Winners and losers from Louisiana Legislature's 2017 special session

By Julia O'Donoghue

Gov. John Bel Edwards and the Louisiana Legislature concluded their nine-day special session to close the state's $304 million midyear budget deficit Wednesday (Feb. 22). The final vote followed weeks of haggling between the governor and House Republicans about whether the budget hole should be filled more with reserve money or deeper spending cuts. The $82 million worth of cuts included in the final deal will come about three quarters of the way through the budget year, which has made it more difficult to handle.

Here's who triumphed and came up short after the dust settled:

WINNER: Gov. John Bel Edwards

In the end, Edwards got most of his way when it came to the biggest debate, whether to implement more cuts or use more reserve money from the rainy day fund. The governor had proposed using $119.6 million of rainy day funding, the maximum allowed. Some House members were saying as recently as the beginning of the session that they didn't want to use any of this money.

But the final deal included $99 million of rain day funding, more than 80 percent of the governor's request. It also protected some of the governor's top priorities. Edwards and House leadership had clashed over whether the Department of Corrections should be cut, but the House relented on this point. The corrections agency, which oversees prisons, did not see its funding reduced in the final plan.

The final cuts to the Department of Health are also more in line with what the governor wanted. House Republicans have repeatedly complained that the health agency's budget is bloated, but they were unable to persuade the Senate to trim more than the governor had initially requested.

LOSER: People who need mental health and addiction treatment

Many of the funding reductions that ended up in the plan fall on agencies and offices that offer mental health and addiction treatment. Several human service districts across the state, which provide these services, saw their budgets cut.
The idea was that some of these costs, though not all of them, were offset by Medicaid expansion. More of the clients of at least some of these human service districts are now able to pay for the services because they have health insurance, according to a Senate Finance Committee staff analysis.

Still, legislators raised concerns about the cut to the Capital Area Human Services District, which serves the Baton Rouge area, in particular. Several Baton Rouge area residents had a traumatic 2016 because of the August flooding and July shootings. The agency expects to see an uptick in demand for mental health treatment in the coming months as people cope with the stress of rebuilding their homes.

Legislators restored some of the proposed cut to Capital Area Human Services District after this concern was raised. But its still losing about $700,000 between now and June 30.

The human services district also aren't the only places where mental health treatment was cut in the budget. The Office of Juvenile Justice, which oversees youth correctional facilities, stopped moving forward with a behavioral health contract it used to treat children in its care.

**WINNER: Attorney General Jeff Landry**

Landry had agreed to take a $2 million spending cut, but the governor wanted him to take a much bigger hit, about $6 million. In the end, the House put up enough of a fight that the attorney general got the smaller cut.

The Legislature decided not to grab $4 million from an escrow account attached to a state pharmaceutical settlement. The governor has said this money doesn't belong to the attorney general, that the law requires it to be used for general state functions. Landry disagrees, and won over at least enough of the Legislature to get his way.

This fight isn't over though. The Division of Administration, which the governor controls, hasn't agreed to release the money to Landry. The governor's staff wants to talk with the attorney general further about what's legally required.

**LOSER: The Legislature and its staff**

Lawmakers cut spending for the Legislature itself more than twice as much as the governor originally proposed. During the budget negotiations, their reduction went from $1.7 million to $3.5 million,
about 3.6 percent of all state funding that the Legislature receives.

The Legislature also is one of the only state agencies that actually spends a good deal of extra money when a special session is held. The cost for the lawmakers to meet in a special session is $50,000 to $60,000 per day. This includes the $150 per diem that lawmakers make while meeting, plus their mileage.

WINNER: Higher education

Cuts to Louisiana's public colleges and universities were never really seriously discussed during the special session. The House leadership initially floated a proposal that included higher education reductions, but it was quickly rejected by the governor and most House members.

Edwards even backed away from a plan to cut graduate medical education assistance from hospitals. Too many hospitals complained they needed the money to pay for medical students and residents that work in their facilities.

LOSER: Troy Brown

After months of resisting calls to resign, Sen. Troy Brown finally stepped down when it became obvious the Senate intended to expel him.

Brown, a Democrat from Napoleonville, pleaded no contest twice in four months in two distinct cases of domestic abuse, and several senators said they didn't consider his conduct appropriate for an elected official. The Senate had gotten the expulsion process underway before Brown suddenly decided to leave.

After his resignation, the chamber moved quickly to erase signs of him. His key card to get into the Capitol was deactivated within hours.

WINNER: Senate President John Alario

Louisiana's most influential legislator appears to be making inroads with House leaders after a rough start to the term in 2016. After two total breakdowns of communication between House and Senate at the end of back-to-back sessions last year, Alario, a Westwego Republican, and the House leaders didn't appear to have much trust between them. The House leaders saw Alario as doing too much of the governor's bidding.
Before the start of this special session, Alario and House Speaker Taylor Barras, R-New Iberia, met to talk about how the two chambers could work together better. The Senate also seemed to bring the governor and House closer together during budget negotiations. The Senate budget proposal was a mix of what the governor and House wanted, and was largely what got implemented in the end. House leaders started to be more complimentary of Alario and vice versa.

"I think we have a great relationship with the Senate as we end the session," Barras said in an interview.

**LOSER: Youth offenders**

The Office of Juvenile Justice, which oversees youth correctional centers, is taking a $4.5 million spending cut. Most of the reduction, about $4 million, is related to savings in a behavioral health contract that the agency uses for juveniles in its custody. Caseloads for parole officers also will increase, from 28 youths per officer to 40.

**WINNER: The courts**

One of the reasons that the governor gave for calling a special session was to cut funding that is typically protected outside of a regular legislative session. He specified the judiciary.

Edwards proposed cutting courts and court programs by $3.8 million. But the Legislature completely reversed that in the final budget deal. Lawmakers, several of whom are lawyers, tend to stick up for judges and the court system. In this case, they actually voted to cut the Legislature and its staff more in order to protect the judiciary.

**LOSER: People who provide dental services to Medicaid patients**

The organizations and people who provide dental care to people with Medicaid will not get paid on time by the state under the budget deal. Instead of paying them the $4.8 million that they are owed in the next four months, the state will wait until after July 1, the start of the next fiscal year.

The administration and legislators already have pushed $152 million in Medicaid payments into the next fiscal year because of a previous budget shortfall that they addressed in December. Edwards' predecessor, Bobby Jindal, who left office in January 2016, used the
same tactic to cope with budget deficits.

WINNER: Prisons

The Department of Corrections was spared from midyear budget cuts, in spite of efforts from House GOP leaders to reduce its funding. Corrections officials said they wouldn't able to absorb a cut to their funding at this point in the year without freeing some offenders.

The agency, which oversees prisons, is running a $40 million deficit for the year. In April, lawmakers must find a way to give the corrections department more money.

UNCLEAR: The governor and House leadership's relationship

At the conclusion of the special session, Edwards and his allies had an optimistic view of the direction his relationship with the House leadership was taking. "I will tell you, I thought [our relationship] got progressively better throughout the ... session. And again, judging from the result, I believe we demonstrated we are able to work together," Edwards said.

"We are making tremendous progress. Could we have moved a little further a little faster? Probably, but I don't want to dwell on that," he said.

Alario agreed, saying the House and governor appeared to be getting along better. "I've seen some improvement in the way people talk to each other," he said.

But the House leadership was more circumspect. Some House leaders would not comment on their communication with the governor this session. At least one, Rep. Cameron Henry, R-Metairie, acknowledged that Edward and the House had some difficulties getting along.

Earlier in the session, Edwards had questioned publicly whether the House leadership was really representing the views of its members in negotiations with him. His budget chief, Commissioner of Administration Jay Dardenne, referred to the House leaders doing the negotiations as a "random group" in one committee hearing. A few days later, House Republican chairman Lance Harris of Alexandria complained about Dardenne's "flippant" remarks throughout the session.

Henry said Edwards is still upset he didn't get to put his pick for
House speaker, Rep. Walt Leger, D-New Orleans, in place last year. Louisiana governors normally have a large say in who is in House leadership. But in this term, House Republicans asserted themselves and chose the chamber's leader.

"The frustration for him is just that he didn't get to pick House leadership," Henry said.

The governor and House have much tougher things coming up. Edwards and the Legislature are supposed to try to overhaul the state's tax and budget structure this spring. They also are supposed to work together on changes to the prison system and sentencing. Coming up with a strategy for both of those issues will be difficult and take a lot of cooperation.

UNCLEAR: People who want a permanent cut to government

As a tradeoff for supporting most of the governor's budget deal, House conservatives got a commitment from Edwards and the Senate to examine a proposal for an across-the-board, permanent cut to various state funds. The Legislature passed a resolution pushed by Barras to look at a concept. It would automatically take money out of a variety of funds and use it to pay state debt.

House conservatives hailed the passing of this resolution as a sign of significant spending reform. But the legislation doesn't actually force the Senate or the governor to implement Barras' concept. If after studying it, the state treasurer determines it can't be done, the idea can be shelved. It's unclear at this point whether it will ever come to pass.

Sen. Eric LaFleur, D-Ville Platte, even while urging his Senate colleagues to vote for Barras' resolution, expressed doubt that it could be implemented in the next budget cycle, as conservative Republicans would like. The proposal is complicated to make work, which is why LaFleur has doubts it could be figured out over the next few months. So conservatives will have to wait and see if it ever gets put in place.