

I want to thank you for coming out today, as you know we're not done and some of the folks over to my left is going to be heading back down to get back to work here in just a few minutes so I want to thank them for coming up as well and thank them for their hard work during the first special session and the regular session concluded just a few minutes ago. Obviously I have a lot more to say about the special session tomorrow at 10am when I address the joint session of the legislature, but as we close out this regular session of the I'd like to highlight some of the work. For starters, as you all now know by now very disappointed to say that the Capital Outlay bill stalled today and didn't make it all the way through final passage in the House. I've served in the legislature for eight years. We don't deal with disagreement by hiding. I'm disappointed that some members of the House did not do everything they could to move this bill. I do appreciate the majority of the House who voted twice in an effort to move the bill forward to final passage. House Bill 2 had been waiting for almost a week in the House and if there were problems where they were technical or legal or otherwise, the reason you have the conference committee procedure is to iron out those differences and to fix the bill. Unfortunately, that's not the path that was chosen by leadership in the House and as we gather it into the session we do not have a Capital Outlay bill and those concerns were never addressed to me, to my administration and as best I can tell, to the Senate. You know one thing that happened today is in the City of St. Joseph, the courts finally pointed out, when I say finally it's not a criticism of the court but we finally got to the point where we could appoint a fiscal administrator to get busy working to make sure that we can clean up the water situation but guess where the money is... it's in House Bill 2. So we will have to have to get that straight so we can go back and equip the fiscal administrator with what he needs to get this job done. so clearly as it relates to House Bill 2 that's not the way we can or should do our business we need to work out our differences, and I'm certainly hopeful that we will be able to do that in the special session. I think we're all aware that the budget crisis has been hanging over our heads for quite a while now and it's severely limited some of the things that we would like to do under ordinary circumstances because the budget crises, the largest deficit in history of our state, certainly consumed most of the oxygen and the budget is about his ugly today is it was the day I presented it in the legislature, and by the way, the reason I presented it was because it's ugly and at the end of the day House Bill 1 that was there, was passed, has a hundred and seventy four million dollars' worth of cuts to critical health care services a hundred and fifty five million dollar cut to the TOPS program, 55 million dollar cut the higher education and 75 million dollar cut the k-12 education. There are many other cuts as well but that should give you just some idea of the scope, the magnitude of the unresolved issues as a relation to budgeting for our critical priorities of the state of Louisiana for the year that starts July 1st. Clearly the budget is not what we want to implement come July 1st. It doesn't reflect my priorities, or the priorities of the vast majority of the legislature and clearly not the people of Louisiana. We know we can do better and that's why in just a few minutes you all are going to go into a second special session in order to address these problems and achieve the stability that we all need in Louisiana. Despite the challenges that we face as a state and are still looming budget deficit we've made some meaningful policy changes in Louisiana that will have a very real and very positive impact on the lives of the people here. The legislature passed and I signed a bill that will allow meaningful access to medical marijuana. This is a change that will greatly improve the quality of life for some of our most vulnerable people. The Raise the Age Act was passed and it's on the way to becoming law and allows 17 year olds who commit minor offenses to be placed in the juvenile system and age appropriate setting. We made significant reforms in the Department of Children

and Family Services to ensure the effective delivery of services to children and families in Louisiana. We're helping lift kids out of poverty by creating a program for homeless youth have access to post-secondary education and while we can't ensure success for every child in this state we can ensure that every student has opportunity for success. Also I signed into the law, the citizens of this I'm sorry, once, I sign it into law, the citizens of our state will now have the option to obtain a driver's license or special identification card that complies with the 2005 Federal Real ID Act. Now individuals who choose to comply with the Real ID Act will not need to carry two forms of identification when traveling domestically but clearly the option will be theirs. I think that strikes the right balance. Though the future of TOPS remains of a little bit uncertain given the funding which I think currently stands at about forty eight percent of the 300 million dollar price tag for the program for it to be funded in full. We have taken some critical steps to preserve the vital program for our best and brightest students and their families by decoupling tuition from TOPS and by passing the bill that would allocate any shortage in TOPS on a pro-rata basis as opposed to taking away scholarships altogether from people at the lower end of the TOPS scholarship program. There are also three k-12 education bills that I believe were noteworthy, one decrease the percentage on the teacher evaluation for vamp from fifty percent to thirty-five percent. A second one repealed the local charter authorizer law in Louisiana. We already have local charter authorizers they're called our school boards, and there's also been a one-year delay in the full implementation of accountability as we move forward with new standards that will be in place hopefully in August of this year about the time kids go back to school. So obviously a lot of other things happened in the session and at this point want to pause and take questions and I will be obviously addressing the joint session of the legislature tomorrow morning ten o'clock to talk more specifically about the second special session. Well I don't have pause because the amount of work that they have to do really isn't that extensive, much of the subject matter that they're going to be considering is very similar if not the same to subject matter they considered in the first special session. In fact much of the cleanup work that you just mentioned on around the sales tax was in a bill that they got all the way through the process it just died on the Senate calendar on the last day. It was a bill by Senator JP Morrell that would have made sure that the sales tax didn't apply to some transactions that we clearly never intended for it to plot too and that's why you see all those separately enumerated items in the call that take up about three-quarters of the call so that we can clean up that mess but we can we can do this in two and a half weeks. Furthermore we need to do it in two and a half weeks because we shouldn't run right up to July 1st before universities and technical colleges and community colleges and state agencies and schools around the state of Louisiana and parents of kids on TOPS know what the budget situation is going to be.

I've never suspected that that House Bill 2 would die the way that it did after a week of sitting in the House with no work, no conference no notice that there was a problem of this type. the reason it's in there was strictly a prudent decision on our part if you remember we also put the general appropriations bill for next year at the time we had to issue the call for the second special session neither House Bill 1 or House Bill 2 had been finally passed. Since you have to issue the call seven days before this session starts and so we included House Bill 1, House Bill 2, we included a supplemental appropriations bill as well hoping that we would only have to do a supplemental appropriations for next fiscal year which is going to turn out to be the case and I'm glad we did put House Bill 2 in there but it was it was not in there for this particular reason

it was in the event that the House and the Senate really couldn't turn out their differences not that one side wouldn't try.

Well they also include that in the preamble language to House Bill 1 as it left the House and at that time it had a hundred million dollars in it about by the time they revisited that issue in the conference committee on House Bill 1 it was 74 million. The issue is as I understand it, is that the Constitution allows but does not require that certain types of revenue passed through the Bond Security and Redemption Fund and then be available to pay the debts of the State of Louisiana. Initially as you remember, they were going to take fees, self-generated revenue, statutory dedications and move those through the Bond Security and Redemption Fund and to the extent that you do that and then reduce those amounts and it by a certain percentage and I think the percentage that they came up with the three-point-three percent by the time you do that and paid state debt with that you converted all those fees in the taxes. So that was a problem and I believe if I understand correctly what they were doing that was the difference between the first version and the second version. The second version they took out the fees because they knew they didn't want to convert them into the taxes. It was obviously a fund sweep by a different name and it was more of the same of what we've seen over the last eight years and I think the Senate had the better decision when it rejected that approach not once but twice and in one thing that everybody should know wasn't it wasn't new money, it didn't create 74 million dollars it cut state agencies by 74 million dollars in fact that cut DHH by 30 million and I thought it was very problematic because the resolution passed by the speaker didn't even list the funds that the House intended to pass through the Mon security redemption. and did not direct the treasure as to the percentage of those funds that he was supposed to redirect towards the state debt so I think it was problematic from the beginning unworkable and certainly my eyes yes ma'am yes I talked to him on Friday morning at a breakfast meeting and I mentioned to him into others that I thought the House bill one was a reasonable bill that deserved concurrence not that it was everything that I wanted it to be but build up that type rarely are but that it had more than a billion dollars less in programs and then the program that we inherited that I thought senator JP Morrell did a great job of changing so that local projects wouldn't be pulled out of the program altogether immediately because they failed to have local match or because they fail to have a cooperative whatever agreement because if those were very important projects with he felt that the local governments will be given some more time so be put on notice and so he came up with a pro with a proposal that was in the bill that by February of next year those programs I'm sorry those product or project would come out of the capital program if they didn't have the CEA is in place or the local match to give them one final effort to try to do that so I thought at the end of the day for all of those reasons it was a reasonable bill deserve concurrence and representative Abramson certainly didn't say anything to the contrary and he did not indicate that he would refuse to have the bill even considered on final passage or that he would you know he didn't say he was going to move to reject the Senate amendments or to concur in the Senate amendments he said he was still studying the building he had staff looking at it probably about the time you did plenty.

I don't I don't see the strategic advantage or disadvantage one way or the other I think it's unfortunate because it's sort of a continuation of the way the first special session ended where that the House I think had a breakdown in leadership and wasn't able to get his work done and

that was certainly the case today but it's just a practical problem logistical problem because the Ways and Means Committee who will be the committee that's most involved in hearing the revenue bills that we are proposing and by the way that other members are filing as well whether they're part of our package or not but we are proposing a lot of an array of bills to pursue tax reform consistent with what the task force has been studying and has recommended to us to take in the short term and certainly to generate the needed revenue to avoid the cuts of that I've mentioned earlier so just having to take up House bill to again while they need to be quickly considering and moving revenue bills is a real problem and I think it's unfortunate and I can tell you that in my ninth year now here I have not seen that sort of a failure and leadership where were you don't communicate you just don't move the bill and it's very unfortunate because we need to have good working relationships where we communicate with one another where the chair of the Ways and Means Committee is speaking to and working with the chair of revenue and Fisk and that the d sorts of surprises don't happen because capital e is a tremendously important program for the state of Louisiana that's where all the deferred maintenance is for our college campuses and our are state buildings that's where a huge part of the highway property program is and in funding and a lot about the very critical projects that are needed around the state many of which are for things like a DA compliance and trying to get the water system upgraded in St. Joe as I mentioned trying to help different universities comply with orders are on the Americans disability but that act so that sort of thing so it's just terrible enforcement. Clancy I don't see a strategic advantage or disadvantage one way or the other you know certainly it creates the stage where there can be a lot of horse trading around revenue votes now for Capital Outlay because they're both going to be going on at the same time if one if the Capital Outlay bill had been put to rest the way it should have been that would have been off the table and everybody could simply focus on the task at hand potentially I guess you know I try not to play it that way but that's why I said he it depends out I don't know that it's an advantage or disadvantage to either side because it's available for both.

I will take one more from the back yes sir...

Well I wish we had gotten our business done in the first special session for a lot of reasons one of which would be to obviate the need for the additional expenditure for the special session but mostly because we could have provided the predictability the certainty in the stability that the state of Louisiana needs that didn't happen with respect to the budget it couldn't happen in the regular session because of two reasons one is we and the regular session in a fiscal year I'm sorry and an even number years such as we had this year you couldn't raise revenue secondly there were not pots of one-time money that could be swept into the budget asked had been done over the last number of years and so a second special session is going to be required if we're going to avoid the cuts that I mentioned before right now tops is a hundred and fifty five million dollars unfunded higher education and 55 million to 12.75 million the Department of Health and Hospitals a hundred and seventy-two me not to mention the cost of housing inmates and running the Department of Corrections and numerous other things so at the end of the day while it's unfortunately second special session is required it is required in the costs while not insignificant certainly doesn't isn't so hard that we should not call ourselves into session fix the problem look I intend to fix the problems confronting the state of Louisiana we're not going to keep pushing them into the future I don't want to suggest that I'm giving contemplation to a

third special session because I'm not I'm focused on succeeding in the second special session but at the end of the day we are going to fix our problems