

House Committee on Appropriations

Minutes of Meeting
2017 Regular Session
April 24, 2017

I. CALL TO ORDER

Representative Cameron Henry, Chairman of the House Committee on Appropriations, 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 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 John M. Schroder, Sr.
Representative Scott M. Simon
Representative Patricia Haynes Smith
Representative Jerome "Zee" Zeringue

MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Ms. Katie Andress, Secretary
Mr. Peter G. E. Conroy, Legislative Analyst
Ms. Nancy Keaton, Legislative Analyst

ADDITIONAL ATTENDEES PRESENT:

Ms. Faye Talbot, Sergeant at Arms
Ms. Vivian Hurst, Sergeant at Arms

III. DISCUSSION**Revenue Estimating Conference**

Mr. Greg Albrecht, Chief Economist for the Legislative Fiscal Office, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-7233, presented a brief history of the Revenue Estimating Conference (REC), and discussed the process to determine a mid-year shortfall with Representative Henry.

Mr. Albrecht and Mr. Manfredo Dix, Economist for the Office of Planning and Budget, 1201 North Third Street, Suite 7-150, Baton Rouge, LA 70802, (225) 342-7005, discussed the methodology used to determine the revenue forecast and the effects of fiscal notes to the forecast with Representative Henry.

Mr. Albrecht discussed the accuracy of funds used to determine the REC forecast with Representative Bacala. He and Dr. James A. Richardson, Professor of Economics at Louisiana State University, 4005 Nicholson Drive Extension, Baton Rouge, LA 70803, (225) 578-6745, also discussed the shift in the REC forecast between 2008 and 2010 with Representative Bacala.

Mr. Albrecht discussed the difficulty in estimating corporate income tax projections and the source for wages and salaries data with Representative Hensgens. He and Dr. Richardson also discussed the impact of oil and gas prices and Medicaid expansion to the state's employment growth with Representative Billiot.

Mr. Dix and Dr. Richardson discussed discrepancies with employment data produced by the Bureau of Labor Statistics (BLS) with Representative Hodges.

Mr. Albrecht discussed the number of statutory dedications in Louisiana and length of time each has been in existence, and Dr. Richardson discussed the growth in inventory tax credits since FY07-08 with Representative Smith.

Mr. Albrecht and Dr. Richardson discussed the Louisiana's revenue volatility, ways to restructure the state's tax system to improve volatility levels, and the Budget Stabilization Fund with Representative Leger. Mr. Dix also discussed BLS quarterly census data used for the REC forecast with Representative Leger.

Mr. Albrecht discussed the purpose of the Over Collections Fund, in the event of a surplus, with Representative Miguez. He and Dr. Richardson also discussed regional employment data in the oil and gas industry with Representative Miguez.

Mr. Albrecht and Mr. Dix discussed how the REC forecast is adjusted when an estimate is consistently off with Representative Abraham. He and Dr. Richardson also discussed the average REC forecast's error rate, the Commercial Activity Tax, and the state's economic growth rate with Representative Carter.

Dr. Richardson discussed the use of one time money for recurring purposes in previous budgets and tax structure reform with Representative Schroder.

The meeting was recessed at 12:01 p.m. and reconvened at 1:24 p.m.

Department of Health

Commissioner Jay Dardenne, Division of Administration, 1201 North Third Street, Suite 7-210, Baton Rouge, LA 70802, (225) 342-7000, presented an overview of the hospital public-private partnership agreements.

Mr. W. Jeff Reynolds, Undersecretary for the Department of Health, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-6725, discussed the renegotiating the hospital public-private partnership agreements with Representative Henry.

Dr. Larry Hollier, Chancellor of the LSU Health Science Center (LSUHSC) at New Orleans, 433 Bolivar Street, 8th Floor, New Orleans, LA 70112, (504) 568-4800, discussed the contract between the LSUHSC at Shreveport and the Biomedical Research Foundation with Representative Bagley. He also discussed the benefits of the hospital public-private partnerships. (See Exhibit A)

Dr. G.E. Ghali, Chancellor of the LSUHSC Shreveport, 1501 Kings Highway, Shreveport, LA 71130, (318) 469-9318, discussed reimbursement of legacy costs from the Biomedical Research Foundation and the anti-trust suit between the state and University Health with Representative McFarland.

Commissioner Dardenne and Mr. Reynolds discussed the impact of budget reductions to the LSU Health Science Centers with Representatives Edmonds and McFarland.

Mr. Reynolds discussed the payments to the hospital public-private partnerships, the cost savings from Medicaid expansion, and the effects of Medicaid expansion to rural hospitals with Representative Bacala.

Dr. Hollier discussed the hospital public-private partners' reporting of clinical data monitoring on patient outcomes, and the Medicaid reimbursement rate for rural hospitals with Representative Miller.

Hospital Public-Private Partnerships

Dr. Dan Snyder, Chief Executive Officer of the University Health System, 1141 Kings Highway, Shreveport, LA 71103, (305) 297-0956, discussed hospital safety ratings and patient outcomes with Representative Bagley. He and Dr. Ghali discussed payments owed to LSUHSC Shreveport with Representative Bagley.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Smith offered a motion to adjourn. Without objection, the motion passed by a vote of 25 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, Schroder, Simon, Smith, and Zeringue voted yea.

The meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Chairman Cameron Henry
House Committee on Appropriations