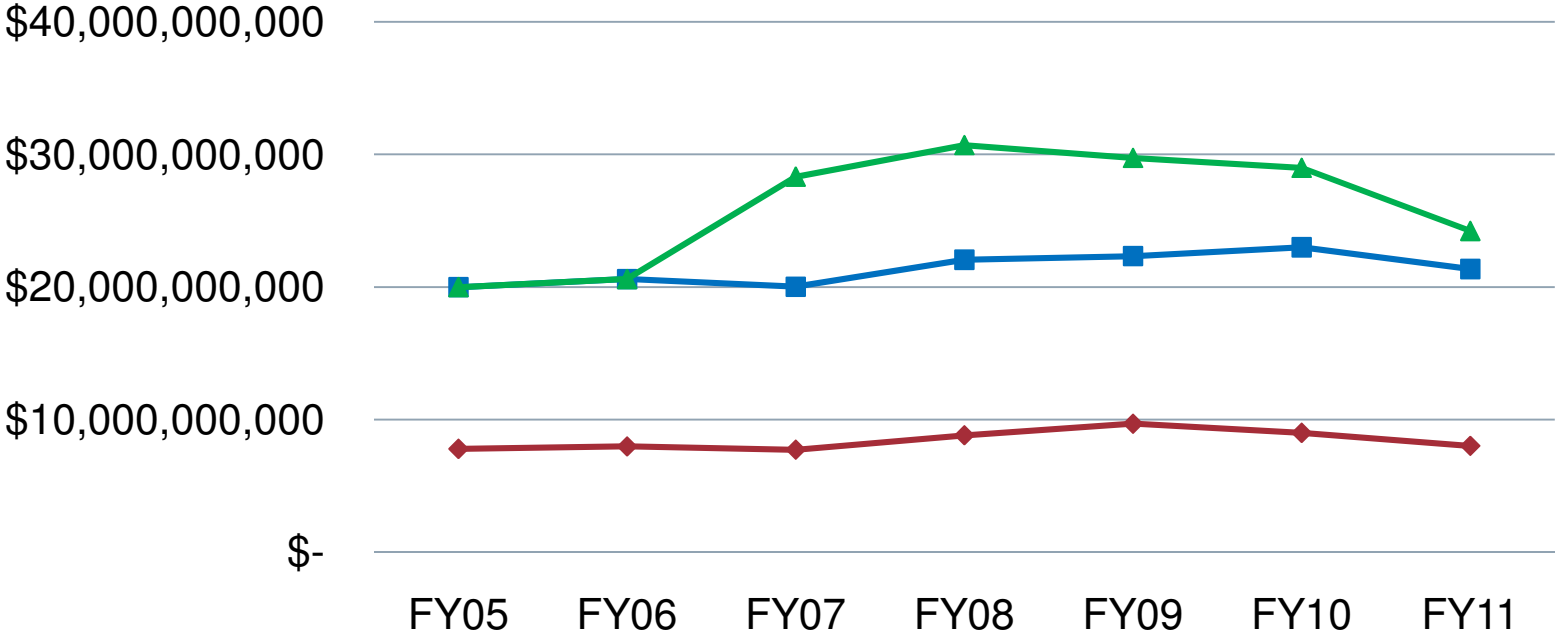
(in millions)

Department	State General Fund		Total Means of Financing	
Education	\$3,250	+1.93%	\$5,470	-3.80%
Health & Hospitals	\$1,684	+15.57%	\$7,726	-5.79%
Higher Education	\$1,098	-13.24%	\$2,944	-3.44%
Social Services	\$188	+.43%	\$989	-21.62%
Total State Budget	\$8,025	-11.29%	\$28,905	-15.84%

Increases Since Pre-Katrina FY05-FY10

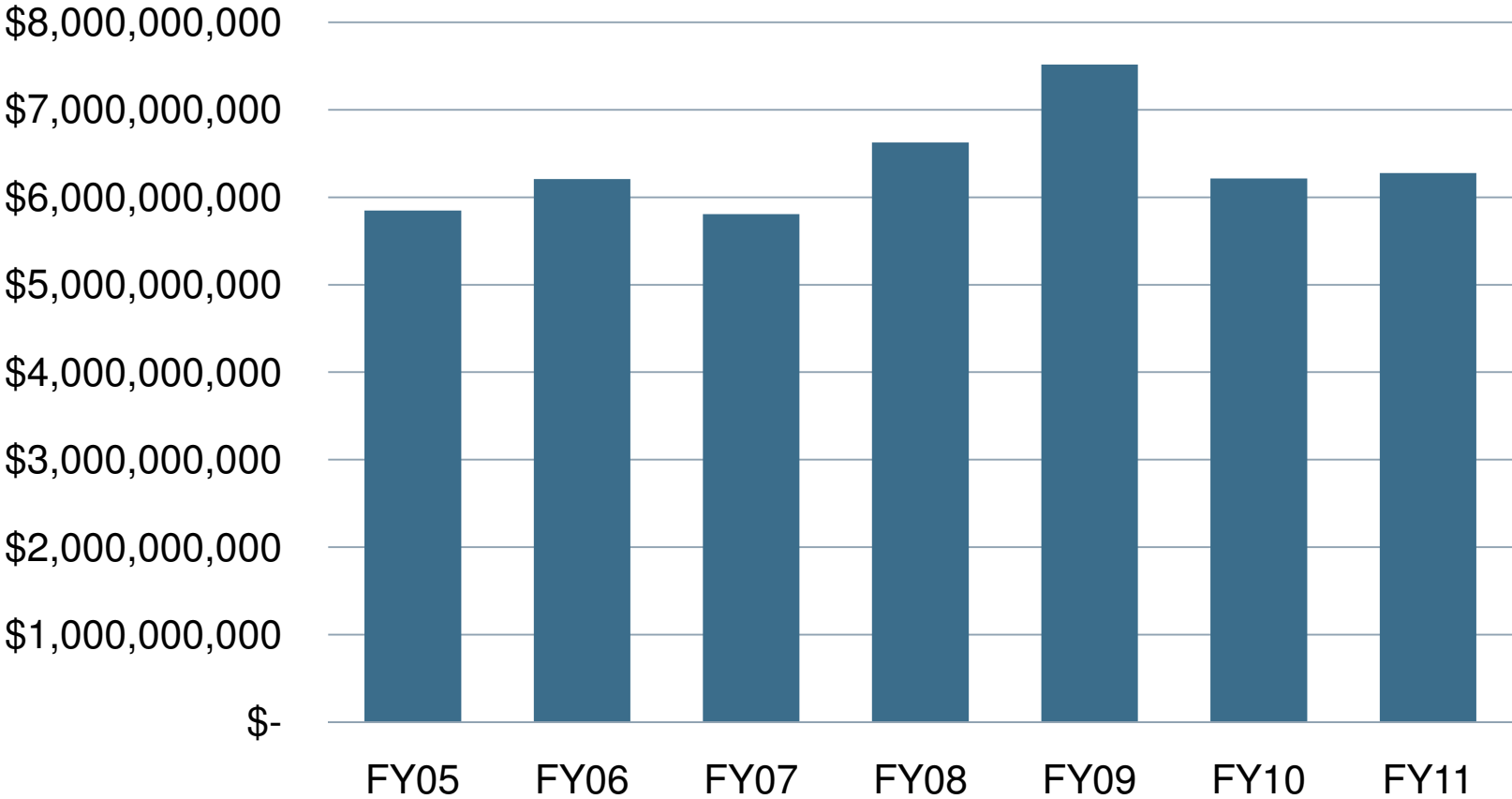


Spending Reverts to Pre-Katrina Levels (in 2009 dollars)



- ◆ State General Fund
- Total State Budget Less Hurricane Disaster Recovery Funding
- ▲ Total State Budget

SGF Spending on Human & Educational Services (in 2009 dollars)





We Need a Balanced Approach

Balanced Approach



1. Streamline tax exemption budget

5-Year Tax Exemption Budget



\$7.1 BILLION

Balanced Approach

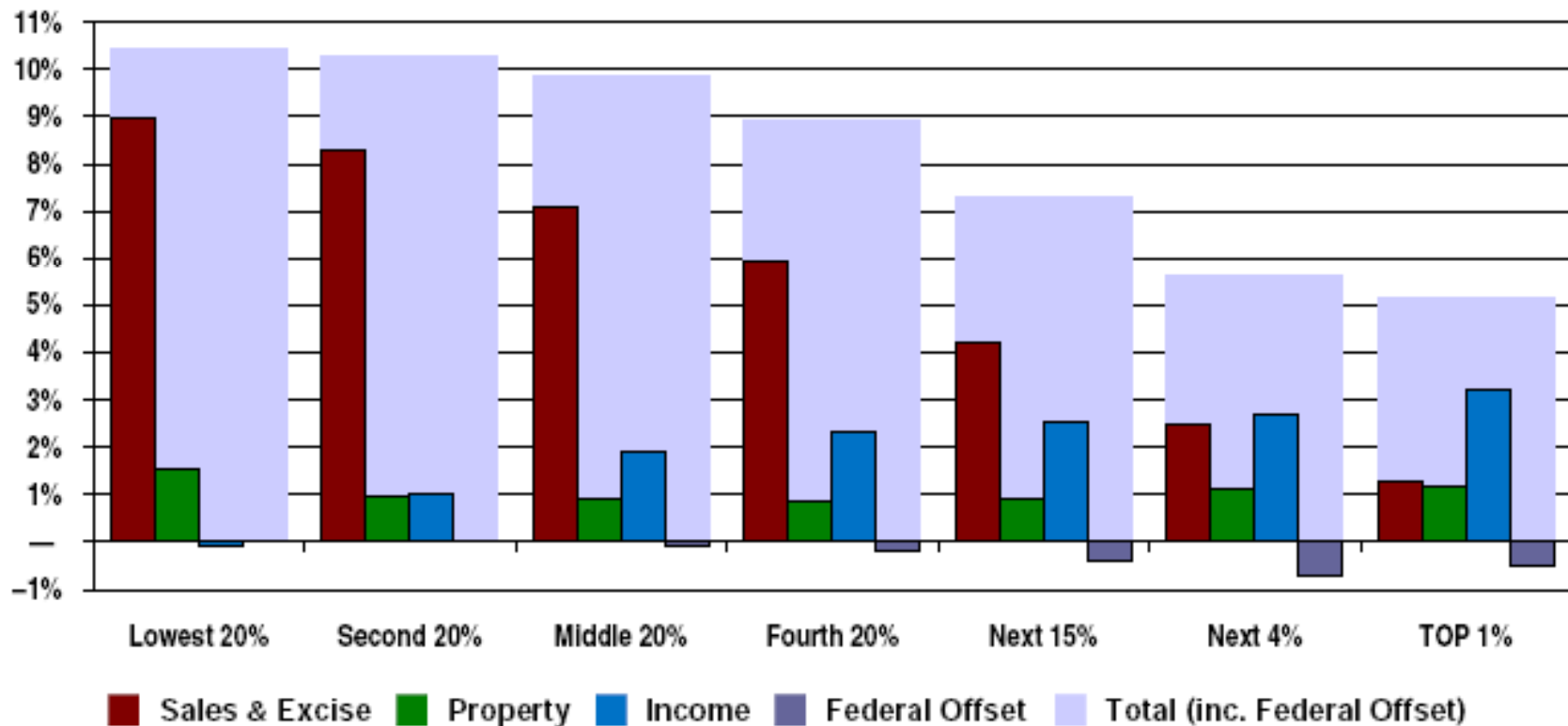
1. Streamline tax exemption budget
2. Reconsider Stelly Repeals

Balanced Approach

1. Streamline tax exemption budget
2. Reconsider Stelly Repeals
3. Review Louisiana's tax structure

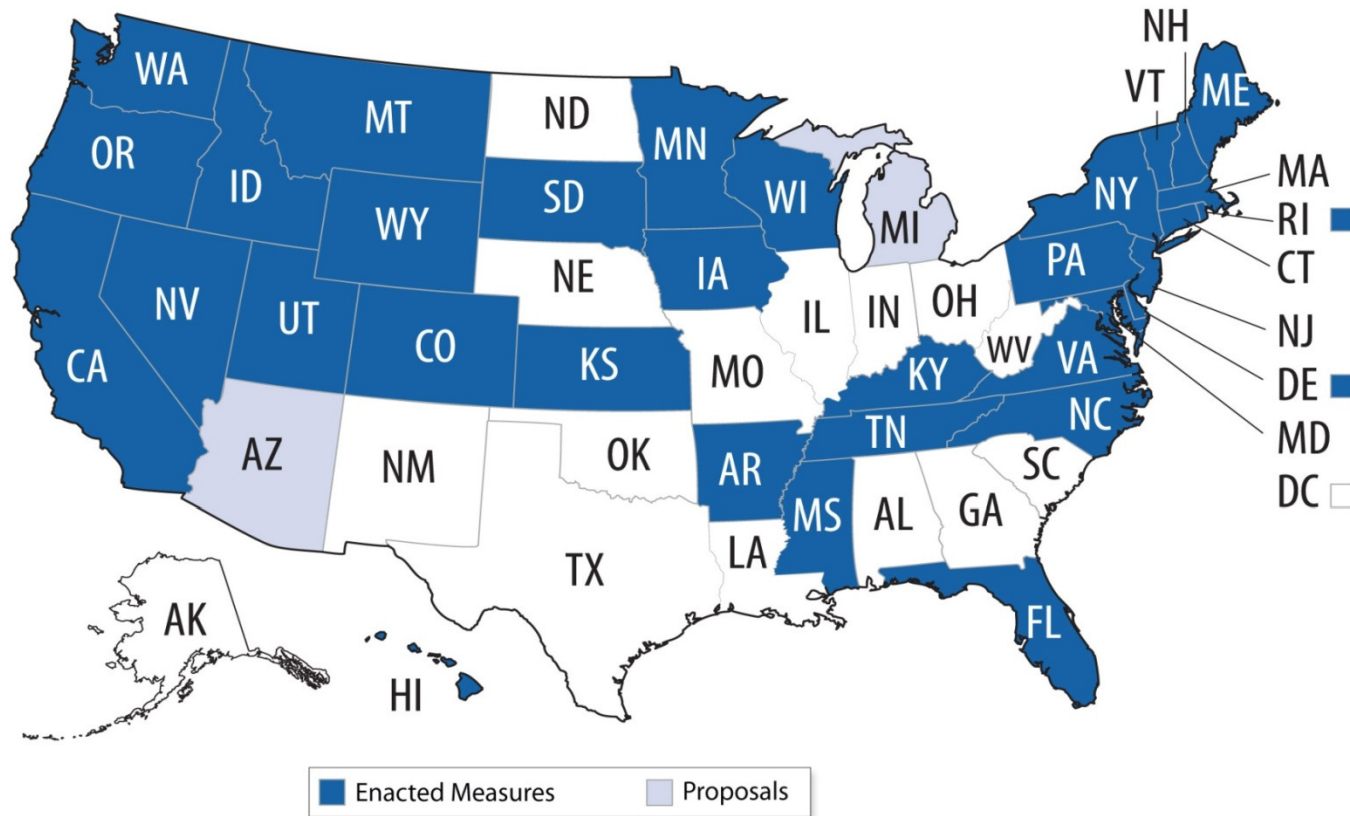
State & Local Taxes in 2007

Shares of family income for non-elderly taxpayers



2009 State Tax Increases.

Lawmakers in 35 states have enacted or are considering proposals to increase taxes and fees.



Note: Status as of October 14, 2009.

Governors that Supported Tax Increases by Party

Republican	55%
Democrat	75%



Thank you!

www.labudget.org