

## House Committee on Appropriations

Minutes of Meeting  
2016 Regular Session  
April 12, 2016

### I. CALL TO ORDER

Representative Cameron Henry, Chairman of the House Committee on Appropriations, called the meeting to order at 9:06 a.m. in Room 5, in the state capitol in Baton Rouge, Louisiana. The secretary called the roll.

### II. ROLL CALL

#### MEMBERS PRESENT:

Representative Cameron Henry, Chairman  
Representative Mark Abraham  
Representative Beryl A. Amedée  
Representative Tony Bacala  
Representative Lawrence A. "Larry" Bagley  
Representative John A. Berthelot  
Representative Robert E. Billiot  
Representative Gary M. Carter, Jr.  
Representative Charles R. Chaney  
Representative Rick Edmonds  
Representative Franklin J. Foil  
Representative Lance Harris  
Representative Bob Hensgens  
Representative Valarie Hodges  
Representative Walt Leger, III  
Representative Jack G. McFarland  
Representative Blake Miguez  
Representative Dustin Miller  
Representative Steve E. Pylant  
Representative Jerome Richard  
Representative John M. Schroder, Sr.  
Representative Scott M. Simon  
Representative Patricia Haynes Smith  
Representative Jerome "Zee" Zeringue

**MEMBERS ABSENT:**

Representative James K. Armes, III

**STAFF MEMBERS PRESENT:**

Ms. Penny B. Bouquet, Administrative Secretary

Mr. Peter G. E. Conroy, Legislative Analyst

Ms. Nancy Keaton, Legislative Analyst

**ADDITIONAL ATTENDEES PRESENT:**

None

**III. DISCUSSION**

Governor John Bel Edwards, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-7015, addressed the committee regarding his recommendations for the appropriations proposed in House Bill No. 1 of the 2016 Regular Session.

Governor Edwards discussed the 2016 Second Extraordinary Session, the Taylor Opportunity Program for Students (TOPS), and the updated revenue forecast from the Revenue Estimating Conference with Representatives Henry, Amedée, Bagley, Leger, and Schroder.

**House Bill No. 1 by Representative Henry**

The following agencies contained in House Bill No. 1 were presented and discussed:

**Executive Department**

Mr. Jay Dardenne, Commissioner of Administration, 1201 North Third Street, Suite 7-210, Baton Rouge, LA 70802, (225) 342-7000, presented the governor's recommendations for the FY16-17 budget. (See Exhibit A)

Commissioner Dardenne discussed merit increases in the FY16-17 budget and adjustments to the Minimum Foundation Program (MFP) formula with Representatives Henry and Schroder.

Commissioner Dardenne and Mr. Barry Dussé, Director of the Office of Planning and Budget, 1201 North Third Street, Suite 7-150, Baton Rouge, LA 70802, (225) 342-7005, discussed using funds from the Interim Emergency Board (IEB) with Representative Zeringue.

Commissioner Dardenne and Mr. Dussé discussed statutory dedications and reductions to certain state agencies that operate with self-generated revenue with Representatives Henry, Billiot, Edmonds, and Smith.

Commissioner Dardenne and Mr. Dussé discussed the FY16-17 budget for the Ethics Administration and eliminating funding for certain public/private partner hospitals with Representatives Henry, Abraham, Amedée, Edmonds, Harris, and Zeringue.

Mr. Dussé discussed the total amount of State General Fund versus the total amount of funding for certain hospitals proposed to close, and the total means of financing for the Department of Health and Hospitals with Representatives Leger and Bacala.

Mr. W. Jeff Reynolds, Undersecretary for the Department of Health and Hospitals, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, and Commissioner Dardenne discussed the total FY16-17 budget for the Bayou Health Plans, the impact of potentially closing hospitals, and Medicaid expansion with Representatives Hensgens and Smith.

Commissioner Dardenne discussed the allocation of the tobacco tax settlement with Representative Billiot. He also discussed the distribution of funds to the Pennington Biomedical Research Center, and the Louisiana State University and Southern University Agriculture Centers with Representatives Henry and Smith.

Commissioner Dardenne discussed the recommended FY16-17 budget for Winn and Allen Correctional Centers and sheriffs' local housing with Representative McFarland. He also discussed re-entry programs for non-violent offenders with Representative Carter.

Mr. James M. LeBlanc, Secretary for the Department of Corrections, no address provided, (225) 342-6702, discussed the rate of pay for inmates in work release programs with Representative Smith.

Commissioner Dardenne discussed the elimination of vacant Table of Organization (T.O.) positions within state agencies and the impact of budget reductions to the Office of Elderly Affairs with Representatives Henry, Billiot, and Carter.

Commissioner Dardenne discussed the effects of FY16-17 budget reductions to Youth Services with Representatives Bagley and Smith.

Commissioner Dardenne discussed the reallocation of Temporary Assistance for Need Families (TANF) funding from the LA4 Program to the Department of Children and Family Services with Representatives Amedée, Carter, and Smith.

Commissioner Dardenne discussed the reduction to the National School Lunch Program, the Louisiana Scholarship Program, and the MFP formula with Representatives Henry, Bagley, Carter, and Simon.

Commissioner Dardenne and Mr. Dussé discussed the (current and previous) use of one-time money in the state's budget with Representatives Abraham and Simon. He also discussed the use of one-time money to pay the thirteenth payment owed to the Medicaid Program with Representative Bacala.

Commissioner Dardenne discussed Capital Outlay reform, removing statutorily dedicated funds from the State General Fund, and potentially shifting certain services from state to local government with Representative Schroder.

Commissioner Dardenne discussed potential revenue sources generated through efficiencies within state agencies and eliminating vacant T.O. with Representative Henry.

**Department of Health and Hospitals**

Dr. Rebekah Gee, Secretary of the Department of Health and Hospitals, 628, North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, presented an overview and discussed the FY16-17 budget for the department. (See Exhibit B)

Dr. Gee and Mr. Reynolds discussed the amount of legacy fee-for-service fees budgeted in FY16-17 and the anticipated uninsured care cost savings as a result of Medicaid expansion with Representative Hensgens.

Dr. Gee and Mr. Reynolds discussed how Medicaid expansion will affect the State General Fund for FY16-17, the formula used to determine the amount of funding allocated to certain hospitals, and the public/private partnerships with Representatives Amedée, Billiot, Foil, and Zeringue.

Dr. Gee and Mr. Reynolds discussed Low-Income and Needy Care Collaboration Agreement (LINCCA) payments, and the Medicaid and Medicare differential for services with Representatives Amedée and Chaney.

Dr. Gee and Mr. Reynolds discussed the public/private partnerships capitation rates, renegotiation of contracts, hospital copayments, other revenue sources for the department, and fraud prevention with Representatives Bacala, Harris, and Zeringue.

Mr. Mark Thomas, Assistant Secretary of the Office for Citizens with Developmental Disabilities, no address provided, (225) 342-0095, presented a breakdown of funded New Opportunities Waiver (NOW) slots and the average cost per recipient of NOW waivers with Representative Hensgens.

Mr. Stephen Russo, Executive Counsel for the Department of Health and Hospitals, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed the Homestead Act with Representative Hensgens.

Mr. Reynolds and Mr. Russo discussed the department's 2015 audit findings and debt collection efforts with Representative Schroder.

The meeting recessed at 1:53 p.m. and reconvened at 4:55 p.m.

Ms. Michelle Alletto, Deputy Secretary of the Department of Health and Hospitals, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, and Mr. Reynolds discussed additional funds to maintain the number of full-time equivalent positions in the Office of Public Health and employee housing allowances with Representative Pylant.

Dr. Gee discussed the effects of reducing managed care payments with Representative Richard.

Ms. Tara LeBlanc, Assistant Secretary for the Office of Aging and Adult Services, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9500, discussed home and community-based services with Representative Amedée.

Mr. Reynolds and Ms. Alletto discussed the number of unfunded waiver slots with Representative Amedée.

Mr. Russo discussed the federal requirements to close a hospital with Representatives Henry and Chaney.

Dr. Gee and Mr. Thomas discussed promotions, salary increases within the department, and hiring additional employees within the Office for Citizens with Developmental Disabilities with Representative Bagley.

Dr. Gee and Mr. Russo discussed the ramifications of reducing funding to the public/private partnerships with Representatives Henry and Richard.

Dr. Gee and Mr. Reynolds discussed the benefits and cost savings of expanding the Medicaid Program and efforts to recover uncollected debt with Representatives Amedée, Carter, and Leger.

Dr. Gee, Mr. Reynolds, Ms. Alletto, and Mr. Russo discussed the department's preparations for FY16-17 budget reductions, the department's Medicaid report, and donations to the Baton Rouge Health Foundation with Representatives Henry and Leger.

**University of Louisiana System**

Dr. Dan D. Reneau, Jr., Interim President of the University of Louisiana System, 1201 North Third Street, 7-300, Baton Rouge, LA 70802, (225) 342-6950, discussed the impact of the FY16-17 budget reduction to the UL System and the impact of the TOPS reduction to Higher Education.

**Louisiana Community and Technical College System**

Dr. Monty Sullivan, President of Louisiana Community and Technical College System (LCTCS), 265 South Foster Drive, Baton Rouge, LA 70806, (225) 992-2800, discussed the TOPS reduction impact to LCTCS and core competitiveness funding.

**Louisiana State University System**

Dr. F. King Alexander, President of the Louisiana State University System, 3810 West Lakeshore Drive, Baton Rouge, LA 70808, (225) 578-2111, discussed the impact of TOPS budget reductions to the university and tuition autonomy.

Dr. Alexander, Dr. Reneau, and Dr. Sullivan discussed the uncertainty of funding for TOPS and the impact of budget reductions to the state's medical centers with Representative Carter.

Dr. Sullivan and Dr. Alexander discussed Higher Education's consensus on tuition autonomy with Representative Leger.

**Southern University System**

Dr. Ray L. Belton, President of the Southern University System, P.O. Box 9374, Baton Rouge, LA 70813, (225) 771-5020, addressed the committee regarding the shooting death of two Southern University students, and the support services that were made available to the family and friends of those students.

Dr. Alexander discussed scholarship funding, the percentage of students who receive full scholarships, and the minimal cost savings of closing LSU-Alexandria, LSU-Eunice, and LSU-Shreveport with Representative Harris.

Dr. Sullivan updated Representatives Billiot and Harris on projects contained in Act 360 from the 2013 Regular Session, concerning the issuance of bonds to finance improvements for LCTCS.

Dr. Alexander and Dr. Sullivan compared the amount of statutorily dedicated funds in Louisiana to other states, and how those funds have impacted Higher Education with Representative Abraham.

**Office of Student Financial Assistance**

Dr. Sujuan Boutté, Executive Director of the Louisiana Office of Student Financial Assistance (LOSFA), 602 North Fifth Street, Baton Rouge, LA 70802, (225) 219-7295, discussed the means of financing for and the impact of FY16-17 budget reductions to TOPS with Representatives Henry, Billiot, and Carter.

**V. ANNOUNCEMENTS**

There were no announcements.

**VI. ADJOURNMENT**

Representative Henry offered a motion to adjourn, to which there was no objection. The motion passed by a vote of 24 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, Leger, McFarland, Miguez, Miller, Pylant, Richard, Schroder, Simon, Smith, and Zeringue voted yea.

The meeting was adjourned at 7:20 p.m.

Respectfully submitted,

Chairman Cameron Henry  
House Committee on Appropriations