

House Committee on Appropriations

Minutes of Meeting
2016 Regular Session
April 25, 2016

I. CALL TO ORDER

Representative Cameron Henry, Chairman of the House Committee on Appropriations, called the meeting to order at 9:44 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 James K. Armes, III
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 Scott M. Simon
Representative Patricia Haynes Smith
Representative Jerome "Zee" Zeringue

MEMBERS ABSENT:

Representative John M. Schroder, Sr.

STAFF MEMBERS PRESENT:

Ms. Penny B. Bouquet, Administrative Secretary
Ms. Peter G. E. Conroy, Legislative Analyst
Ms. Nancy Keaton, Legislative Analyst

ADDITIONAL ATTENDEES PRESENT:

None

III. DISCUSSION OF LEGISLATION**House Bill No. 1009 by Representative Havard**

Representative Havard presented House Bill No. 1009, which requires certain public entities to provide a secure electronic interactive system for submission of competitive sealed bids and proposals as an alternative bidding option.

There was no further discussion on the bill.

Representative Billiot offered a motion to report House Bill No. 1009 favorably. Without objection, House Bill No. 1009 was reported favorably by a vote of 23 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Armes, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Miller, Pylant, Richard, Simon, 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. 1009 is available upon request.

House Bill No. 882 by Representative Armes

Representative Armes presented House Bill No. 882, which provides for the percentage of total evaluation points awarded to certain veterans in requests for proposals for state procurements and public contracts.

Representative Armes offered an amendment to delete the application of a mandatory award requirement to solicitation of offers, initiations to bid, and advertisements for bids. He also offered a motion to adopt the amendment. Without objection, the amendment was adopted by a vote of 23 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Armes, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Miller, Pylant, Richard, Simon, Smith, and Zeringue voted yea.

There was no further discussion on the bill.

Representative Berthelot offered a motion to report House Bill No. 882 with amendments. Without objection, House Bill No. 882 was reported with amendments by a vote of 23 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Armes, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Miller, Pylant, Richard, Simon, 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. 882 is available upon request.

House Bill No. 454 by Representative Richard

Representative Richard presented House Bill No. 454, which provides for reporting, review, and approval by the Joint Legislative Committee on the Budget (JLCB) of certain professional, personal, and consulting service contracts.

Representative Richard discussed the number of contracts within state government and the time it would take for JLCB to review them all with Representative Smith.

There was no further discussion on the bill.

Representative Pylant offered a motion to report House Bill No. 454 favorably. Without objection, House Bill No. 454 was reported favorably by a vote of 22 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Armes, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Miller, Pylant, Richard, Simon, 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. 454 is available upon request.

House Bill No. 74 by Representative Richard

Representative Richard presented House Bill No. 74, which provides for a reduction of all state professional, personal, and consulting service contracts. (See Exhibit A)

Representative Richard offered an amendment to exclude contracts from the Attorney General's Office that are necessary to perform any constitutional or statutory functions of the office. He also offered a motion to adopt the amendment. Without objection, the amendment was adopted by a vote of 22 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Armes, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Miller, Pylant, Richard, Simon, Smith, and Zeringue voted yea.

Representative Richard discussed, with Representative Foil, the percentage or total amount of state agency contracts that should be reduced, and discussed the purpose of the bill with Representative Amedée.

Representative Richard discussed which state agency contracts should be eliminated with Representatives Abraham and Carter, and discussed the level of authority that would be given to the Commissioner of Administration to reduce state contracts with Representatives Leger and McFarland.

Mr. Randy Davis, Assistant Commissioner of the Division of Administration, 1201 North Third Street, Suite 7-210, Baton Rouge, LA 70802, (225) 342-7158, discussed the department's efforts to review and reduce state professional and consulting contracts and the total amount being spent on state contracts with Representative Miguez.

Mr. Jonathan Walker, Assistant Director of the Office of State Procurement, 1201 North Third Street, Baton Rouge, LA 70802, (225) 939-6457, discussed the total amount of State General Fund being used for state contracts in comparison to the total amount spent on contracts with Representative Miguez.

Representative Miguez offered an amendment to delete the previously adopted amendment offered by Representative Richard.

Mr. Scott Johnson, Executive Counsel for the Division of Administration, 1201 North Third Street, Baton Rouge, LA 70802, (225) 342-7082, discussed the ramifications of cancelling Bayou Health contracts with Representative Smith.

Mr. Walker explained that the majority of contracts using State General Fund is concentrated in a few agencies and discussed which contracts are exempted from competitive bid with Representative Pylant.

Mr. Davis explained to Representative Pylant that funds for certain state contracts are only spent when services are rendered.

Representative Chaney discussed the possible use of savings (from reducing contracts) strictly for the TOPS Program.

Mr. Walker, Mr. Johnson, and Representative Billiot discussed when the cost savings resulting from the passage of House Bill No. 74 would be realized.

Ms. Desireé Honoré Thomas, Assistant Commissioner of Administration, 1201 North Third Street, Baton Rouge, LA 70802, (225) 342-7000, discussed the function of the Bayou Health Plans with Representative Smith.

There was no further discussion on the amendment.

Representative Miguez offered a motion to adopt the amendment, to which Representative Leger objected. The amendment was adopted by a vote of 13 yeas and 8 nays. Representatives Amedée, Bacala, Bagley, Berthelot, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, and

Simon voted yea. Representatives Abraham, Armes, Billiot, Carter, Chaney, Leger, Miller, and Smith voted nay.

Mr. Davis discussed the renegotiation of the Bayou Health Plan contract with Representative Hensgens.

Ms. Thomas and Mr. Davis discussed the hospital public-private partnership contracts, the department's efforts to identify the total number of state agency contracts, and reducing state contracts with Representatives Bacala and Pylant.

Representative Richard discussed options to reduce other contracts instead of reducing those that affect healthcare with Representative Smith.

There was no further discussion on the bill.

Representative Richard offered a motion to report House Bill No. 74 with amendments, to which Representative Smith objected. House Bill No. 74 was reported with amendments by a vote of 15 yeas and 5 nays. Representatives Amedée, Bacala, Bagley, Berthelot, Edmonds, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, Simon, and Zeringue voted yea. Representatives Armes, Billiot, Chaney, Miller, and Smith voted nay.

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. 74 is available upon request.

House Bill No. 558 by Representative Jay Morris

Representative Jay Morris presented House Bill No. 558, which requires certain contracting entities to submit information to the legislative auditor prior to contracting with a state agency or receiving state monies.

Representative Henry offered an amendment to exclude contracts valued at \$10,000 or less, and to provide for appeals and resubmission of information. He also offered a motion to adopt the amendment. Without objection, the amendment was adopted by a vote of 21 yeas and 0 nays. Representatives Henry, Amedée, Armes, Bacala, Bagley, Berthelot, Billiot, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Miller, Pylant, Richard, Simon, Smith, and Zeringue voted yea.

Representative Jay Morris discussed the fiscal impact of the bill with Representatives Berthelot, Pylant, and Smith. He also discussed examples of contracts that would be exempt from the bill and the information contractors are required to provide to the Legislative Auditor with Representatives Armes and Billiot.

Mr. Walker explained the fiscal impact of the bill, and discussed the number of vacant Table of Organization (T.O.) positions in state agencies and the Division of Administration with Representatives Henry and Berthelot.

Mr. Johnson expressed his concerns about the Legislative Auditor's role in the bill and the risk for potential liability.

There was no further discussion on the bill.

Representative Pylant offered a motion to report House Bill No. 558 with amendments. Without objection, House Bill No. 558 was reported with amendments by a vote of 16 yeas and 0 nays. Representatives Henry, Abraham, Bacala, Bagley, Berthelot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Miguez, Miller, Pylant, Simon, 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. 558 is available upon request.

House Bill No. 726 by Representative Jay Morris

Representative Jay Morris presented House Bill No. 726, which provides relative to consulting, professional, personal, and social services contracts that are not competitively bid or negotiated. He also discussed the fiscal impact of the bill with Representatives Berthelot and Henry.

Mr. Walker and Mr. Paul Holmes, Director of State Procurement, 1201 North Third Street, Baton Rouge, LA, 70802, (225) 342-8062, discussed the request for proposal (RFP) process with Representatives Abraham, Bacala, and Carter.

There was no further discussion on the bill.

Representative Harris offered a motion to voluntarily defer action on House Bill No. 726. Without objection, action on House Bill No. 726 was voluntarily deferred by a vote of 18 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Harris, Hensgens, McFarland, Miguez, Pylant, Richard, Simon, 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. 726 is available upon request.

House Bill No. 799 by Representative Jay Morris

Representative Jay Morris presented House Bill No. 799, which requires certain information be included in all state contracts and certain state-related contracts.

Representative Berthelot offered an amendment to remove reference to the LCTCS Facilities Corporation and, instead, apply the proposed law to any nonprofit dependent upon annual appropriations for debt service, bond defeasance, or payments. He also offered a motion to adopt the amendment. Without objection, the amendment was adopted by a vote of 18 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Harris, Hensgens, McFarland, Miguez, Pylant, Richard, Simon, and Zeringue voted yea.

Representative Jay Morris discussed the intent of the bill and how the bill would affect existing state projects with Representatives Amedée, Berthelot, and Billiot.

Ms. Lela M. Folsé, Director of the State Bond Commission, no address provided, (225) 219-1134, provided information regarding Act 360 of the 2013 Regular Session, pertaining to the issuance of bonds to finance capital improvements for LCTCS.

Mr. Tim Barfield, Executive Vice President with CSRS, Inc., 6767 Perkins Road, Baton Rouge, LA 70808, (225) 229-2133, discussed ways to address transparency and accountability issues related to hospital public-private partnership contracts with Representatives Billiot and Pylant.

Mr. Fred L. Chevalier, Louisiana Community Development Authority, 8555 United Plaza Boulevard, Baton Rouge, LA 70809, (225) 248-2046, provided testimony regarding the termination of contracts with non-appropriation clauses.

Representative Billiot offered an amendment to remove the requirement that the appropriations dependency clause contain specific information, and offered a motion to adopt the amendment. Without objection, the amendment was adopted by a vote of 20 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, Simon, and Zeringue voted yea.

There was no further discussion on the bill.

Representative Harris offered a motion to report House Bill No. 799 with amendments. Without objection, House Bill No. 799 was reported with amendments by a vote of 20 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, McFarland, Miguez, Pylant, Richard, Simon, 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. 799 is available upon request.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Edmonds 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, Armes, Bacala,

Bagley, Berthelot, Billiot, Carter, Chaney, Edmonds, Foil, Harris, Hensgens, Hodges, Leger, McFarland, Miguez, Miller, Pylant, Richard, Simon, Smith, and Zeringue voted yea.

The meeting was adjourned at 1:00 p.m.

Respectfully submitted,

Chairman Cameron Henry
House Committee on Appropriations