



Louisiana Senate Finance Committee



FY22 Recommended Budget

05 – Economic Development

March 2021

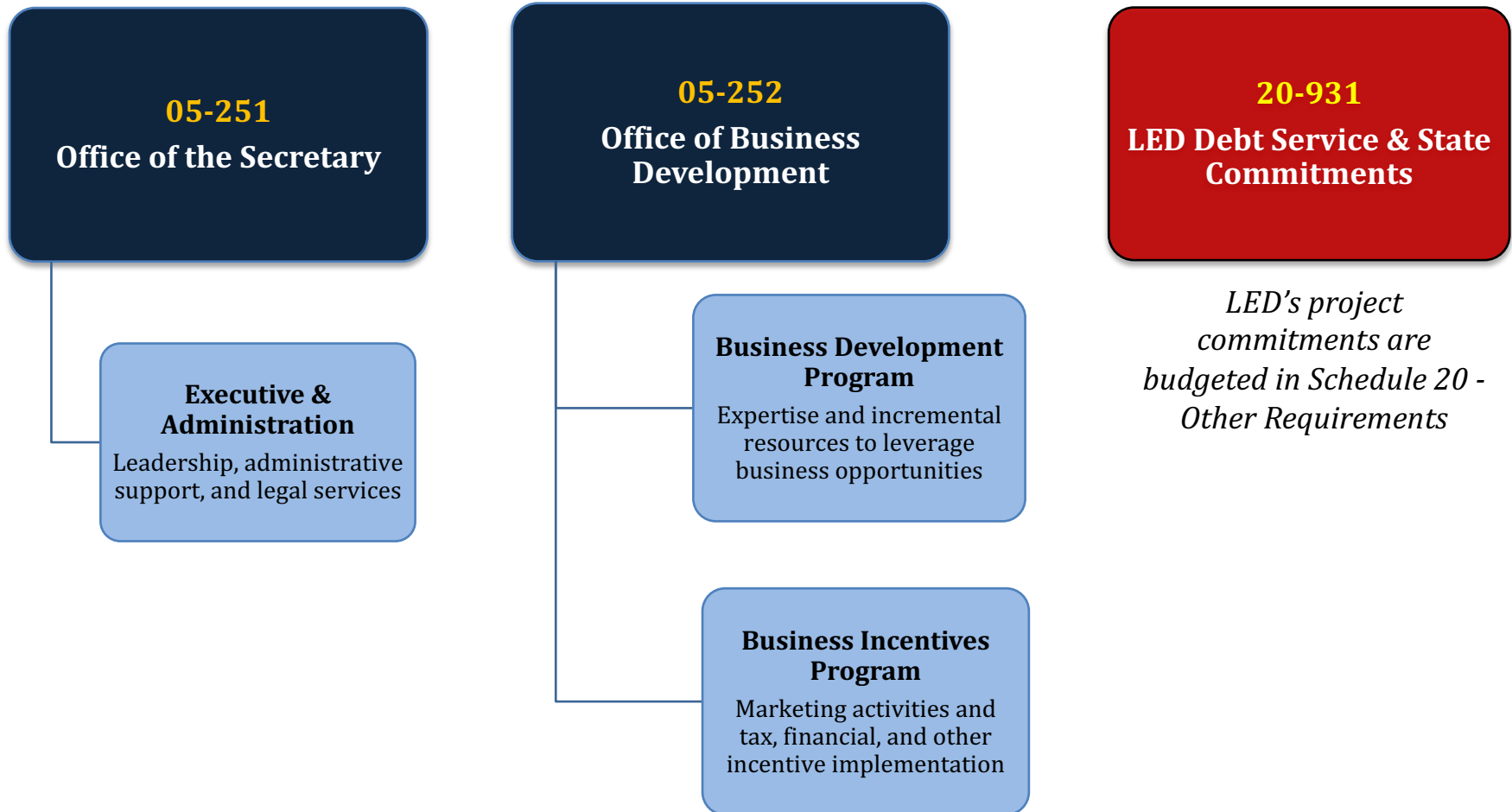
*Senator Patrick Page Cortez, President
Senator Bodi White, Chairman*



FY22 Recommended Budget

Schedule 05 — Department of Economic Development

The mission of the Department of Economic Development is to cultivate jobs and economic opportunity for the people of Louisiana.





Department of Economic Development

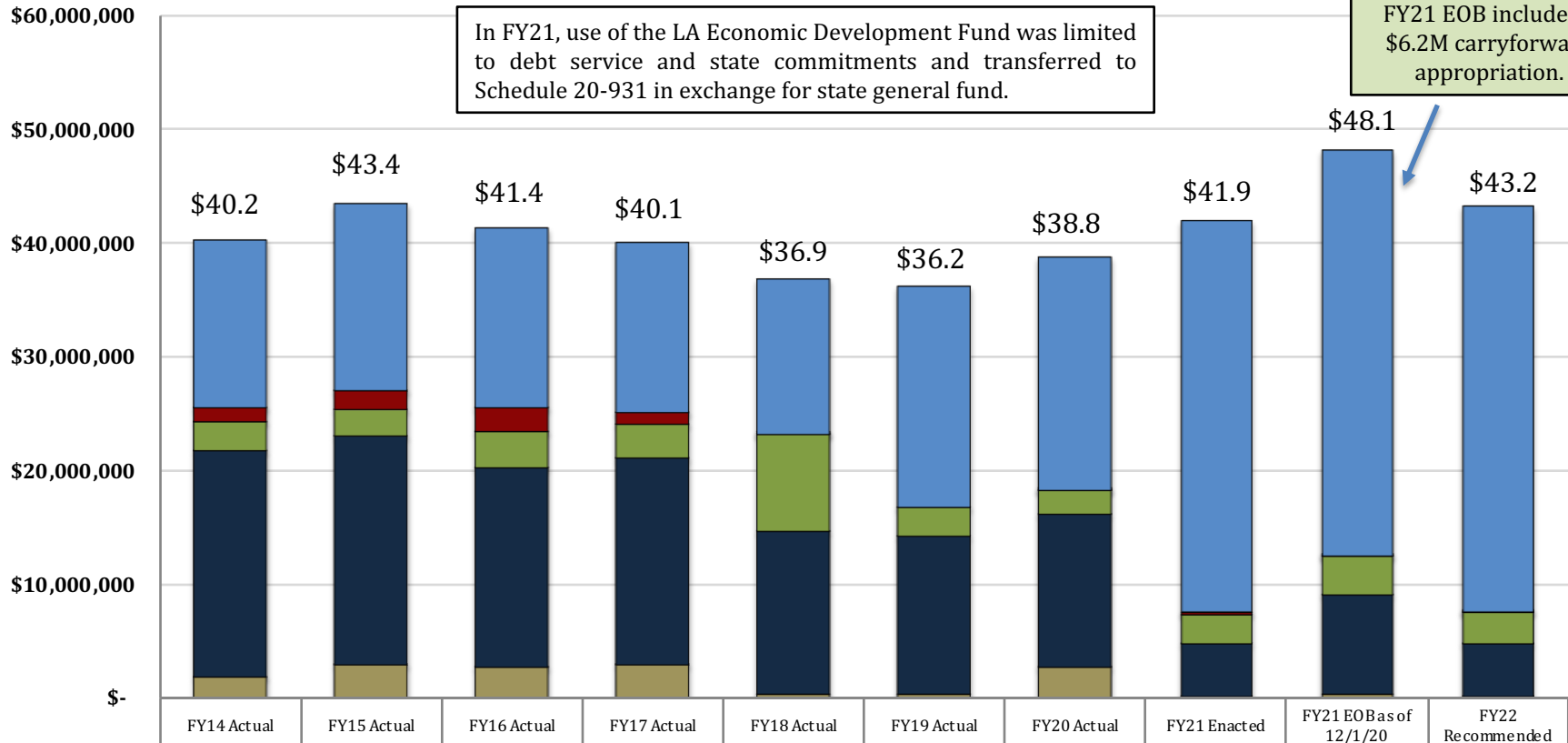
Changes in Funding since FY14

Total Budget by Fiscal Year and Means of Finance

Change from FY14 is -3.5%
Change from FY14 to FY22 is 7.3%.

Interim Updates

FY21 EOB includes a \$6.2M carryforward appropriation.



	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Enacted	FY21 EOB as of 12/1/20	FY22 Recommended
SGF	\$14,756,068	\$16,491,399	\$15,776,327	\$14,954,842	\$13,731,145	\$19,321,841	\$20,435,204	\$34,355,579	\$35,557,397	\$35,542,914
IAT	\$1,150,793	\$1,535,955	\$2,299,477	\$1,107,965	\$41,216	\$-	\$125,000	\$125,000	\$125,000	\$125,000
FSGR	\$2,578,479	\$2,548,329	\$3,072,629	\$2,895,075	\$8,367,422	\$2,624,843	\$1,995,752	\$2,561,237	\$3,339,301	\$2,629,503
STAT DED	\$19,879,054	\$19,973,664	\$17,558,697	\$18,167,538	\$14,360,782	\$13,914,029	\$13,482,248	\$4,700,000	\$8,662,277	\$4,700,000
FED	\$1,864,670	\$2,891,473	\$2,695,003	\$2,937,033	\$357,999	\$301,830	\$2,765,372	\$183,333	\$429,182	\$183,333



Economic Development

Statewide Budget Adjustments Recommended for FY22

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$35,557,397	\$125,000	\$3,339,301	\$8,662,277	\$429,182	\$48,113,157	113	FY21 Existing Operating Budget as of 12-1-20
\$114,997	\$0	\$12,060	\$0	\$0	\$127,057	0	Market Rate Classified
\$16,107	\$0	\$1,021	\$0	\$0	\$17,128	0	Civil Service Training Series Adjustment
\$486,039	\$0	\$59,501	\$0	\$0	\$545,540	0	Related Benefits Base Adjustment
(\$47,903)	\$0	(\$5,459)	\$0	\$0	(\$53,362)	0	Retirement Rate Adjustment
\$22,497	\$0	\$2,680	\$0	\$0	\$25,177	0	Group Insurance Rate Adjustment for Active Employees
\$13,553	\$0	\$0	\$0	\$0	\$13,553	0	Group Insurance Rate Adjustment for Retirees
\$210,192	\$0	\$26,579	\$0	\$0	\$236,771	0	Salary Base Adjustment
(\$428,415)	\$0	(\$28,116)	\$0	\$0	(\$456,531)	0	Attrition Adjustment
(\$1,201,818)	\$0	(\$778,064)	(\$3,962,277)	(\$245,849)	(\$6,188,008)	0	Non-recurring Carryforwards
(\$2,726)	\$0	\$0	\$0	\$0	(\$2,726)	0	Risk Management
(\$32,315)	\$0	\$0	\$0	\$0	(\$32,315)	0	Legislative Auditor Fees
(\$48,440)	\$0	\$0	\$0	\$0	(\$48,440)	0	Rent in State-owned Buildings
\$7,021	\$0	\$0	\$0	\$0	\$7,021	0	Capitol Park Security
(\$201)	\$0	\$0	\$0	\$0	(\$201)	0	UPS Fees
\$1,923	\$0	\$0	\$0	\$0	\$1,923	0	Civil Service Fees
(\$11)	\$0	\$0	\$0	\$0	(\$11)	0	State Treasury Fees
(\$31,502)	\$0	\$0	\$0	\$0	(\$31,502)	0	Office of Technology Services (OTS)
\$6,519	\$0	\$0	\$0	\$0	\$6,519	0	Office of State Procurement
(\$914,483)	\$0	(\$709,798)	(\$3,962,277)	(\$245,849)	(\$5,832,407)	0	Total Statewide Adjustments
\$0	\$0	\$0	\$0	\$0	\$0	0	Total Technical Adjustments
\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	0	Total Workload Adjustments
(\$100,000)	\$0	\$0	\$0	\$0	(\$100,000)	0	Total Non-recurring Other Adjustments
\$35,542,914	\$125,000	\$2,629,503	\$4,700,000	\$183,333	\$43,180,750	113	Total FY22 Recommended Budget
(\$14,483)	\$0	(\$709,798)	(\$3,962,277)	(\$245,849)	(\$4,932,407)	0	Total Adjustments (Statewide and Agency-specific)



Department of Economic Development

Agency Specific Adjustments for FY22

Technical Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$98,206	\$0	\$0	\$0	\$0	\$98,206	1	Office of Secretary — Transfers a position funded with SGF from Office of Business Development to the Office of the Secretary
(\$98,206)	\$0	\$0	\$0	\$0	(\$98,206)	(1)	Business Development — Decreases funding from Self-generated Revenue and increases State General Fund (\$98,206) to allow the position that is transferring to the Office of the Secretary to be funded with SGF. This is more in keeping with the organizational structure of the Office of the Secretary budget.
\$0	\$0	\$0	\$0	\$0	\$0	0	Total MOF Substitutions

Workload Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	0	Office of Secretary — Increases funding for the Fast Start training program to align with current contractual obligations. Vacancies due to COVID delays in hiring have allowed this increase to be accommodated in the current budget. In FY22 additional funds are expected to be needed.
\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	0	Total Non-Recurring Other Adjustments

Non-recurring Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
(\$100,000)	\$0	\$0	\$0	\$0	(\$100,000)	0	Business Development — Non-recurs funding provided for the North Louisiana Economic Partnership
(\$100,000)	\$0	\$0	\$0	\$0	(\$100,000)	0	Total Other Adjustments

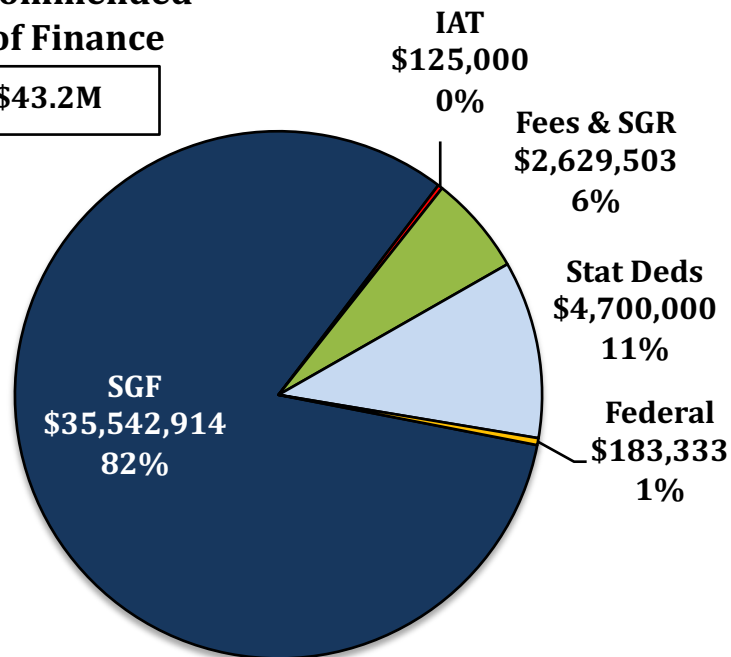


05 – Economic Development

Total Funding	FY20Actual	FY21 Enacted	FY21 EOB as of 12-1-20	FY22 Recommeneded	Difference FY21 EOB to FY22 Recommended
State General Fund	\$20,435,204	\$34,355,579	\$35,557,397	\$35,542,914	(\$14,483)
Interagency Transfers	\$125,000	\$125,000	\$125,000	\$125,000	\$0
Fees and Self-generated Revenue	\$1,995,752	\$2,561,237	\$3,339,301	\$2,629,503	(\$709,798)
Statutory Dedications	\$13,482,248	\$4,700,000	\$8,662,277	\$4,700,000	(\$3,962,277)
Federal	\$2,765,372	\$183,333	\$429,182	\$183,333	(\$245,849)
ECONOMIC DEVELOPMENT TOTAL	\$38,803,576	\$41,925,149	\$48,113,157	\$43,180,750	(\$4,932,407)
Total Positions	113	113	113	113	0

FY22 Recommended Means of Finance

Total \$43.2M



\$4,932,407 Budget Adjustments = primarily due to non-recurring carryforwards (-\$6.2M); \$1M increase for Fast Start program expenses.



Economic Development

FY22 Recommended Means of Finance and Dedicated Funds

Statutory Dedications	Source of Funding	FY20 Actual	FY21 EOB	FY22 Recommended	Difference FY21 to FY22 Recommended
Louisiana Economic Development Fund	State sales tax	\$11,579,381	\$3,865,605	\$0	(\$3,865,605)
Louisiana Entertainment Development Fund	Application fees	\$0	\$2,700,000	\$2,700,000	\$0
Marketing Fund	State sales tax	\$1,902,867	\$2,096,672	\$2,000,000	(\$96,672)
TOTAL		\$13,482,248	\$8,662,277	\$4,700,000	(\$3,962,277)

Fees and Self-generated Revenues (\$2.6M) are derived from the collection of certain specified fees from businesses applying for incentives granted by the department.

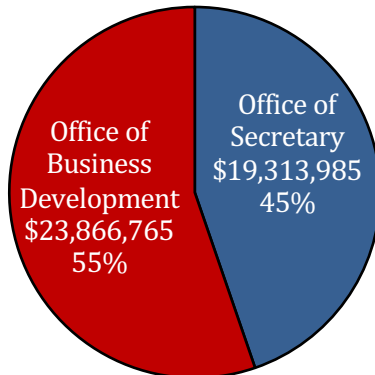
Interagency Transfers (\$125,000) and **Federal Funding (\$183,333)** are related to grant programs that are available intermittently for various programs, including the Office of International Commerce.



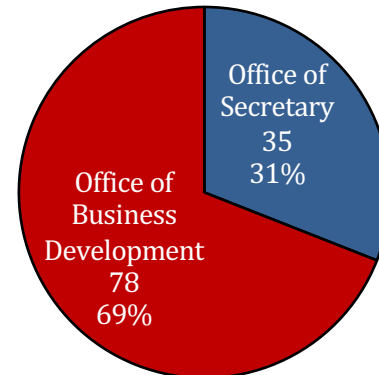
Economic Development FY22 Office Breakdown

	FY20 Actual	FY21 Enacted	FY21 EOB as of 12-1-20	FY22 Recommended	Difference FY21 EOB vs. FY22 Recommended
Office of Secretary	\$18,619,267	\$18,140,341	\$20,010,801	\$19,313,985	(\$696,816)
Office of Business Development	\$20,184,309	\$23,784,808	\$28,102,356	\$23,866,765	(\$4,235,591)
TOTAL FUNDING	\$38,803,576	\$41,925,149	\$48,113,157	\$43,180,750	(\$4,932,407)
Office of Secretary	34	34	34	35	1
Office of Business Development	79	79	79	78	(1)
TOTAL AUTHORIZED POSITIONS	113	113	113	113	0

FY22 Recommended Budget



FY22 Authorized Positions





Economic Development

FY21 Enacted vs. FY22 Recommended Comparison by Agency

FY21 Enacted Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Office of the Secretary	\$18,140,341	\$0	\$0	\$0	\$0	\$18,140,341
Office of Business Development	\$16,215,238	\$125,000	\$2,561,237	\$4,700,000	\$183,333	\$23,784,808
TOTAL	\$34,355,579	\$125,000	\$2,561,237	\$4,700,000	\$183,333	\$41,925,149

FY22 Recommended Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Office of the Secretary	\$19,313,985	\$0	\$0	\$0	\$0	\$19,313,985
Office of Business Development	\$16,228,929	\$125,000	\$2,629,503	\$4,700,000	\$183,333	\$23,866,765
TOTAL	\$35,542,914	\$125,000	\$2,629,503	\$4,700,000	\$183,333	\$43,180,750

Difference FY21 Enacted to FY22 Recommended	SGF	IAT	FSGR	Stat Deds	Federal	Total
Office of the Secretary	\$1,173,644	\$0	\$0	\$0	\$0	\$1,173,644
Office of Business Development	\$13,691	\$0	\$68,266	\$0	\$0	\$81,957
TOTAL	\$1,187,335	\$0	\$68,266	\$0	\$0	\$1,255,601

Growth	3.5%	0.0%	2.7%	0.0%	0.0%	3.0%
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Economic Development Categorical Expenditures FY20, FY21, and FY22

Expenditure Category	FY20 Actual	FY21 EOB (as of 12-01-20)	FY22		Difference FY21 to FY22
			Recommended Budget	Category as Percent of Total	
Personal Services:	\$12,753,698	\$13,786,783	\$14,242,116	32.98%	\$455,333
Salaries	\$8,311,848	\$9,154,108	\$9,189,535	21.28%	\$35,427
Other Compensation	\$47,200	\$126,014	\$126,014	0.29%	\$0
Related Benefits	\$4,394,650	\$4,506,661	\$4,926,567	11.41%	\$419,906
Operating Expenses:	\$1,050,260	\$1,922,291	\$1,922,291	4.45%	\$0
Travel	\$281,000	\$654,603	\$654,603	1.52%	\$0
Operating Services	\$682,072	\$1,085,432	\$1,085,432	2.51%	\$0
Supplies	\$87,188	\$182,256	\$182,256	0.42%	\$0
Professional Services	\$3,276,230	\$8,552,444	\$5,347,217	12.38%	(\$3,205,227)
Other Charges:	\$21,723,388	\$23,851,639	\$21,669,126	50.18%	(\$2,182,513)
Other Charges	\$19,564,194	\$21,628,173	\$19,545,392	45.26%	(\$2,082,781)
Debt Service	\$0	\$0	\$0	0.00%	\$0
Interagency Transfers	\$2,159,194	\$2,223,466	\$2,123,734	4.92%	(\$99,732)
Acquisitions & Major Repairs:	\$0	\$0	\$0	0.00%	\$0
Acquisitions	\$0	\$0	\$0	0.00%	\$0
Major Repairs	\$0	\$0	\$0	0.00%	\$0
Total Expenditures	\$38,803,576	\$48,113,157	\$43,180,750	100.00%	(\$4,932,407)

Other Charges include program expenses, such as Fast Start, Economic Competitiveness, new statutory dedication film fees, etc., Interagency transfers include statewide adjustments that must be paid to other agencies.

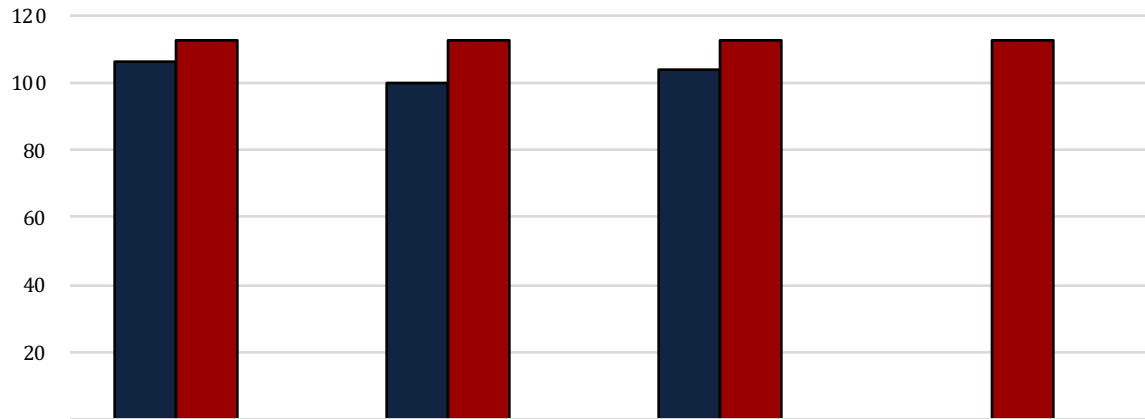


05 Economic Development FTEs, Authorized, and Other Charges Positions and Related Employment Information

This Department Represents 0.3% Percent of Total State Positions of 34,081.

FY21 number of funded, but not filled, positions as of March 1 = 10

Number and Types of Positions



* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

■ Total FTEs (1st July Report)
■ Authorized Positions
■ Other Charges Positions

Personal Services	2019 Actual	2020 Actual	2021 Enacted	2022 Recommended
Salaries	\$8,334,471	\$8,311,848	\$9,154,108	\$9,189,535
Other Compensation	\$62,171	\$47,200	\$126,014	\$126,014
Related Benefits	\$4,138,025	\$4,394,650	\$4,506,661	\$4,926,567
Total Personal Services	\$12,534,667	\$12,753,698	\$13,786,783	\$14,242,116

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

Other Charges Benefits
\$0

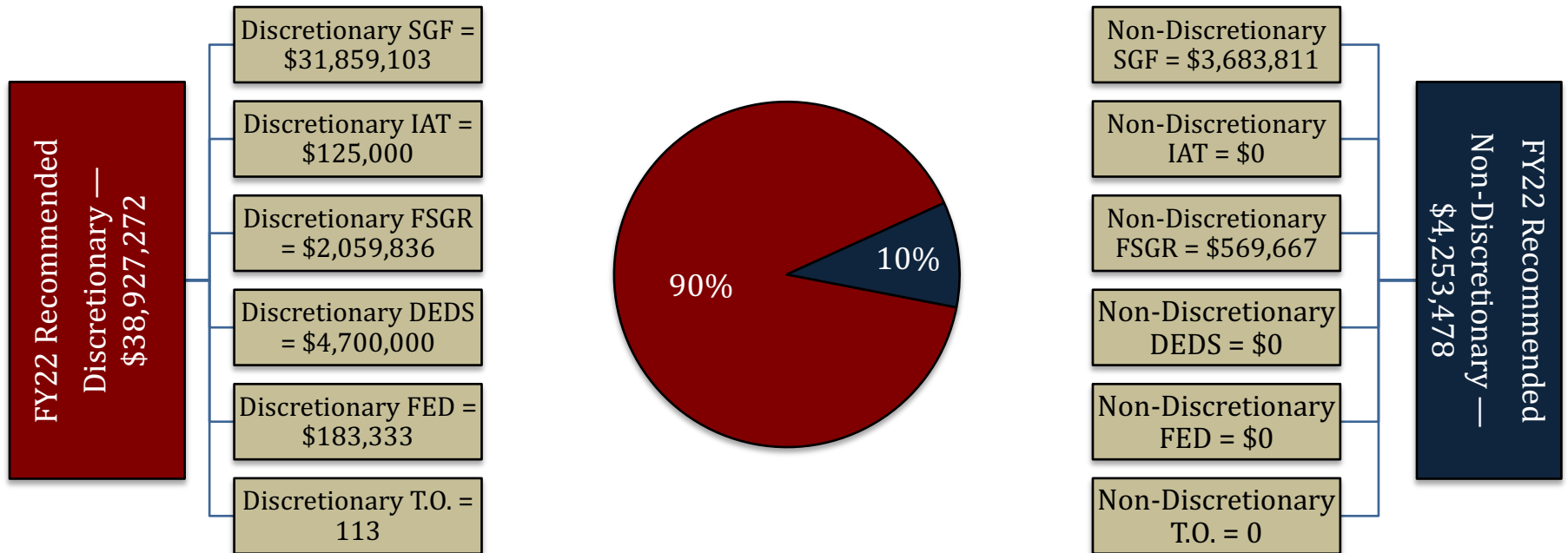
Related Benefits FY22 Recommended	Total Funding	%
Total Related Benefits	\$4,926,567	
UAL payments	\$2,987,690	61%
Retiree Health Benefits	\$451,765	
Remaining Benefits*	\$1,487,112	
Means of Finance	General Fund = 81%	Other = 19%

Average Salary = \$81,323



05 Economic Development

FY22 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Office of Secretary	\$ 17,082,805	44%
Office of Business Development	\$ 21,844,467	56%
Total Discretionary	\$ 38,927,272	100%

Total Non-Discretionary Funding by Type		
UAL Obligation	\$ 2,987,690	70%
Rent in State-owned Buildings	\$ 698,639	16%
Retirees Group Insurance	\$ 451,765	11%
Legislative Auditor Fees	\$ 115,384	3%
Total Non-Discretionary	\$ 4,253,478	97%



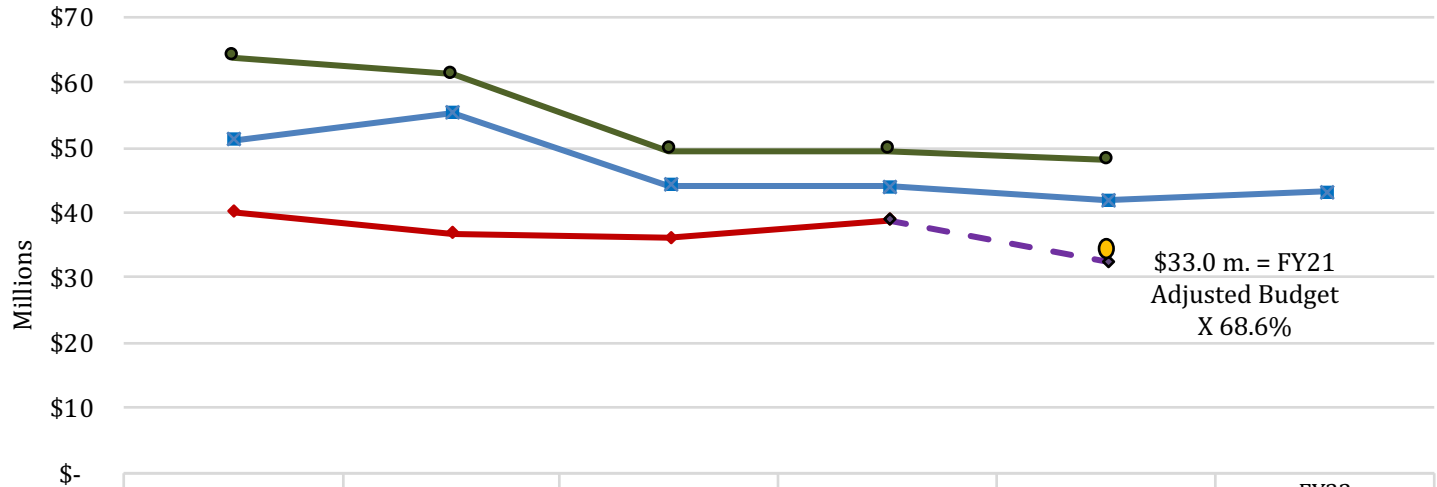
05 Economic Development

Enacted & FYE Budget vs. Actual Expenditures FY17 to FY20

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY21, it is as of February.

**FY21 Known
Supplemental Needs:**
\$0

**FY20 General Fund
Reversions:**
\$66,661



	FY17	FY18	FY19	FY20	FY21 thru Feb.	FY22 Recommended
Enacted Budget	\$51,232,736	\$55,291,931	\$44,234,573	\$43,944,128	\$41,925,149	\$43,180,750
FYE Budget	\$63,781,304	\$61,091,451	\$49,479,804	\$49,520,955	\$48,113,157	
Actual Expenditures	\$40,062,454	\$36,858,565	\$36,162,543	\$38,803,576		
FY21 Expenditure Trend				\$38,803,576	\$32,497,837	

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-20	\$ 41,925,149	\$ 1,690,781	\$ 40,234,368	4.0%
Aug-20	\$ 48,113,157	\$ 4,008,713	\$ 44,104,444	8.3%
Sep-20	\$ 48,113,157	\$ 7,285,742	\$ 40,827,415	15.1%
Oct-20	\$ 48,113,157	\$ 10,637,138	\$ 37,476,019	22.1%
Nov-20	\$ 48,113,157	\$ 12,734,139	\$ 35,379,018	26.5%
Dec-20	\$ 48,113,157	\$ 15,360,405	\$ 32,752,752	31.9%
Jan-21	\$ 48,113,157	\$ 18,655,129	\$ 29,458,028	38.8%

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Feb-21	\$ 48,113,157	\$ 21,295,271	\$ 26,817,886	44.3%
(Trend based on average monthly expenditures to date)				
Mar-21	\$ 48,113,157	\$ 24,095,912	\$ 24,017,245	50.1%
Apr-21	\$ 48,113,157	\$ 26,896,554	\$ 21,216,603	55.9%
May-21	\$ 48,113,157	\$ 29,697,195	\$ 18,415,962	61.7%
Jun-21	\$ 48,113,157	\$ 32,497,837	\$ 15,615,320	67.5%
Historical Year End Average				68.6%



Department of Economic Development

Significant Program Funding for FY22

Major Initiatives:

Financial Assistance Initiatives:

- \$10.0 million from the general fund for the **FastStart Program**. Fast Start delivers comprehensive workforce training services to businesses that are looking to relocate or expand by providing turnkey employee training and delivery solutions, and recruitment.
- \$2.7 million from the **Louisiana Entertainment Development Fund** is provided for education development initiatives, matching grants for Louisiana filmmakers, loan guarantee programs, and deal closings.
- \$1.9 million from the general fund for **State Economic Competitiveness** for strategy and planning by benchmarking state public policies.

Community Assistance Initiatives:

- \$735,000 allocated for **Small and Emerging Business Development**. This provides technical assistance to certified small and emerging businesses by providing managerial and developmental services that include entrepreneurial training and other specialized support.
- \$1 million distributed to the **Small Business Development Centers** allowing for management assistance and business counseling to Louisiana small businesses.
- \$1.8 million provided for the **Economic Development Regional Awards and Matching Grant Program** which offers assistance to economic development organizations in their comprehensive and strategic marketing and recruitment plans for towns, cities, parishes and regions as a site for new or expanded business development.



Incentive Expenditure Forecast

Louisiana Economic Development administers the following incentive expenditure programs:

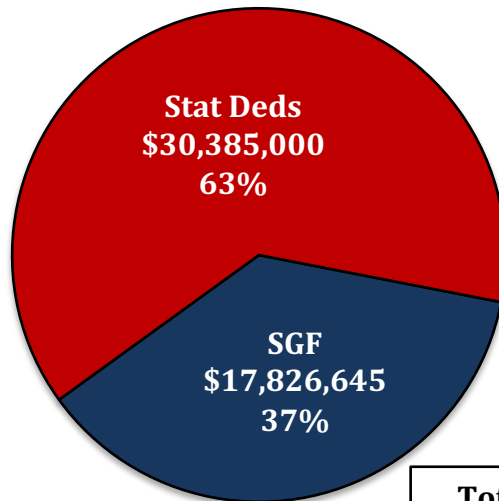
		FY22 Projection
Louisiana Community Economic Development Act	(R.S. 47:6031)	Not in effect
Ports of Louisiana Tax Credits	(R.S. 47:6036)	Unable to anticipate
Motion Picture Investor Tax Credit	(R.S. 47:6007)	\$180,000,000
Research and Development Tax Credit	(R.S. 47:6015)	\$6,400,000
Digital Interactive Media and Software Act	(R.S. 47:6022)	\$53,200,000
Louisiana Motion Picture Incentive Act	(R.S. 47:1121)	Not in effect
New Market Tax Credit	(R.S. 47:6016)	Unable to anticipate
University Research and Development Parks	(R.S. 17:3389)	Not in effect
Industrial Tax Equalization Program	(R.S. 47:3201-3205)	\$6,100,000
Exemption for Manufacturing Establishments	(R.S. 47:4301-4306)	\$1,500,000
Louisiana Enterprise Zone Act	(R.S. 51:1781)	\$43,800,000
Sound Recording Investor Tax Credit	(R.S. 47:6023)	\$183,000
Urban Revitalization Tax Incentive Program	(R.S. 51:1801)	Not in effect
Technology Commercialization Credit and Jobs Program	(R.S. 51:2351)	Not in effect
Angel Investor Tax Credit Program	(R.S. 47:6020)	\$3,100,000
Musical and Theatrical Productions Income Tax Credit	(R.S. 47:6034)	\$1,100,000
Retention and Modernization Act	(R.S. 51:2399.1-.6)	\$12,400,000
Tax Credit for Green Jobs Industries	(R.S. 47:6037)	Not in effect
Louisiana Quality Jobs Program Act	(R.S. 51:2451)	\$165,000,000
Corporate Headquarters Relocation Program	(R.S. 51:3111)	Not in effect
Competitive Projects Payroll Incentive Program	(R.S. 51:3121)	\$0
TOTAL INCENTIVES ADMINISTERED BY LED		\$472,783,000



20-931 – LED Debt Service and State Commitments

Total Funding	FY20Actual	FY21 Enacted	FY21 EOB as of 12-1-20	FY22 Reccommended	<i>Difference FY21 EOB to FY22 Recommended</i>
State General Fund	\$26,241,797	\$16,751,722	\$40,481,894	\$17,826,645	(\$22,655,249)
Interagency Transfers	\$0	\$0	\$0	\$0	\$0
Fees and Self-generated Revenue	\$0	\$0	\$0	\$0	\$0
Statutory Dedications	\$24,106,053	\$26,758,524	\$63,815,688	\$30,385,000	(\$33,430,688)
Federal	\$0	\$0	\$0	\$0	\$0
ECONOMIC DEVELOPMENT TOTAL	\$50,347,850	\$43,510,246	\$104,297,582	\$48,211,645	(\$56,085,937)
Total Positions	0	0	0	0	0

FY22 Recommended Means of Finance



Total \$48.2M

\$56,085,937 Budget Adjustments = primarily due to non-recurring carryforwards (-\$60.8M); \$5.5M increase in the Major Events Incentive Program Subfund to cover state expenses related to the 2022 NCAA Men's Final Four to be held in New Orleans



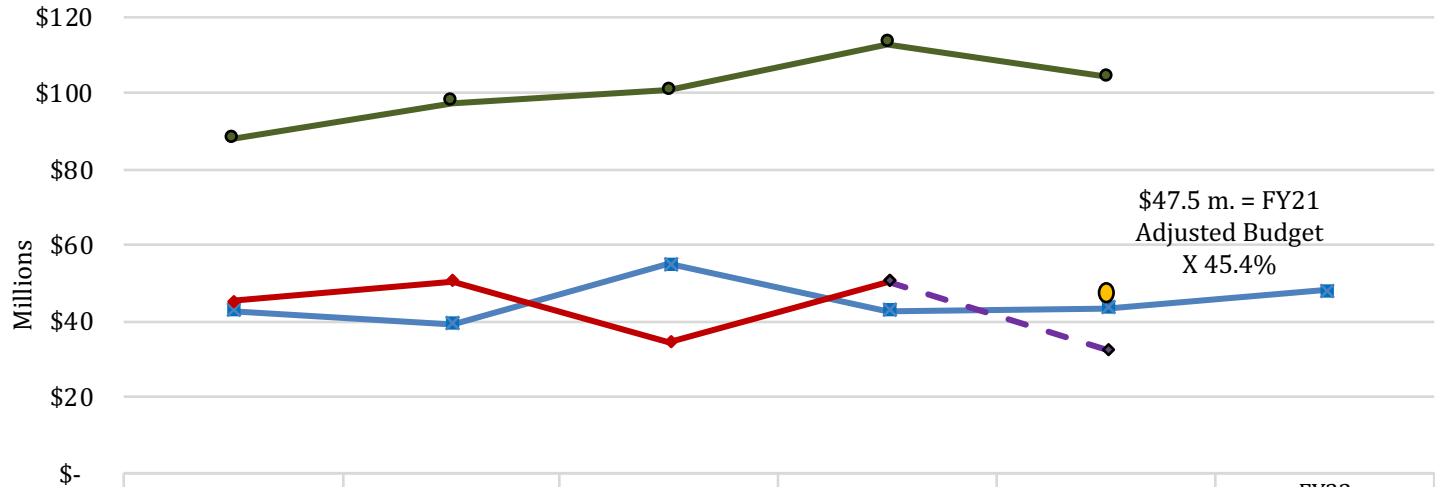
20-931 LED Debt Service and State Commitments Enacted & FYE Budget vs. Actual Expenditures FY17 to FY20

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY21, it is as of February.

**FY21 Known
Supplemental Needs:
\$7,690,000**

*Major Events Incentive
Program Subfund*

**FY20 General Fund
Reversions:
\$0**



	FY17	FY18	FY19	FY20	FY21 thru Feb.	FY22 Recommended
Enacted Budget	\$42,927,863	\$39,150,500	\$55,141,648	\$42,940,711	\$43,510,246	\$48,211,645
FYE Budget	\$88,028,894	\$97,653,827	\$100,675,351	\$112,835,188	\$104,297,582	
Actual Expenditures	\$45,387,150	\$50,405,837	\$34,476,658	\$50,347,850		
FY21 Expenditure Trend				\$50,347,850	\$32,497,837	

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-20	\$ 43,510,246	\$ -	\$ 43,510,246	0.0%
Aug-20	\$ 104,297,582	\$ 251,408	\$ 104,046,174	0.2%
Sep-20	\$ 104,297,582	\$ 2,425,964	\$ 101,871,618	2.3%
Oct-20	\$ 104,297,582	\$ 7,694,811	\$ 96,602,771	7.4%
Nov-20	\$ 104,297,582	\$ 9,591,724	\$ 94,705,858	9.2%
Dec-20	\$ 104,297,582	\$ 14,905,188	\$ 89,392,394	14.3%
Jan-21	\$ 104,297,582	\$ 16,706,725	\$ 87,590,857	16.0%

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Feb-21	\$ 104,297,582	\$ 17,867,146	\$ 86,430,436	17.1%
<i>(Trend based on average monthly expenditures to date)</i>				
Mar-21	\$ 104,297,582	\$ 20,419,595	\$ 83,877,987	19.6%
Apr-21	\$ 104,297,582	\$ 22,972,045	\$ 81,325,537	22.0%
May-21	\$ 104,297,582	\$ 25,524,494	\$ 78,773,088	24.5%
Jun-21	\$ 104,297,582	\$ 28,076,944	\$ 76,220,638	26.9%
Historical Year End Average				45.5%



Department of Economic Development

Dedicated Funds Supporting 20-931 LED Debt Service and State Commitments

Louisiana Economic Development Debt Service and State Commitments provides for the scheduled annual payments due for bonds and state project commitments.

Statutory Dedications	Source of Funding	FY20 Actual	FY21 EOB	FY22 Recommended
Louisiana Economic Development Fund	State sales tax	\$0	\$15,520,597	\$14,885,000
Louisiana Mega-Project Development Fund	appropriation	\$3,511,024	\$3,633,230	\$0
Major Events Incentive Program Subfund	appropriation	\$3,800,000	\$0	\$5,500,000
Rapid Response Fund	balance of \$10M annually and appropriation	\$16,795,029	\$44,661,861	\$10,000,000
TOTALS		\$24,106,053	\$63,815,688	\$30,385,000

Statutory Dedications	Authorization and Explanation
Louisiana Economic Development Fund	R.S. 51:2315 - Act 404 of the 2019 Regular Session directs all funds to be used exclusively for Debt Service and Project Commitments
Louisiana Mega-Project Development Fund	R.S. 51:2365 - For immediate funding of all or a portion of economic development projects which may be necessary to successfully secure the creation or retention of jobs for a business entity under such circumstances as may be determined by the secretary and governor.
Major Events Incentive Program Subfund	R.S. 51:2365.1 - Authorizes LED to enter into a contract with a local organizing committee to recruit, solicit, or acquire for Louisiana any qualified event that will have a significant positive impact on economic development in the state.
Rapid Response Fund	R.S. 51:2361 - For immediate funding of all or a portion of economic development projects which may be necessary to successfully secure the creation or retention of jobs for a business entity under such circumstances as may be determined by the secretary and governor.



Department of Economic Development

Schedule 20-931 LED Debt Service & State Commitments

New from FY21

Included in FY21 but
not in FY22

		FY21 Enacted Budget	FY21 Payment or Encumbrance	FY21 Commitment Change	FY22 Executive Budget
Krotz Springs	Alon Refining	\$1,500,000	-\$1,500,000	\$0	\$1,500,000
Shreveport Region	Biomedical Research Foundation of NW LA	\$250,000	-\$250,000	\$0	\$250,000
Shreveport	Cyber Research Center education (BPCC, LA Tech, NWLU)	\$1,320,875	-\$1,320,875	\$0	\$1,320,875
Bossier City	Bossier Parish Community College (CAMET)	new	\$0		\$365,000
Baton Rouge	Brown & Root for HQ relocation	\$150,000	-\$150,000	\$0	\$150,000
Monroe	CenturyLink for HQ expansion and education (LA Tech and TBD)	\$3,000,000	-\$5,799,999	\$2,799,999	\$3,000,000
Lafayette	CGI Federal Onshore for IT center and education (ULL)	\$1,675,000	-\$375,000	-\$1,300,000	\$375,000
Ville Platte	Cabot Corporation	new	\$0		\$500,000
Lake Charles	Citadel Completions for interior aircraft completions	\$1,200,000	-\$1,200,000	\$0	\$1,200,000
Port Allen	Conn's Distribution Center construction	\$250,000	\$0	-\$250,000	\$0
Baton Rouge	Dept of Military lease subsidy by LA National Guard for cyber security	\$100,000	-\$100,000	\$0	\$100,000
Baton Rouge	Stephenson Technology Group (federal match)	new			\$1,000,000
New Orleans	DXC Technology digital center, education and parking	\$5,250,000	-\$4,750,000	-\$500,000	\$6,300,000
New Orleans	Essence - Economic Programs	new			\$1,500,000
St. John Parish	Eurochem for methanol facility	\$1,500,000	-\$1,500,000	\$0	\$1,500,000
Baton Rouge	Formosa Petrochemical Corporation	new			\$3,000,000
Shreveport	Grambling University for workforce development	\$250,000	-\$250,000	\$0	\$320,000
Statewide	Governor's Economic Development Rapid Response Program-FY22	\$5,000,000	-\$5,000,000	\$0	\$6,825,000
Bienville Parish	House of Raeford Farms of LA, LLC	new			\$1,000,000
Baton Rouge	IBM - UL at Monroe for workforce development	\$550,000	-\$550,000	\$0	\$550,000
Monroe	IBM - Baton Rouge technology center	\$2,465,271	-\$2,465,271	\$0	\$2,465,270
New Orleans	International-Matex Tank Terminals (IMTT)	new			\$175,000
New Orleans	Iriapak	new			\$125,000
Ponchatoula	Jani-King	new			\$100,000
Statewide	LCTCS-Workforce Development - HAAS	new			\$960,000
Lafayette	Kopter Group for helicopter assembly	\$260,000	\$0	-\$260,000	\$0
Lafayette	LHC Group for expansion of facility for healthcare services	\$550,000	-\$550,000	\$0	\$300,000
Baton Rouge	Lighthouse for the Blind paper cup manufacturing facility	\$150,000	\$0	-\$150,000	\$0
Lake Charles	Lotte Chemical for HQ expansion	\$4,100,000	\$0	-\$4,100,000	\$0
Shreveport	LSU Shreveport for workforce development	\$321,600	-\$321,600	\$0	\$318,200
Tallulah	Madison Parish Port for high pressure gas line	\$1,850,000	\$0	-\$1,850,000	\$0
New Orleans	Major Events Incentive	new			\$5,500,000
Covington	Medline Industries for infrastructure expenses	\$2,000,000	\$0	-\$2,000,000	\$0
Geismar	Methanex #3 for methanol plant improvements	\$1,500,000	-\$1,500,000	\$0	\$1,500,000
Federal Bases	Military efforts supporting communities with base closures	\$600,000	-\$600,000	\$0	\$600,000
New Orleans	New Orleans Bioinnovation Center to attract companies	\$500,000	-\$500,000	\$0	\$250,000
Baton Rouge	Pennington Biomedical Foundation for bariatric/metabolic surgery center	\$1,800,000	-\$1,800,000	\$0	\$1,598,000
Statewide	Schoolmint	new	\$0		\$100,000
Shreveport	Southern University - Shreveport	new			\$484,300
Lafayette	Sleep Management for HQ expansion and relocation	\$50,000	\$0	-\$50,000	\$0
Iberville Parish	SNF Holdings for public infrastructure	\$1,280,000	-\$1,280,122	\$122	\$1,280,000
Jefferson Parish	Stewart Enterprises	new	\$0		\$200,000
Baton Rouge	Stupp Corp for two steel pipe manufacturing plants	\$500,000	\$0	-\$500,000	\$0
Ruston	Tech Pointe II for commercial office building in the LA Tech research park	\$1,000,000	-\$1,000,000	\$0	\$1,000,000
New Orleans	GE Capital at UNO for IT Center	\$500,000	-\$500,000	\$0	\$500,000
Marrero	US Foods - distributor of food and food-related products	\$500,000	\$0	-\$500,000	\$0
Lafayette	Waitr for HQ renovation and ULL workforce development	\$1,062,500	\$0	-\$1,062,500	\$0
St. James Parish	Yuhuang Chemical (SY Chemical) for chemical manufacturing facility	\$925,000	\$0	-\$925,000	\$0
TOTAL STATE COMMITMENTS (NO DEBT SERVICE)		\$43,910,246	-\$33,262,867	-\$10,647,379	\$48,211,645



Department of Economic Development

Projected Obligations for State Commitments

General Appropriation Projects Project Name	Contract Period	Parish	Total State Commitment	State Expenditures & Encumbrances through FY21	Projected FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Alon Refining Krotz Springs, Inc	04/01/19 - 12/31/28	St. Landry	\$7,500,000	\$3,000,000	\$1,500,000	\$1,500,000	\$1,500,000							
Biomedical Research Foundation of NWLA	04/05/19-12/31/29	Caddo	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000							
Cyber Research Center - LA Higher Ed Institution(CSC)/Bossier PCC	01/27/14 - 10/01/24	Bossier	\$2,500,000	\$1,500,000	\$250,000	\$250,000	\$250,000	\$250,000						
Cyber Research Center - LA Higher Ed Institution(CSC)/LA Tech	03/01/14 - 02/29/24	Lincoln	\$9,000,000	\$7,200,000	\$900,000	\$900,000								
Cyber Research Center - LA Higher Ed Institution(CSC)/Northwestern	01/27/14 - 08/31/24	Rapides	\$2,500,000	\$1,816,500	\$170,875	\$170,875	\$170,875	\$170,875						
Bossier Parish Community College (CAMET)	07/01/20-06/30/25	Bossier	\$3,000,000	\$1,540,000	\$365,000	\$365,000	\$365,000	\$365,000						
Brown & Root	07/02/15 - 12/31/25	EBR	\$1,800,000	\$1,050,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000					
Centurylink	07/01/09 - 12/31/25	Ouachita	\$43,475,396	\$29,451,724	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000						
TBD Educational component and Centurylink				\$200,000	\$200,000	\$200,000	\$200,000							
LA Tech Univ Centurylink				\$2,923,671	\$300,000									
CGI - LA Higher Ed Institution/UL Lafayette	07/01/14 - 06/30/24	Lafayette	\$4,500,000	\$3,375,000	\$375,000	\$375,000	\$375,000							
Cabot Corporation	In progress	Evangeline	\$1,000,000	\$0	\$500,000	\$500,000								
Citadel Completions	5/14/18 - 12/31/28	Calcasieu	\$9,000,000	\$1,400,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$200,000	\$200,000		
Dept of Military LA Natl Guard -Cyber Security Center (lease subsidy)	10/15/19-08/31/24	EBR	\$500,000	\$200,000	\$100,000	\$100,000	\$100,000							
Stephenson Technology Corp (federal match)	02/10/20-01/31/23	EBR	\$3,000,000	\$1,000,000	\$1,000,000	\$1,000,000								
DXC Technology - Higher Education Component	Yearly	Multi	\$25,000,000	\$17,500,000	\$5,500,000	\$2,000,000								
DXC Technology - PBG Component	11/13/17 - 3/31/28	Orleans	\$18,650,000	\$16,700,000	\$800,000	\$500,000	\$650,000							
Essence - Economic Programs	11/30/19-10/31/25	Orleans	\$7,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000						
Eurochem	03/28/13 - 12/31/28	St. John the Baptist	\$6,000,000	\$3,000,000	\$1,500,000	\$1,500,000								
Formosa Petrochemical Corporation	06/19/17-12/31/30	EBR	\$12,500,000	\$0	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$500,000					
Governor's Rapid Response Program (StatDed)				\$0	\$6,825,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Grambling University - IT workforce	10/01/19-09/30/23	Lincoln	\$1,200,000	\$480,000	\$320,000	\$400,000								
House of Raeford Farms of LA, LLC	12/31/19-12/31/26	Bienville	\$1,000,000	\$0	\$1,000,000									
IBM-Baton Rouge	01/01/13-06/30/30	EBR	\$64,500,000	\$59,400,000	\$1,050,000	\$1,050,000	\$500,000	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
IBM-Baton Rouge-LSU-Higher Ed Component	07/01/13-06/30/23	EBR	\$6,406,893	\$4,576,353	\$915,270	\$915,270								
IBM-Baton Rouge-Southeastern Univ-Higher Ed Component	07/01/14-06/30/24	Tangipahoa	\$1,780,000	\$1,030,000	\$250,000	\$250,000	\$250,000							
IBM-Baton Rouge-Southern Univ-Higher Ed Component	07/01/14-06/30/24	EBR	\$1,780,000	\$1,030,000	\$250,000	\$250,000	\$250,000							
IBM Monroe & ULM workforce development	10/10/14 -03/31/30	Ouachita	\$24,000,000	\$20,579,292	\$550,000	\$550,000	\$550,000	\$550,000	\$260,000	\$260,000	\$260,000	\$260,000	\$180,708	
International-Matex Tank Terminals (IMTT)	In progress	Orleans	\$475,000	\$0	\$175,000	\$75,000	\$75,000	\$75,000	\$75,000					
Iriapak	In progress	Orleans	\$125,000	\$0	\$125,000									
Jani-King	In progress	Tangipahoa	\$100,000	\$0	\$100,000									
LCTCS-Workforce Development - HAAS	05/11/20-12/31/23	Statewide	\$2,880,000	\$1,920,000	\$960,000									
LHC Group	03/22/19-12/31/30	Lafayette	\$3,500,000	\$1,100,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000		
LSU Shreveport - IT Workforce	10/01/19-09/30/23	Caddo	\$1,200,000	\$663,000	\$318,200	\$218,800								
2022 Men's Final Four - Major Events Incentive Program Subfund	In progress	Orleans	\$5,500,000	\$0	\$5,500,000									
Methanex #3	01/01/19-12/31/32	Ascension	\$3,000,000	\$1,500,000	\$1,500,000									
Military Efforts	Yearly	Statewide	\$1,800,000	\$1,200,000	\$600,000									
New Orleans Bioinnovation Center (NOBIC)	12/17/19-6/30/22	Orleans	\$1,500,000	\$1,250,000	\$250,000									
Pennington Biomedical Foundation	03/09/20-06/30/22	EBR	\$5,898,000	\$4,300,000	\$1,598,000									
Schoolmint	In progress	Lafayette	\$1,000,000	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Southern University at Shreveport (SUSLA)	05/18/20-06/30/23	Caddo	\$1,614,900	\$1,230,600	\$384,300									
Southern University at Shreveport (SUSLA-MS KICK)	05/18/20-06/30/23	Caddo	\$620,000	\$520,000	\$100,000									
SNF Holdings	06/22/09-06/30/26	Iberville	\$34,253,122	\$32,973,122	\$1,280,000									
Stewart Enterprises	08/26/20-12/31/30	Jefferson	\$200,000	\$0	\$200,000									
LA Tech Research Institute-Tech Pointe II (fed match-research)	09/01/19-08/31/22	Caddo	\$3,000,000	\$2,000,000	\$1,000,000									
LA Higher Ed Institution(UNO-GE Digital)	01/01/14 -06/30/24	Orleans	\$5,000,000	\$4,000,000	\$500,000	\$500,000								
TOTAL AGENCY 931			\$330,758,311	\$233,359,262	\$48,211,645	\$32,569,945	\$24,235,875	\$20,160,875	\$13,085,000	\$12,360,000	\$11,360,000	\$11,360,000	\$10,780,708	\$10,100,000



Economic Development – Audit Findings

March 11, 2020

Louisiana Quality Jobs Program Tax Incentive Evaluation

“Fifty-nine projects started under the Quality Jobs Program in calendar years 2011 and 2012 were expected to generate \$10.1 billion in direct, indirect and induced household income for Louisiana. However, the majority of that amount potentially would have been generated even if the program had not been available. The state could improve the program by capping the sales and use tax and project facility rebate components. Capping both rebates would have resulted in \$84.8 million in net savings to the State Treasury for those 59 projects. The state could also improve the program by giving recipient companies more incentive to obtain their equipment, materials and construction from Louisiana-based businesses.....In addition, from calendar years 2011 through 2018, the Louisiana Department of Revenue paid \$669,912 in Quality Jobs rebates to six companies for creating 155 jobs, but the companies either did not maintain the required number of new jobs through the third year of their contracts or did not submit the documentation showing they had done so. Since the program’s inception in 1995, the companies applying for rebates reported they anticipated creating 28,610 jobs, but only 13,210 jobs were created, resulting in an overstatement of job creation by 113.2 percent.”

June 17, 2020

Management Controls, Accuracy and Reliability of Program Data Reported in the Unified Economic Development Budget Report

“For the three projects evaluated, the data in the 2017 report was incomplete and contained some unreliable data elements. The required economic impacts and estimated payroll and investment were not reported on two of the projects.”

December 21, 2020

“An analysis of LED’s Tax Abatement Disclosures for FY20 found that of approximately \$323 million in tax credits granted, two programs - the Motion Picture Production Tax Credit and the Quality Jobs Program – represented 74 percent of the total.”