

House Committee on Appropriations

Minutes of Meeting
2016 Regular Session
April 26, 2016

I. CALL TO ORDER

Representative Cameron Henry, Chairman of the House Committee on Appropriations, called the meeting to order at 9:15 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 Patricia Haynes Smith
Representative Jerome "Zee" Zeringue

MEMBERS ABSENT:

Representative James K. Armes, III
Representative John M. Schroder, Sr.

Representative Scott M. Simon

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 OF LEGISLATION

House Concurrent Resolution No. 51 by Representative Barras

Representative Barras presented House Concurrent Resolution No. 51, which provides for a hospital stabilization formula.

Representative Leger offered an amendment to add that the hospital stabilization assessment and reimbursement enhancements are effective until July 1, 2017, and also offered a motion to adopt the proposed amendment. Without objection, the amendment was adopted by a vote of 18 yeas and 0 nays. Representatives Henry, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Harris, Hodges, Leger, McFarland, Miller, Pylant, Richard, Smith, and Zeringue voted yea.

Mr. Paul Salles, Louisiana Hospital Association, 9521 Brookline Avenue, Baton Rouge, LA 70810, (225) 928-0026, spoke in support of the resolution and provided information regarding the main components of the resolution.

Mr. Salles discussed coverage expansion as it relates to hospitals with Representative Leger.

There was no further discussion on the resolution.

Representative Leger offered a motion to report House Concurrent Resolution No. 51 with amendments. Without objection, House Concurrent Resolution No. 51 was reported with amendments by a vote of 19 yeas and 0 nays. Representatives Henry, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Harris, Hodges, Leger, McFarland, Miguez, Miller, Pylant, Richard, Smith, and Zeringue voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Concurrent Resolution No. 51 is available upon request.

House Bill No. 1128 by Representative Talbot

Representative Talbot presented House Bill No. 1128, which requires certain entities to make payments pursuant to certain contracts in a timely fashion.

Representative Henry offered amendments to HCAHB1128_2991_3277. Representative Henry offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 19 yeas and 0 nays. Representatives Henry, Amedée, Bacala, Bagley, Berthelot, Billiot, Gary Carter, Chaney, Edmonds, Lance Harris, Hodges, Leger, McFarland, Miguez, Dustin Miller, Pylant, Richard, Smith, and Zeringue voted yea.

There was no further discussion on the bill.

Representative Henry offered a motion to voluntarily defer action on House Bill No. 1128. Without objection, action on House Bill No. 1128 was voluntarily deferred by a vote of 16 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Harris, McFarland, Miller, Pylant, Smith, and Zeringue voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 1128 is available upon request.

House Bill No. 630 by Representative Bacala

Representative Bacala presented House Bill No. 630, which is a constitutional amendment that requires a certain portion of the monies in the Transportation Trust Fund to be used on certain projects.

There was no discussion on the bill.

Representative Henry offered a motion to voluntarily defer action on House Bill No. 630. Without objection, action on House Bill No. 630 was voluntarily deferred by a vote of 16 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Harris, McFarland, Miller, Pylant, Smith, and Zeringue voted yea.

House Bill No. 573 by Representative Bacala

Representative Bacala presented House Bill No. 573, which is a constitutional amendment that authorizes certain budget reduction actions to avoid a deficit if a deficit has been projected.

Representative Bacala discussed, with Representative Smith, public safety issues that may result from adopting the bill, and discussed amending the bill to change the 1% salary reduction to 5% with Representative Edmonds.

Representative Bacala discussed, with Representative Leger, the potential legal issues with reducing state employee salaries, and discussed which state employees would be impacted by the bill with Representative Bagley.

Representative Bacala discussed unfilled essential positions within state agencies with Representative Carter.

Representative Bacala discussed including local municipalities who receive State General Fund dollars in the bill with Representative Zeringue.

Representative Berthelot took a moment of personal privilege to recognize Ms. Kathy Edmonston, a Board of Elementary and Secondary Education (BESE) Board member from the 6th BESE District.

Representative Leger took a moment of personal privilege to welcome volunteers from Kingsley House.

Representative Bacala discussed issues with reducing salaries for employees in Higher Education and the potential loss of valuable state employees with Representative Leger.

Representative Leger offered an amendment to remove the authority to prohibit the filling of any vacant positions in state government and the creation of new positions. He also offered a motion to adopt the proposed amendment. Without objection, the amendment was adopted by a vote of 18 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Billiot, Carter, Chaney, Foil, Harris, Hensgens, Leger, McFarland, Miguez, Miller, Pylant, Richard, and Zeringue voted yea.

Representative Bacala discussed the definition of state employee in the bill with Representative Abraham.

Mr. Byron Decoteau, Jr., Director of State Civil Service, 1201 North Third Street, Baton Rouge, LA 70802, (225) 342-8273, provided information regarding merit and step increases for state employees, and reducing legislative officials' salaries while in office.

There was no further discussion on the bill.

Representative Lance Harris offered a motion to report House Bill No. 573 with amendments, to which Representative Leger objected. House Bill No. 573 was reported with amendments by a vote of 15 yeas and 5 nays. Representatives Henry, Abraham, Amedée, Bacala, Berthelot, Chaney, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, and Zeringue voted yea. Representatives Bagley, Billiot, Carter, Leger, and Smith voted nay.

House Bill No. 362 by Representative Richard

Representative Richard presented House Bill No. 362, which requires certain reductions in the number of positions in the executive branch of state government.

There was no discussion on the bill.

Representative Richard offered a motion to voluntarily defer action on House Bill No. 362. Without objection, action on House Bill No. 362 was voluntarily deferred by a vote of 20 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Foil, Harris, Hensgens, Hodges, Leger, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 362 is available upon request.

House Bill No. 943 by Representative Leopold

Representative Leopold presented House Bill No. 943, which prohibits the creation of new employment positions in state government from August 1, 2016, through June 30, 2018.

Representative Foil offered an amendment to remove the judicial branch of state government from the bill, and also offered a motion to adopt the proposed amendment. Without objection, the amendment was adopted by a vote of 18 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Berthelot, Billiot, Carter, Chaney, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

Representative Leopold discussed hiring additional state employees using federal funds to operate certain programs with Representative Smith, and discussed how the bill would affect certain essential state government employees with Representative McFarland.

Representative McFarland offered an amendment to remove the prohibition of filling vacant positions in the executive and legislative branches of government. He also offered a motion to adopt the proposed amendment. Without objection, the amendment was adopted by a vote of 17 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Chaney, Foil, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

Representative Leopold discussed how the bill would affect hiring new employees for Medicaid expansion with Representatives Billiot and Smith.

Representative Smith offered an amendment to change the effective date from *July 1, 2016* to *August 1, 2016*, and offered a motion to adopt the proposed amendment. Without objection, the amendment

was adopted by a vote of 17 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Chaney, Foil, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

Representative Chaney offered an amendment to allow institutions of Higher Education and their management boards to create new positions, and offered a motion to adopt the proposed amendment. Without objection, the amendment was adopted by a vote of 15 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Chaney, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

Mr. Randy Davis, Assistant Commissioner of the Division of Administration, 1201 North Third Street, Suite 7-210, Baton Rouge, LA 70802, (225) 342-7158, expressed his concerns for how creating new positions would be interpreted in the bill, and discussed the number of unfilled vacancies that have been reduced since the new administration took office with Representative Richard.

There was no further discussion on the bill.

Representative Pylant offered a motion to report House Bill No. 943 with amendments. Without objection, House Bill No. 943 was reported with amendments by a vote of 16 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Chaney, Foil, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 943 is available upon request.

House Bill No. 577 by Representative Hodges

Representative Hodges presented House Bill No. 577, which (Constitutional Amendment) Allows for the use of a portion of the Louisiana Education Quality Trust Fund when there is a projected deficit.

There was no discussion on the bill.

Representative Henry offered a motion to voluntarily defer action on House Bill No. 577. Without objection, action on House Bill No. 577 was voluntarily deferred by a vote of 16 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Chaney, Foil, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 577 is available upon request.

House Bill No. 706 by Representative Hodges

Representative Hodges presented House Bill No. 706, which allows for a use of a portion of the Louisiana Education Quality Trust Fund when there is a projected deficit.

There was no discussion on the bill.

Representative Henry offered a motion to voluntarily defer action on House Bill No. 706. Without objection, action on House Bill No. 706 was voluntarily deferred by a vote of 16 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Chaney, Foil, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 706 is available upon request.

House Bill No. 1126 by Representative Chad Brown

Representative Chad Brown presented House Bill No. 1126, which clarifies that the Office of Risk Management and certain other insurance providers are exempt from the Louisiana Insurance Code.

There was no discussion on the bill.

Representative Henry offered a motion to voluntarily defer action on House Bill No. 1126. Without objection, action on House Bill No. 1126 was voluntarily deferred by a vote of 16 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Chaney, Foil, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

House Bill No. 1005 by Representative Willmott

Representative Willmott presented House Bill No. 1005, which requires prior approval of certain purchases made by state agencies in the last two months of the fiscal year.

Mr. Davis addressed the committee regarding how state agency expenditure practices would be affected by the bill.

Representative Hensgens offered a motion to report House Bill No. 1005 favorably. Without objection, House Bill No. 1005 was reported favorably by a vote of 17 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Chaney, Foil, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, Smith, and Zeringue voted yea.

A copy of the witness cards for individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 1005 is available upon request.

IV. OTHER BUSINESS

Department of Corrections

Ms. Gina Brown, Audit Manager for the Legislative Auditor, 1600 North Third Street, Baton Rouge, LA 70802, (225) 339-3800, discussed the money findings within the Department of Corrections' Transitional Work Program audit. (See Exhibit A)

Ms. Brown discussed the amount owed to the department in supervision fees from past offenses with Representatives Billiot.

Ms. Christina Wilson, Senior Auditor for the Legislative Auditor, 1600 North Third Street, Baton Rouge, LA 70802, (225) 339-3800, and Ms. Brown discussed, with Representative Amedée, the total amount of deductions that offenders pay to participate in the program.

Mr. James M. LeBlanc, Secretary of the Department of Corrections, 504 Mayflower Street, Baton Rouge, LA 70802, (225) 342-6740, discussed, with Representative Henry, implementing some of the Legislative Auditor's recommendations for changes to the program.

Mr. Thomas Bickham, Undersecretary of the Department of Corrections, 504 Mayflower Street, Baton Rouge, LA 70802, (225) 342-6740, discussed, with Representative Henry, where certain payroll deductions flow through the department.

Mr. LeBlanc discussed the maximum amount of deductions that can be withheld from an offender's paycheck with Representative Pylant.

Mr. LeBlanc and Mr. Bickham discussed the difference between contract and non-contract compensation with Representative Bacala.

Department of Revenue

Ms. Kimberly Robinson, Secretary of the Department of Revenue, P.O. Box 66258, Baton Rouge, LA 70896, (225) 219-4059, discussed, with Representative Henry, the implementation of new tax law and the impact of declared disaster areas to sales tax collection numbers.

Ms. Robinson discussed how the department notified local businesses of the new tax law and the penalties associated with not collecting the correct amount of taxes with Representatives Berthelot and Harris.

Ms. Robinson discussed the transition to electronic tax filing and changes to the Reprogramming Tax Credit with Representative Harris.

Ms. Robinson discussed the revenue information bulletin that was posted to the department's website to inform the public of the new tax laws and the guidance provided with Representatives Henry and Bacala.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Berthelot offered a motion to adjourn, to which there was no objection. The motion passed by a vote of 22 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, Smith, and Zeringue voted yea.

The meeting was adjourned at 12:15 p.m.

Respectfully submitted,

Chairman Cameron Henry
House Committee on Appropriations