# **House Committee on Appropriations**

Minutes of Meeting 2022 Regular Session March 8, 2022

## I. CALL TO ORDER

Representative Jerome "Zee" Zeringue, chairman of the House Committee on Appropriations, called the meeting to order at 9:36 a.m. in Room 5, in the state capitol in Baton Rouge, Louisiana.

#### II. ROLL CALL

### **MEMBERS PRESENT:**

Representative Jerome "Zee" Zeringue, chairman

Representative Tony Bacala

Representative Barbara W. Carpenter

Representative R. Dewith Carrier

Representative Daryl Andrew Deshotel

Representative Mary DuBuisson

Representative Rick Edmonds

Representative Jason Hughes

Representative John R. Illg, Jr.

Representative Timothy P. Kerner

Representative Rodney Lyons

Representative C. Denise Marcelle

Representative Jack G. McFarland

Representative Blake Miguez

Representative Dustin Miller

Representative Troy D. Romero

Representative Francis C. Thompson, vice chairman

Representative Debbie Villio

Representative William "Bill" Wheat, Jr.

### **MEMBERS ABSENT:**

Representative Lawrence A. "Larry" Bagley, interim member

Representative Raymond J. Crews

Representative Aimee Adatto Freeman

Representative Brett F. Geymann

Representative Valarie Hodges, interim member

Representative Christopher Turner

#### **STAFF MEMBERS PRESENT:**

Dazia Briscoe, committee administrative assistant Chris Henry, budget analyst David Lehman, budget analyst Chas Nichols, budget analyst Jamie Tairov, budget analyst Daniel Waguespack, deputy director

#### ADDITIONAL ATTENDEES PRESENT:

Faye Talbot, sergeant at arms

#### III. BUSINESS

### **Discussion of the FY 22-23 Budget for:**

# **Dept. of the Treasury**

Mr. Chris Henry, budget analyst, House Fiscal Division (HFD), 900 North Third Street, Baton Rouge, LA 70802, (225) 342-1394, presented an overview and discussed the FY 22-23 budget for the Department of the Treasury.

Treasurer John Schroder, Department of Treasury, 900 North Third Street, Baton Rouge, LA 70802,(225) 342-0010, presented opening comments to the committee. In his remarks, Treasurer Schroder discussed the cash flow managed by the department, the Kevin P. Reilly, Sr., Louisiana Education Quality Trust Fund (LEQTF), the Millennial Trust Fund, the Main Street Recovery Program, and the suggestion of a revolving emergency response fund.

Treasurer Schroder discussed the requirements needed to increase securities for banking with Representative Zeringue.

Mr. John Broussard, chief investments officer, Department of Treasury, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-0013, discussed the federal reserve, inflation, the real rate of return, the risk premium, and equities with Representative Zeringue.

Treasurer Schroder discussed legislation to establish cash management, the state's retirement systems' investments, establishing a revolving loan program, and companies that may be considered detrimental to Louisiana's economy with Representative Marcelle.

Treasurer Schroder, Mr. Henry, and Ms. Mary Kathryn Drago, fiscal control assistant director, Department of Treasury, 900 North Third Street, Baton Rouge, LA 70802, (225) 0011, discussed the 7% of unclaimed property that is allowed to be used for expenditures with Representative Marcelle.

Mr. Henry discussed the statutory dedications designated for the LEQTF with Representative Marcelle.

Treasurer Schroder discussed the administrative and awarding dollars saved from the Main Street Recovery Program with Representative Marcelle.

Treasurer Schroder discussed the department's effort to implement the Main Street Recovery Program as it is written in the law with Representative Zeringue.

Treasurer Schroder discussed the need for a cash management system to accommodate municipalities affected by hurricanes and catastrophes with Representative Kerner.

## **Dept. of State**

Ms. Jamie Tairov, budget analyst, HFD, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-0474, presented an overview and discussed the FY 22-23 budget for the Department of State.

Secretary of State Kyle Ardoin, 8585 Archives Avenue, Baton Rouge, LA 70809, (225) 922-2880, provided updates to the committee regarding the estimated cost of new voting machines.

Secretary Ardoin discussed the policies, procedures, and an anticipated timeline for implementing a new voting system with Representative Zeringue.

Secretary Ardoin discussed the department's involvement in the maintenance and management of state museums with Representative Lyons.

Secretary Ardoin discussed plans to make state museums self-sufficient, the lieutenant governor's role in state museums, and the economic scale with Representative Zeringue.

Secretary Ardoin discussed possible revenue sources to offset the expenditure cost of the Old Governor's Mansion, preservation efforts, and the cost of a full-time position for a curator with Representative Carpenter.

Secretary Ardoin discussed the funds required to begin the procurement process for new voting machines, the additional funding required to replace the existing voting system, and the additional position requested for the legal division with Representative Edmonds.

Secretary Ardoin discussed how the voting systems of Louisiana compared with other southern states, voting integrity, and the need for a paper trail in case of an audit with Representative Thompson.

Secretary Ardoin discussed the Lake Pontchartrain Basin Maritime Museum and potential violations with listing early voting results by precincts in the new voting system on a statewide basis with Representative DuBuisson.

Secretary Ardoin discussed efforts to improve the turnaround time for returning election outcomes with Representative Illg.

### **Dept. of Veterans Affairs**

Mr. Daniel Waguespack, deputy director, HFD, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-7477, presented an overview and discussed the FY 22-23 budget for the Department of Veterans Affairs.

Colonel Joey Strickland, secretary, Department of Veterans Affairs (LDVA), 602 North Fifth Street, Baton Rouge, LA 70802, (225) 219-5000, presented opening comments to the committee. In his remarks, Secretary Strickland discussed the department's reputation as a leader in veteran services, the outreach program for women veterans, and prevention efforts against veteran homelessness and suicide.

Ms. Julie Baxter Payer, deputy secretary, LDVA, 602 North Fifth Street, Baton Rouge, LA 70802, (225) 219-5000, presented opening comments to the committee. In her remarks, Ms. Payer discussed two ongoing federal-funded projects, the budget for acquisition requirements, the percentage of the department's budget from the State General Fund, and the request for two full-time positions.

Secretary Strickland discussed how Louisiana's number of veterans per capita ranked with the national average, the department's two-week program for veterans to receive care after their active service ends, and the cost associated with providing veteran care with Representative Wheat.

Representative Kerner expressed his gratitude for Secretary Strickland's work during his tenure as the secretary of the LDVA.

Ms. Payer discussed vacant positions within the department and the mass shortage of nurses with Representative DuBuisson.

Secretary Strickland and Mr. Dustin Guy, deputy chief of staff, LDVA, 602 North Fifth Street, Baton Rouge, LA 70802, (225) 219-5014, discussed the turnover rate within the department, efforts to increase starting rates, the challenges with retaining medical staff with Representative DuBuisson.

Representative Thompson complimented Secretary Strickland on his priorities for the veterans during his tenure as the secretary of the LDVA.

Ms. Payer discussed LaVetCorps, how many students it serves, how it is funded, and the growing number of partnered schools with Representative Hughes.

Secretary Strickland discussed coordinating a tour of veteran facilities for the committee with Representative Illg.

Secretary Strickland discussed the federal funding required for the Louisiana War Veterans Home in Jackson, LA, due to the pandemic with Representative Zeringue.

### **Dept. of Justice**

Ms. Tairov presented an overview and discussed the FY 22-23 budget for the Department of Justice.

Ms. Melissa Gannuch, administrative services deputy director, Department of Justice (DOJ), 1885 North Third Street, Baton Rouge, LA 70802, (225) 326-6734, discussed the significant increase in the cost of civil penalties collected and prosecution costs with Representative Zeringue.

Ms. Elise Cazes, administrative services director, DOJ, 1885 North Third Street, Baton Rouge, LA 70802, (225) 326-6000, discussed the opioid settlement and the needs of the department to accommodate the increase in cybercrime with Representative Illg.

Ms. Gannuch and Ms. Cazes discussed the department's excess budget authority from fees and self-generated revenue for FY21, the decrease in budget authority from the State General Fund, and the department's request for budget authority to grant unclassified employees a performance rate increase with Representative Bacala.

## **Dept. of Public Service**

Mr. David Lehman, budget analyst, HFD, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-9101, presented an overview and discussed the FY 22-23 budget for the Department of Public Service.

Representative Thompson in the chair.

Mr. Brandon Frey, executive secretary, Louisiana Public Service Commission (PSC), 602 North Fifth Street, Baton Rouge, LA 70802, (225) 342-5163, discussed the do not call registry and utility rates for consumer bills with Representative Wheat.

Mr. Frey discussed the fuel surge charge found on consumer bills and the department's audit procedures with Representative Thompson.

Mr. Frey discussed procedures to decrease base rates to offset the rising cost of electricity and smart meters with Representative Bacala.

Representative DuBuisson expressed concerns about water companies' ability to increase consumer prices without proper notification.

# **Dept. of State Civil Service**

Mr. Chas Nichols, budget analyst, HFD, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-2444, presented an overview and discussed the FY 22-23 budget for the Department of State Civil Service.

Chairman Zeringue in the chair.

Mr. Byron Decoteau Jr., Department of Civil Service (DCS), 1201 North Third Street, Baton Rouge, LA 70802, (225) 342-8273, discussed the department's effort to address the great resignation, the increase in open positions coupled with the decrease in applicants, and turnover data with Representative Zeringue.

Mr. Decoteau and Mr. Chris Deer, deputy director, DCS, 1201 North Third Street, Baton Rouge, LA 70802, (225) 219-9424, discussed turnover rates, restructuring positions across the state to increase recruiting, and the difficulty of filling positions in rural areas with Representative Bacala.

Representative Carrier spoke on employment and Allen Correctional Center.

### DCS - Office of the State Examiner - Municipal Fire & Police Service

Mr. Nichols continued to present the FY 22-23 budget for Municipal Fire & Police Civil Service.

Ms. Adrienne Bordelon, state examiner, Office of the State Examiner, 8550 United Plaza, Baton Rouge, LA 70801, (225) 925-4416, discussed the associated costs of validating standard and jurisdiction-specific exams with Representative Zeringue.

#### DCS - La. Ethics Administration Program

Mr. Nichols continued to present the FY 22-23 budget for the Ethics Administration.

Ms. Kathleen Allen, ethics administrator, Louisiana Board of Ethics, P.O. Box 4368, Baton Rouge, LA 70821, (225) 219-5600, discussed the department's vacant positions and the effect vacancies may have on investigations with Representative Marcelle.

Ms. Allen discussed the department's requirement to contract internet access from the Office of Technology Services (OTS) with Representative Deshotel.

Ms. Allen discussed the disclosure requirements for elected officials to report a retired spouse's retirement income with Representative Zeringue.

Ms. Allen discussed ethics fines for filing violations in prior years' efforts with Representative Carpenter.

# **DCS - State Police Commission**

Mr. Nichols continued to present the FY 22-23 budget for the State Police Commission.

Mr. Nichols discussed the department's interagency transfers with Representative Deshotel.

Mr. Jason Hannaman, executive director, State Police Commission, 5825 Florida Boulevard, Baton Rouge, LA 70806, (225) 925-7057, informed the committee that although the commission is not mandated to contract internet access from the OTS, the agency does utilize some services of OTS.

Mr. Hannaman discussed the department's rent increase with Representative Zeringue.

Mr. Hannaman discussed the policies that govern state police, the limited number of positions within the commission, and a request for additional funding to hire a deputy director with Representative Lyons.

## **DCS - Board of Tax Appeals**

Mr. Nichols continued to present the FY 22-23 budget for the Board of Tax Appeals.

Mr. Francis Lobrano, chairman, Louisiana Board of Tax Appeals, 627 North Fourth Street, Baton Rouge, LA 70802, (225) 219-3145, discussed the department's self-generated revenue from filing fees.

Mr. Lobrano and Ms. Lisa Woodnuff-White, board members, Louisiana Board of Tax Appeals, 627 North Fourth Street, Baton Rouge, LA 70802, (225) 933-0050, discussed the board's cost overruns and source of revenue with Representative Zeringue.

#### IV. ANNOUNCEMENTS

Persons who do not feel comfortable giving testimony in person at this time may submit a prepared statement in lieu of appearing before the committee:

A. Any interested person or any committee member may file with the committee a prepared statement concerning a specific instrument or matter under consideration by the committee or concerning any matter within the committee's scope of authority, and the committee records shall reflect receipt of such statement and the date and time thereof.

B. Any person who files a prepared statement which contains data or statistical information shall include in such prepared statement sufficient information to identify the source of the data or statistical information.

For the purposes of this Paragraph, the term "source" shall mean a publication, website, person, or other source from which the data or statistical information contained in the prepared statement was obtained by the person or persons who prepared the statement.

NOTE: Only statements mailed to <u>briscoed@legis.la.gov</u> and received prior to noon Monday, March 07, 2022, will be included in the record for this committee meeting.

All persons desiring to participate in the meeting shall utilize appropriate protective health measures and observe the recommended and appropriate social distancing.

### V. ADJOURNMENT

Representative Thompson offered a motion to adjourn. Without objection, the motion passed by a vote of 19 yeas and 0 nays. Representatives Zeringue, Bacala, Carpenter, Carrier, Deshotel, DuBuisson, Edmonds, Hughes, Illg, Kerner, Lyons, Marcelle, McFarland, Miguez, Dustin Miller, Romero, Thompson, Villio, and Wheat voted yea.

The meeting was adjourned at 2:14 p.m.

Respectfully submitted,

Chairman Jerome "Zee" Zeringue House Committee on Appropriations