

House Committee on Appropriations

Minutes of Meeting
2018 Third Extraordinary Session
June 19, 2018

I. CALL TO ORDER

Representative Cameron Henry, Chairman of the House Committee on Appropriations, called the meeting to order at 9:52 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 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 Scott M. Simon
Representative Patricia Haynes Smith
Representative Jerome "Zee" Zeringue

MEMBERS ABSENT:

Representative James K. Armes, III
Representative Reid Falconer
Representative Franklin J. Foil, Vice Chairman
Representative Jerome Richard

STAFF MEMBERS PRESENT:

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

ADDITIONAL ATTENDEES PRESENT:

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

III. DISCUSSION

Representative Henry presented an overview of the discussions that will take place during the 2018 3rd Extraordinary Session.

Revenue Estimating Conference Forecast

Mr. Greg Albrecht, Chief Economist, Legislative Fiscal Office, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-7233, discussed the revenue forecast for FY18-19.

Ms. Jodi Mauroner, Education Section Director, and Mr. Shawn Hotstream, Health & Social Services Section Director, Legislative Fiscal Office, 900 North Third Street, Baton Rouge, LA 70802, (225) 342-7233, discussed significant growth in the Louisiana Department of Health's (LDH) budget with Representatives Bacala and Leger.

Mr. Albrecht discussed the state's employment growth rates with Representatives Harris and Leger, and discussed federal tax law changes with Representative Edmonds.

Mr. Albrecht discussed the state's unemployment trends with Representatives Abraham, Hensgens, and Smith, and also discussed the effects of a potential economic down turn in Louisiana with Representatives Carter and Leger.

Mr. Albrecht discussed the effects of oil production rates on the state's budget with Representatives Henry and Amedée, and the effect of legacy lawsuits on investing in the state's oil and gas industry with Representatives Miguez and Miller.

Mr. Albrecht discussed the adoption of the Legislative Fiscal Office's revenue forecast with Representative Henry.

House Bill No. 1 of the 2018 3rd Extraordinary Session by Representative Henry

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

Louisiana Department of Health

Representative Henry presented an overview of the department's FY18-19 budget.

Mr. W. Jeff Reynolds, Undersecretary, Dr. Rebekah Gee, Secretary, and Ms. Michelle Alletto, Undersecretary, Louisiana Department of Health (LDH), 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9509, discussed funding for the thirteenth check write to Medicaid's Managed Care Organizations (MCO) with Representatives Henry and Edmonds.

Mr. Reynolds and Ms. Alletto discussed funding for Medicaid waivers with Representative Henry.

Mr. Mark Thomas, Assistant Secretary, Office for Citizens with Developmental Disabilities, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9509, and Dr. Gee discussed the amount of New Opportunities Waiver (NOW) slots funded for FY18-19 with Representative Pylant. Ms. Alletto discussed patient enrollment in new waiver slots with Representative Pylant.

Mr. Reynolds discussed state funding for rural hospitals with Representative Chaney.

Representative Miguez in the chair.

Ms. Alletto and Dr. Gee discussed the re-basing of rates for workers in Intermediate Care Facilities (ICF) with Representative Simon. Ms. Alletto also discussed the department's expenditures for mandatory services with Representative Leger.

Mr. Reynolds and Dr. Gee discussed the department's FY18-19 budget reduction with Representative Leger and provided a handout, Exhibit A, which is included in the committee records.

Ms. Alletto discussed the cost associated with the increase in the department's Table of Organization (T.O.) positions and the department's funded vacancies with Representative Edmonds.

Dr. Gee discussed the employee turnover rate at the Pinecrest Supports and Services Center with Representative Edmonds.

Ms. Alletto and Dr. Gee discussed the cost associated with department's plan to secure housing for mentally ill patients in nursing homes with Representatives Bacala and Smith.

Mr. Reynolds discussed the department's increase in MCO payments and the physician's Upper Payment Limit (UPL) pool, and Dr. Gee discussed the anticipated savings from expanding the Medicaid Program with Representative Bacala.

Representative Henry in the chair.

Dr. Gee and Mr. Reynolds discussed the benefits of expanding the Medicaid Program, nationwide increases in healthcare costs, and Medicaid fraud prevention with Representatives Simon and Smith.

Dr. Gee and Ms. Jen Steele, Medicaid Director, LDH, 628 North Fourth Street, Baton Rouge, LA 70802, (225) 342-9509, discussed changes to the department's Medicaid eligibility system with Representative Amedée.

Mr. Reynolds discussed the department's use of its funding sources and funding for merit increases with Representative Henry.

The meeting recessed at 1:13 p.m. and reconvened at 2:13 p.m.

Higher Education

Representative Henry presented an overview of the department's FY18-19 budget.

Dr. Kim Hunter Reed, Commissioner of Higher Education, Board of Regents, 1201 North Third Street, Suite 6-200, Baton Rouge, LA 70802, (225) 342-4253, discussed the impact of a budget reduction on the department, the need for stable funding, the department's merit increases, and the Board of Regents' funding formula with Representative Henry.

Dr. Jim Henderson, President, University of Louisiana System, 1201 North Third Street, Suite 7-300, Baton Rouge, LA 70802, (225) 342-6950, and Dr. F. King Alexander, President, Louisiana State University, 3810 West Lakeshore Drive, Baton Rouge, LA 70808, (225) 578-2111, discussed the university's burn rate, student retention rates, and funding per student with Representative Henry.

Dr. Ray L. Belton, President, Southern University System, 801 Harding Boulevard, Baton Rouge, LA 70807, (225) 771-4680, discussed the impact of budget reductions on the university with Representative Henry.

Mr. Terrence Guinn, Deputy Commissioner, Board of Regents, 1201 North Third Street, Suite 6-200, Baton Rouge, LA 70802, (225) 342-4253, discussed the funding formula's distribution of funds to specialty schools with Representative Henry.

Dr. Alexander, Dr. Hunter Reed, Dr. Henderson, Dr. Belton, and Dr. Monty Sullivan, President, Louisiana Community and Technical Colleges System, 265 South Foster Drive, Baton Rouge, LA 70806, (225) 922-1623, discussed the impact of deferred maintenance costs on overall campus operations with Representative Abraham.

Representative Miguez in the chair.

Dr. Hunter Reed discussed the amount of funding needed to fully fund the Board of Regent's funding formula with Representative Leger.

Dr. Alexander, Dr. Sullivan, and Dr. Henderson discussed the impact of Louisiana's disinvestment in Higher Education in the past and the importance in reinvesting in the state's colleges and universities with Representative Leger.

Dr. Hunter Reed, Dr. Alexander, Dr. Henderson, and Dr. Sullivan discussed the purpose and use of each institution's restricted funds with Representative Smith.

Dr. Belton, Dr. Alexander, Dr. Henderson, and Dr. Sullivan also discussed the impact of fully funding the Taylor Opportunity Program for Students (TOPS) and reducing the department's budget with Representative Smith.

Dr. Sullivan discussed the impact of closing a technical college on the community with Representative Amedée. Dr. Henderson discussed national economic trends, and technological innovations with Representative Amedée.

Dr. Alexander discussed the number of colleges per capita and funding spent per student compared to the southern regional average with Representative Amedée.

Dr. Hunter Reed, Dr. Henderson, and Dr. Alexander discussed funding for mandated costs to universities with Representative Amedée.

Representative Henry in the chair.

Corrections Services

Representative Henry presented an overview of the department's FY18-19 budget.

Secretary Jimmy LeBlanc, Department of Corrections, 504 Mayflower Street, Baton Rouge, LA 70809, (225) 342-6740, addressed the committee regarding the effects of FY18-19 budget reductions on the department.

Mr. Michael Ranatza, Executive Director, Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, LA 70802, (225) 343-8402, addressed the committee regarding the impact of budget reductions on local jails.

Mr. Ranatza and Secretary LeBlanc discussed the return of prisoners from local housing to the state and the temporary release of certain prisoners with Representatives Bacala, Bagley, Pylant, and Smith.

Mr. Thomas Bickham, Undersecretary, Department of Corrections, 504 Mayflower Street, Baton Rouge, LA 70809, (225) 342-6740, discussed the department's anticipated burn rate with

Representative Bacala, and Mr. Bickham and Secretary LeBlanc discussed the Criminal Justice Reinvestment Act with Representatives Henry and Bacala.

Secretary LeBlanc discussed the cost to house pre-trial inmates, and Mr. LeBlanc discussed the cost of pharmaceuticals and health care for inmates with Representative Smith.

Mr. Bickham and Secretary LeBlanc discussed pay increases and employee turnover rates with Representative Henry.

State Civil Service

Mr. Byron P. Decoteau, Jr., Director, State Civil Service, 1201 North Third Street, Suite 3-280, Baton Rouge, LA 70802, (225) 342-8274, discussed state agency market rate adjustments with Representatives Henry and Amedée, and provided clarification on the State Civil Service layoff avoidance rules.

Mr. Chris Deer, Deputy Director, State Civil Service, 1201 North Third Street, Suite 3-280, Baton Rouge, LA 70802, (225) 342-8274, discussed the total cost of market rates adjustments with Representatives Henry and Bacala.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

Chairman Henry announced the agenda for the July 20, 2019 House Committee on Appropriations meeting.

VI. ADJOURNMENT

Representative Berthelot offered a motion to adjourn. Without objection, the motion passed by a vote of 21 yeas and 0 nays. Representatives Henry, Abraham, Amedée, Bacala, Bagley, Berthelot, Billiot, Gary Carter, Chaney, Edmonds, Lance Harris, Hensgens, Hodges, Leger, McFarland, Miguez, Dustin Miller, Pylant, Simon, Smith, and Zeringue voted yea.

The meeting was adjourned at 4:25 p.m.

Respectfully submitted,

Chairman Cameron Henry
House Committee on Appropriations