

LEGISLATIVE AUDIT ADVISORY COUNCIL

**Minutes of Meeting
November 16, 2020
House Committee Room 1
State Capitol Building**

The items listed on the Agenda are incorporated and considered to be part of the minutes herein.

Representative Barry Ivey called the Legislative Audit Advisory Council (Council) meeting to order at 10:10 a.m. Ms. Liz Martin called the roll confirming quorum was present.

Members Present: Representative Barry Ivey Chairman
Senator W. Jay Luneau, Vice Chairman
Senator Louis C. “Louie” Bernard
Senator Jimmy Harris
Senator Fred H. Mills, Jr.
Representative Aimee A. Freeman
Representative Edmond Jordan
Representative Stephanie Hilferty
Representative Rodney W. Schamerhorn

Members Absent: Senator Beth Mizell

Also Present: Daryl G. Purpera, CPA, CFE, Louisiana Legislative Auditor (LLA)
Representative Barbara Freiberg

Approval of Minutes

Vice Chairman Luneau offered the motion to approve the minutes of the September 14, 2020 meeting and with no opposition, the motion was approved.

Extension Requests

(Video Archive Time 0:01:48)

Mr. Bradley Cryer, Director of Local Government Services, presented two extension lists and briefly detailed the reasons for the agencies’ extension requests including Hurricanes Laura, Delta and Zeta as well as COVID-19 impact. Vice Chairman Luneau made the motion to confirm the list of Emergency Extensions – 90 Days or Less and with no objections, the motion was approved. Vice Chairman Luneau made the motion to approve the list of Emergency Extensions – Greater than 90 Days and with no objections, the motion was approved.

Discussion of Public Health Emergency Plan

(Video Archive Time 0:10:30)

Chairman Ivey explained the reason he included this agenda item was to gain insight if the state met the legal requirement of having a public health emergency plan.

Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) Deputy Director and Chief of Staff Casey Tingle testified to the 2006 statutory creation of the stand-alone agency GOHSEP. The statutorily referenced public health emergency plan in the Public Health Emergency Act was not found and predated the creation of GOHSEP. He explained how the law was complied with through the Emergency Operations Plan and supplementals and annexes for many emergencies handled by GOHSEP.

Chairman Ivey commented that he reviewed the lengthy Emergency Operations Plan which is designed to handle a multitude of disasters and emergencies and GOHSEP has done very well for natural disasters. Chairman Ivey stated that the State of Louisiana does not have a Public Health Emergency Plan as required in statute. Mr. Tingle agreed that GOHSEP has been unable to find one that had that title and in response to that statute. Further discussion continued about the previous health emergencies such as H1N1, Zika, Ebola and the Public Health Emergency Act and the authorities given to the Executive Branch as well as safeguards provided for in the law with legislative oversight.

Also testifying and answering questions from the Louisiana Department of Health (LDH) were Dr. Jimmy Guidry, State Health Officer, and Mr. Steve Russo, Executive Counsel. Mr. Russo gave a brief rundown of LDH, GOHSEP and the Governor's statutory authorities. He shared some plans and annexes issued for various health emergencies and the processes for implementation. Chairman Ivey questioned legislative oversight in the development of the plans.

Dr. Guidry shared the federal guidance and processes for health emergencies including following CDC guidelines. Louisiana has only twice been in a public health emergency in past 24 years including the Town of St. Joseph because of the lead in the water and for the COVID-19 pandemic. They do not like to use that authority and do not abuse the authority. The last pandemic of this magnitude was the Spanish flu in 1918.

Chairman Ivey said his concern is the following of the law and supposed to have a response plan for public health emergencies. He expressed concern regarding the broad authority given to the executive branch with no legislative oversight in the development of the health plans. Senator Luneau noted that the laws need to be looked at comprehensively and updated since the creation of GOHSEP.

Senator Mills, Senator Bernard and Senator Harris thanked LDH and Dr. Guidry for all their efforts and improvements made in handling of natural and health emergencies.

Mr. Butch Browning, State Fire Marshal, explained his office's role in the education and facilitating of safety during the COVID-19 public health emergency in coordination with LDH including "Open Safely". Questions and further discussion followed regarding the governor's authority and channeling through the various agencies, as well as enforcement of the Governor's Emergency Declarations.

Fiscally Distressed Municipalities

(Video Archive Time 1:07:00)

Mr. Cryer explained the conditions that require a municipality to be placed under fiscal administration if approved by the Fiscal Review Committee. He shared history of the cities, towns and villages that have been placed under fiscal administration, as well as those being monitored because of financial distress. The LLA began a year ago sharing the municipalities that are fiscally distressed on their website to raise awareness for the public. Many phone calls came in from citizens and council members of those municipalities that were unaware of the serious situation. The current list of entities is not including ones impacted by reductions in sales tax revenue due to COVID-19.

Mr. Cryer said the problems are getting worse. LLA's early warning system looks at five years of data and shows the long term trends. He speaks with the State Bond Commission and the U.S. Department of Agriculture (USDA) about these entities often to be sure all are aware of issues. He has seven staff reviewing the entire state and speaking with the agencies one on one and trying to get them to correct their problems. He appreciates the Council Members' input, assistance and feedback. Previously entities that

had “3-Strikes” findings (R.S. 24:554.B.(2)) have been brought before this Council and there is some dovetail between this Council and the Fiscal Review Committee. Further questions and discussion continued about the triggers to cause fiscal administration and the responsibility for the cost falls on the entity to pay the fiscal administrator and the option to utilize the Fiscal Administrator Revolving Loan Fund.

Senator Luneau suggested that the LLA needs more funding for staff to monitor and assist all the political subdivisions that report to the LLA. Mr. Purpera agreed and said he would appreciate anything the Council could do to help with additional funding.

Mr. Cryer and Mr. Purpera shared the various issues that cause financial distress including: poor financial management, bad decision making, lack of experience or knowledge to manage a municipality, and inadequate reserves for water system maintenance and replacement so it is sustainable. Mr. Cryer provided examples of current cities and towns under fiscal administration. Mr. Purpera said that the Fiscal Review Committee encourages the municipalities to follow LLA’s recommendations and do what needs to be done to avoid fiscal administration.

Mr. Cryer detailed the open communications with the State Bond Commission, Department of Environmental Quality, LDH, Louisiana Rural Water Association, Department of Education, etc. Senator Mills asked if the CPA must report any systemic violations in their audits, and Mr. Cryer confirmed they do. Further discussion continued regarding the necessity of the 3-Strikes law because political subdivision leaders were not fixing their problems. Those entities are often invited to explain to the Council why not correcting findings. They also discussed water utility systems’ issues and the potential fiscal impact for the state. Chairman Ivey requested the LLA’s report on Louisiana’s water systems.

Senator Mills read a quote from Dr. Guidry made in a Senate Health and Welfare Committee meeting that Louisiana’s water systems were rated a D- by independent engineering firms that rate water systems and it would cost \$5 billion just to bring Louisiana up to an acceptable level. Chairman Ivey noted that those problems need to be addressed because they will only get worse.

Other Business

(Video Archive Time 2:04:30)

A handout was provided in the Council’s folders with responses to questions at the LAAC meeting on September 14, 2020. No other business was discussed.

Adjournment

Vice Chairman Luneau offered the motion to adjourn and with no objection, the meeting adjourned at 12:20 p.m.

Approved by LAAC on: December 17, 2020

The video recording of this meeting is available in House Broadcast Archives (total time 2:05:18):
https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2020/nov/1116_20_LegisAudit