

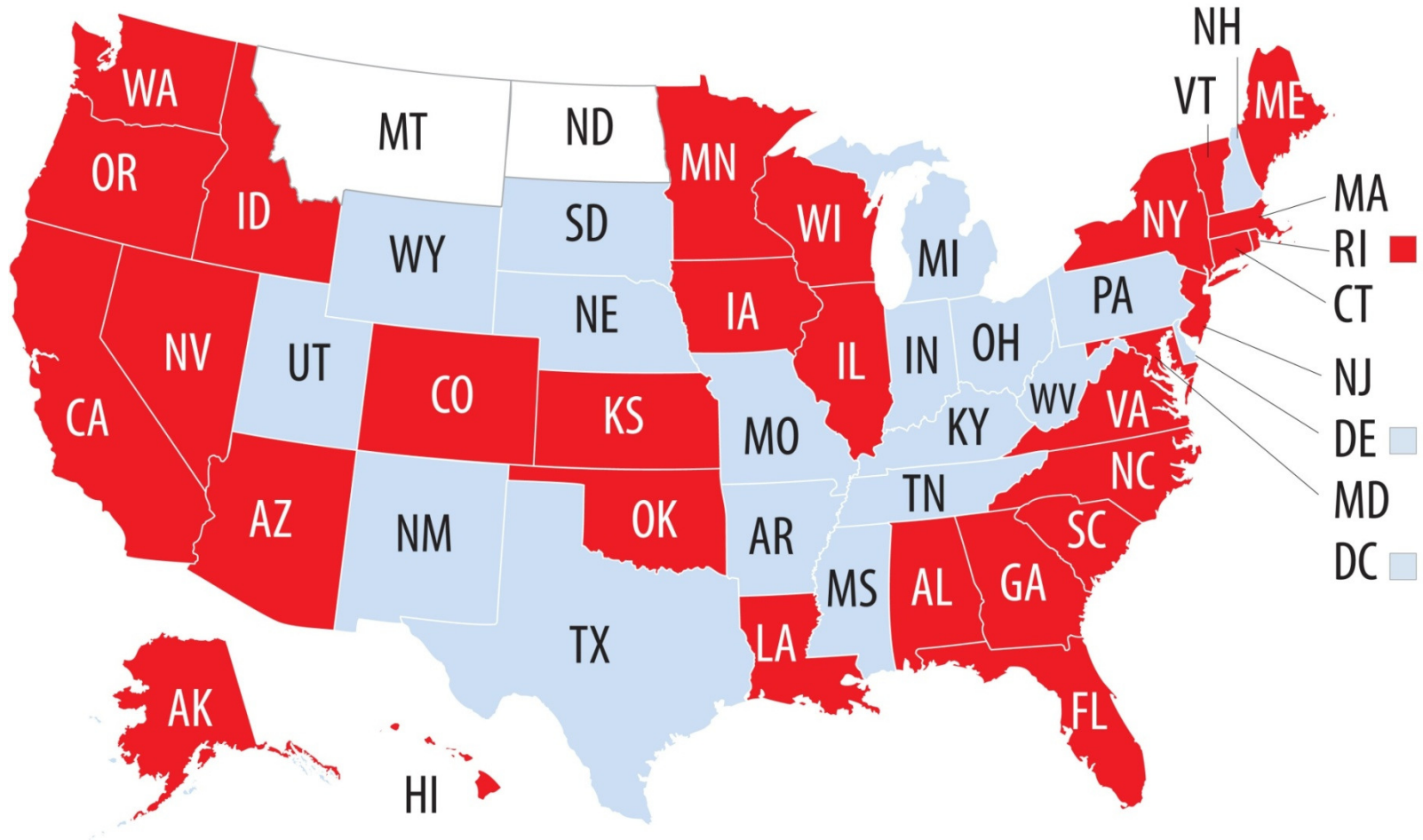
LOUISIANA AT THE CROSSROADS

RESPONSIBLE RESPONSES TO LOUISIANA'S FISCAL CRISIS

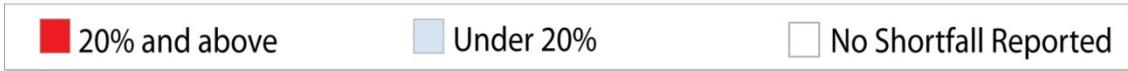


Louisiana Budget Project

48 States Face Budget Shortfalls.



Shortfalls as share of FY09 General Fund Expenditures.

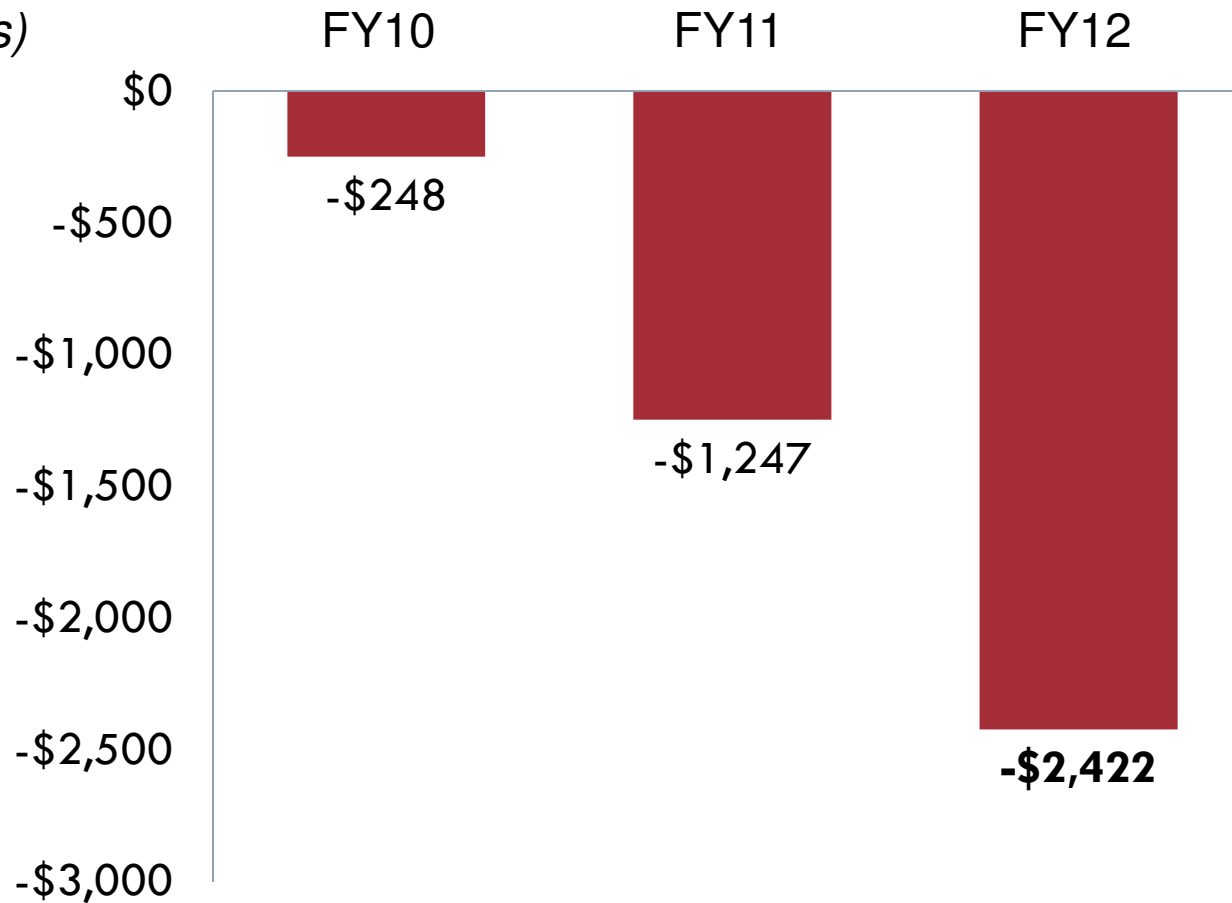


3-Year Base Line Projection

<i>(in millions)</i>	FY10	FY11	FY12
State General Fund Revenue	\$8,851	\$8,021	\$8,204
State General Fund Expenditure	\$9,046	\$9,163	\$10,522
MFP & Retirement rate adjustments	\$53	\$104	\$104
Cumulative Balance	\$(248)	\$(1,247)	\$(2,422)

3-Year Cumulative Shortfall

(in millions)



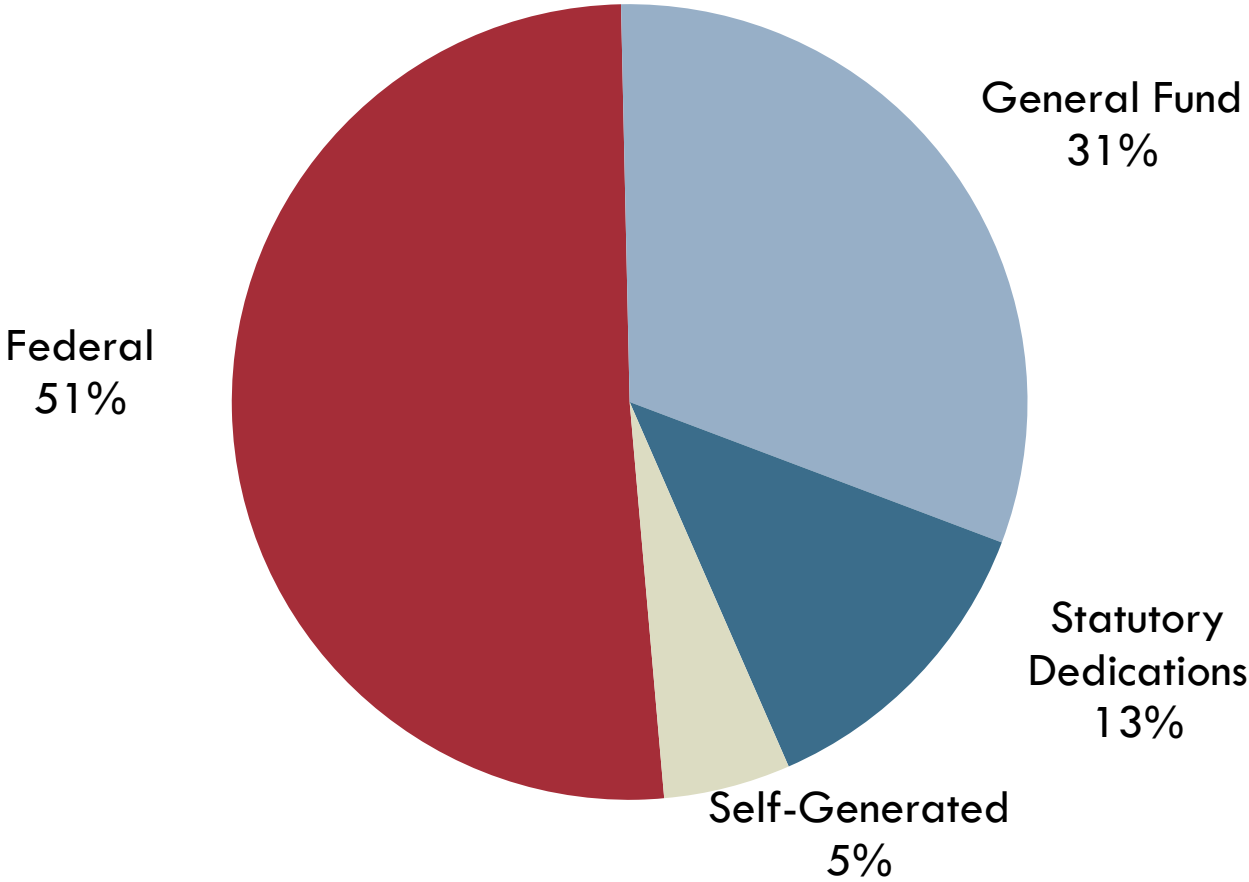
Percent of Total Budget



$$\begin{array}{ccc} \$2.4 \text{ billion} & \div & \$29 \text{ billion} = 8\% \\ \text{3-year Cumulative Shortfall} & & \text{Total FY10 Budget} \end{array}$$

Percent of total
FY10 budget to be
cut over 3 years

FY10 Total Means of Financing



Percent of State General Fund Spending

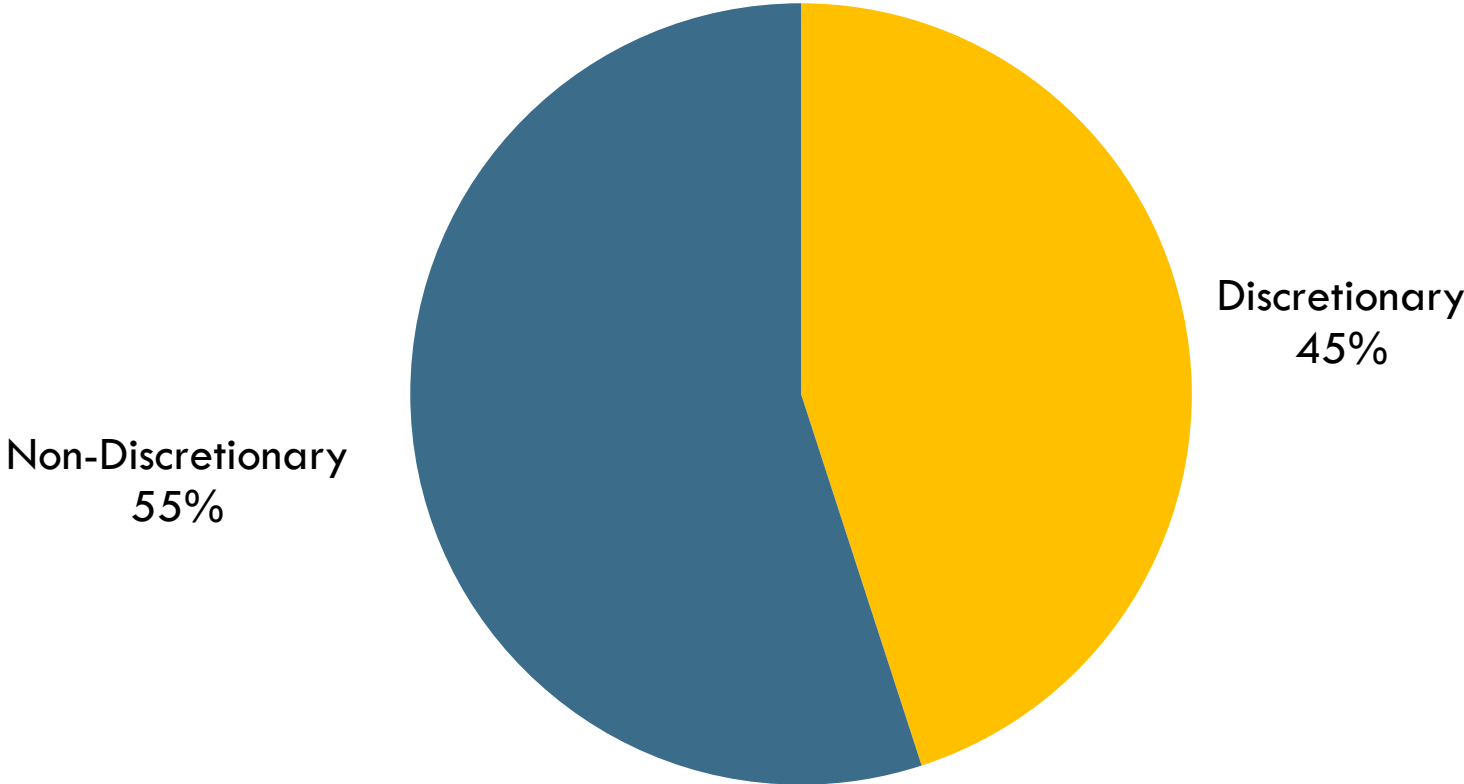
$$\text{\$2.4 billion} \div \text{\$9 billion} = \text{27\%}$$

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 Discretionary Spending

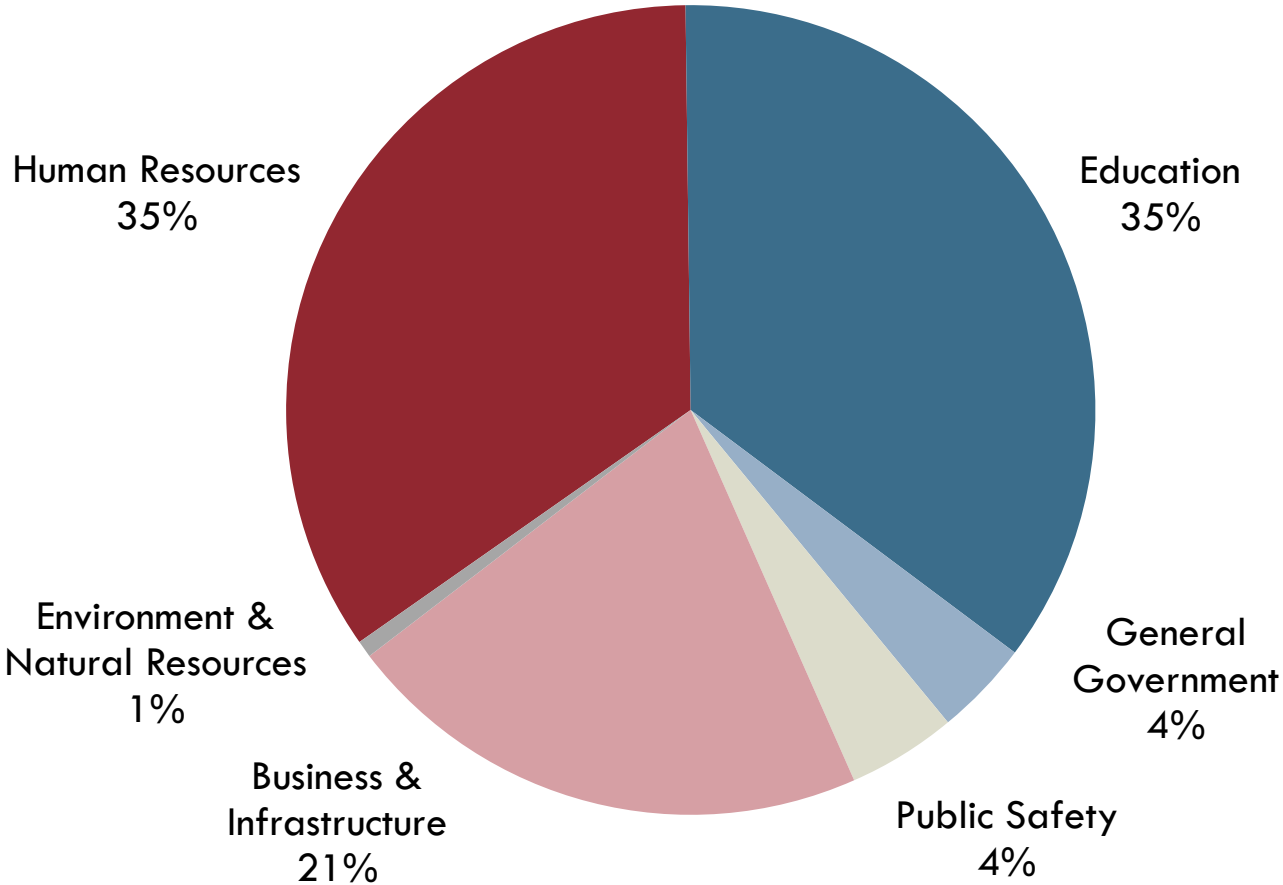
$$\text{\$2.4 billion} \div \text{\$4 billion} = \text{60\%}$$

3-year Cumulative Shortfall

FY10 Discretionary Funds

Percent of FY10
discretionary fund to
be cut over 3 years

FY10 Discretionary Expenditures



Unaddressed Obligations

Highway Backlog	\$14.0 billion
Retiree Group Benefits	\$12.0 billion
Risk Management	\$1.2 billion
Deferred Maintenance - Higher Education	\$1.8 billion
Deferred Maintenance - State Buildings	\$2.5 billion
Medicaid Overbilling	\$0.7 billion
TOTAL UNADDRESSED NEEDS	\$32.2 BILLION



We Need a Balanced Approach

5-Year Tax Exemption Budget



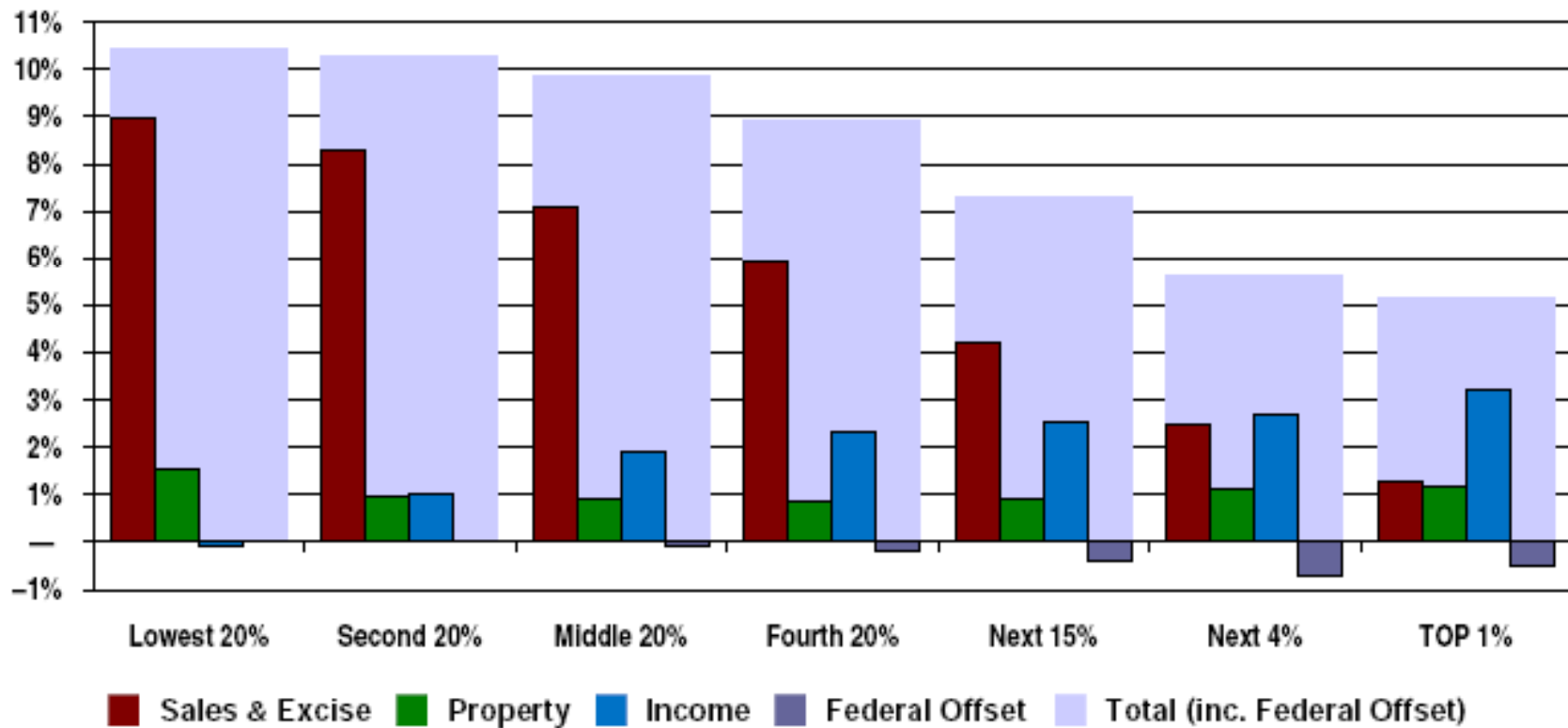
\$6.5 BILLION

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

State & Local Taxes in 2007

Shares of family income for non-elderly taxpayers





Thank you!
Questions?

www.labudget.org