

**House Committee on Appropriations
Subcommittee on Business Development**

Minutes of Meeting
2017 Regular Session
April 4, 2017

I. CALL TO ORDER

Representative Lance Harris, Chairman of the Subcommittee on Business Development, called the meeting to order at 9:13 a.m. in Room 5, in the state capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative Lance Harris, Chairman
Representative Mark Abraham
Representative Gary M. Carter, Jr.
Representative Rick Edmonds

MEMBERS ABSENT:

Representative John A. Berthelot

STAFF MEMBERS PRESENT:

Ms. Katie Andress, Secretary
Mr. Chris Henry, Budget Analyst

ADDITIONAL ATTENDEES PRESENT:

Representative Charles R. Chaney
Representative Jerome Richard
Ms. Faye Talbot, Sergeant at Arms
Ms. Vivian Hurst, Sergeant at Arms

III. DISCUSSION

House Bill No. 1 by Representative Henry

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

Department of Economic Development (LED)

Mr. Chris Henry, Budget Analyst for the House Fiscal Division, 900 North Third Street, 11th Floor, Baton Rouge, LA 70804, (225) 342-1394, presented an overview and discussed the FY 17-18 budget for the department.

Mr. Don Pierson, LED Secretary, 1051 North Third Street, Baton Rouge, LA 70802, (225) 342-3000, discussed the department's efforts to grow the state's economy and revive the oil and gas industry in Louisiana in spite of past budget reductions.

Mr. Pierson discussed the impact of reducing Tier 1 funding to local entities, funded vacancies, and funding for the state's military base facilities with Representative Harris.

Mr. Henry and Mr. Pierson discussed the reduction in the department's statutorily dedicated funds, the increase in the department's fees and self-generated revenue, and the impact of increases in retirement contributions and salary base adjustments to the department's FY17-18 budget with Representative Abraham.

Ms. Anne Villa, LED Undersecretary, 1051 North Third Street, Baton Rouge, LA 70802, (225) 342-3000, discussed the department's funded vacancies with Representative Abraham.

Mr. Pierson discussed incentives given to companies for new job production in Louisiana, economic growth in the Acadiana area, performance based programs, and the department's process to fill vacant positions under the Governor's hiring freeze, with Representative Edmonds.

Ms. Villa discussed using funds from vacant Table of Organization (T.O.) positions to reduce the impact of budget reductions to the department with Representative Edmonds.

Mr. Pierson discussed, with Representative Chaney, how the department distributes fees and self-generated revenue for the Tier 1 Program throughout the state.

Mr. Pierson discussed the return on investment for the state's debt service and commitments, and the possibility for economic growth in Louisiana with Representative Carter.

Department of Insurance

Mr. Peter Conroy, Legislative Analyst for the House Fiscal Division, 900 North Third Street, Baton Rouge, LA 70804, (225) 342-6292, presented an overview of the department and discussed the FY17-18 budget.

Commissioner James J. Donelon, Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804, (225) 342-7275, discussed the department's functions, current T.O., and the FY17-18 budget.

Ms. Denise Gardner, Chief Deputy Commissioner of Insurance, P.O. Box 94214, Baton Rouge, LA 70804, (225) 342-7276, compared the department's mid-year budget reduction to the other statewide elected officials' mid-year reductions.

Commissioner Donelon discussed the types of fees and self-generated revenue collected by the department, Louisiana's premium tax rates, and merit increases in FY15-16 and FY16-17 with Representative Harris.

Ms. Gardner discussed the increase in employee-related benefits in FY17-18 with Representative Abraham.

Ms. Gardner and Commissioner Donelon discussed the functions and expenditures associated with the department's Insurance Fraud Unit with Representative Edmonds.

Commissioner Donelon discussed the effects of changes to federal Affordable Care Act regulations on the department with Representatives Carter and Harris.

Louisiana Workforce Commission (LWC)

Mr. Blake Ruiz, Budget Analyst for the House Fiscal Division, 900 North Third Street, Baton Rouge, LA 70804, (225) 342-0474, presented an overview and discussed the department's FY17-18 budget.

Ms. Ava Dejoie, Executive Director of LWC, 1001 North 23rd Street, Baton Rouge, LA 70802, (225) 342-3001, discussed the department's programs and services available to employers and job seekers in Louisiana and the effects of budget reductions to the amount of federal match funding available to the department. (See Exhibit A)

Ms. Dejoie discussed the Second Injury Fund with Representatives Harris and Abraham. She also discussed the process to receive unemployment benefits with Representative Harris.

Mr. Sachin Chintawar, Director of Research and Statistics for LWC, 1001 North 23rd Street, Baton Rouge, LA 70802, (225) 342-3147, discussed the trends in unemployment rates with Representative Harris.

Ms. Sheral Kellar, Director of the Office of Workers' Compensation Administration, 1001 North 23rd Street, Baton Rouge, LA 70802, (225) 342-7561, discussed eligibility requirements for the Second Injury Fund with Representative Abraham.

Ms. Dejoie discussed the differences between the Workforce Innovation and Opportunity Act and the Incumbent Worker Training Program with Representative Abraham. She also stated statistics on the number of jobs created in Louisiana.

Ms. Dejoie and Mr. Bennett Soulier, Chief Financial Officer of LWC, 1001 North 23rd Street, Baton Rouge, LA 70802, (225) 342-3001, discussed the department's funded vacancies and turn-over rate with Representative Abraham.

Ms. Dejoie discussed the effects of sweeping funds from the Second Injury Fund into the State General Fund, the effects of reducing funds for the Louisiana Rehabilitative Services Program, and receiving funds from private donors to help draw down federal matching funds with Representative Carter.

Mr. Soulier discussed, with Representative Carter, the amount of federal funding the department received in FY15-16 and FY16-17.

Mr. Michael Ullo, IT Audit Manager for the Legislative Auditor, 1600 North Third Street, Baton Rouge, LA 70804, (225) 339-3889, discussed the audit findings regarding the department's unemployment insurance claims software system (implemented in 2015) with Representative Harris.

Ms. Dejoie and Ms. Renita Williams, Director of the Unemployment Insurance Program, 1001 North 23rd Street, Baton Rouge, LA 70802, (225) 342-2905, discussed the department's efforts to improve the unemployment insurance claims software errors with Representative Harris.

Department of Environmental Quality (DEQ)

Mr. Ruiz presented an overview and discussed the department's FY17-18 budget.

Dr. Chuck Carr Brown, DEQ Secretary, 602 North Fifth Street, Baton Rouge, LA 70802, (225) 219-3950, discussed the effects of potential reductions to the federal Environmental Protection Agency with Representative Carter.

Ms. Karyn Andrews, DEQ Undersecretary, 602 North Fifth Street, Baton Rouge, LA 70802, (225) 219-3861, discussed the increase in administrative costs associated with investigating contaminated underground storage tanks with Representative Harris.

Dr. Brown and Ms. Andrews discussed the number of funded vacancies within the department with Representative Abraham.

Public Service Commission

Mr. Ruiz presented an overview and discussed the FY17-18 budget for the department.

Ms. Eve Gonzalez, Executive Secretary, and Mr. Colby Cook, Press Secretary for the Public Service Commission, 602 North Fifth Street, Baton Rouge, LA 70821, (225) 342-4404, discussed the effects of fee collections forecasted by the Revenue Estimating Conference on the staffing levels within the department, audit findings regarding the department's rate review turn around time, and the "Do Not Call" Program with Representative Abraham.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Abraham offered a motion to adjourn. Without objection, the motion passed by a vote of 4 yeas and 0 nays. Representatives Harris, Abraham, Carter, and Edmonds voted yea.

The meeting was adjourned at 1:22 p.m.

Respectfully submitted,

Chairman Lance Harris
Subcommittee on Business Development