

The LRHA Policy Corner

May 30, 2006

STATE & LOCAL ACTION:

**Legislative Briefs From The State Legislature*

- Abortions in rape cases to be debated in House
 - Lawmakers set the stage last week for a debate on the House floor over whether to allow abortions for rape and incest victims.
 - Rep. Monica Walker wanted that discussion on Senate Bill 33 to take place in a smaller setting, specifically the House Committee on Health and Welfare.
 - SB33 as it stands now would make abortion a crime unless it is performed to save the life of the mother.
 - The legislation is largely symbolic and Roe v. Wade, the 33-year-old U.S. Supreme Court decision that legalized abortion, stands in its way.
 - The House Committee on the Administration of Criminal Justice has already considered SB 33.
 - By a vote of 16 for and 67 against, the House decided against sending the bill to the health and welfare committee.

- State to begin spending part of funds for relief
 - The state is ready to start spending part of the \$6.2 billion allocated in federal hurricane relief.
 - The Joint Legislative Committee on the Budget agreed to allow spending \$240 million — \$95 million in operating loans for businesses, \$95 million on local governments and \$50 million on state infrastructure.
 - The money will help local and state governments repair hurricane-damaged buildings, Andy Kopplin, director of the Louisiana Recovery Authority, told lawmakers.
 - The committee also approved \$181,774 in operating expenses through June 30 for the Louisiana Recovery Authority.
 - The LRA plans to allocate it this way:
 - \$60,241 in pay and benefits for 11 staff members.
 - \$5,673 for four student workers.
 - \$5,000 for board members' travel and board meetings.
 - \$7,572 in supplies for staff and board meetings.
 - \$60,450 for professional services.
 - \$30,000 to buy 15 laptop computers.
 - \$12,838 for telephone installation and usage.

- Blanco to receive bill backing the use of force

- People would get more legal protection when they use force to defend their property under a bill that's headed to Gov. Kathleen Blanco's desk.
 - The Senate voted 36-0 for the House-passed measure, giving it final legislative passage.
 - House Bill 89 by Rep. Eric Lafleur, D-Ville Platte, presumes that a person lawfully inside a house, business or car holds a reasonable belief that the use of force, violence or deadly force was necessary to prevent unlawful entry or to force an intruder to leave.
 - Under those circumstances, a person would have no duty to retreat before using force, violence or deadly force.
- Bill would back seizures of jackpot winnings
 - Progressive slot machine jackpots winnings could be seized from people who are behind in child-support payments under a bill given final legislative.
 - The Louisiana Senate voted 36-0 to concur in House changes to Senate Bill 407 by Sen. Art Lentini, R-Kenner and it now goes to Gov. Kathleen Blanco's desk for signing into law.
 - The proposed law would add to the artillery of things available to the Department of Social Services as it tries to get payment from those who are in arrears on their child support payments.
- Bill would let legislators keep health insurance
 - The Legislature will only attract the wealthy if lawmakers lose their health insurance when they leave office, a legislator argued to a House committee.
 - Rep. Roy "Hoppy" Hopkins, D-Oil City, legislation, House Bill 1028, would allow legislators who have served three terms to keep their state health insurance when they leave office.
 - Tommy Teague with the Office of Group Benefits, which provides health insurance to state employees, government retirees and their dependents, warned the committee it would be creating a separate class of eligibility.
 - The committee advanced the bill to the full House for debate.
- Panel backs free tuition for people in foster care
 - A House committee agreed to a bill that would allow people who were in foster care to receive free college tuition at public universities around Louisiana, but there's no money set aside to pay for the program.
 - House Bill 1287 by Rep. Cheryl Gray, D-New Orleans, would take effect only when there are dollars to cover the tuition costs - Gray said she was still working with state officials on finding the money.
 - Gray said few foster children go to college and many often end up depending on the state for social services for years after they leave the foster care system.
 - To qualify for the free tuition, a person would have to have been in the state's foster care on the day before turning 18 years old or, within three years of seeking the free tuition, would have to have been in the foster care system for nine months.
- Measure defining nails as litter heads to Blanco

- A bill that would define roofing nails as litter and could lead to fines for people who don't discard them properly received final legislative passage.
- Rep. Juan LaFonta, D-New Orleans, said nails have been strewn all over New Orleans' streets since Hurricane Katrina, causing flat tires and injuries.
- House Bill 1210 goes to the governor's desk.

****La. House Approves \$21.7 Billion Plan***

The House approved a \$21.7 billion state government spending plan last Thursday that would give schoolteachers a pay raise, provide for two new veterans homes and increase funding for nursing homes and hospitals.

- House Bill 1 is the state's financial plan for the 12 months beginning July 1 and it funds everything from prisons and colleges to community groups.
- This year, the bill includes about \$2.6 billion in hurricane relief from the federal government - however, even with that influx, the budget still is nearly half a million dollars bigger than the current spending plan.
- The House voted 99 to 3 in favor of HB1 after hours of discussion and the bill now moves to the Senate.
 - Lawmakers also quickly approved a supplemental spending plan and a \$4.1 billion state construction budget.
- It was the mammoth, 255-page HB1 and the supplemental budget, House Bill 1208, that attracted lawmakers' attention for more than four hours - some legislators even sent pages to fetch them a plate of food from a catered spread in a nearby room.
- The debate began on somewhat of a lighthearted note when Rep. Ernest Wooton, R-Belle Chasse, pushed to exclude parishes that voted out video poker from benefiting from the gambling proceeds.
 - At stake would be \$134 million that parishes divvy up to pay for education, among other things - the House ultimately rejected the amendment.
- Lawmakers then got down to business, going through HB1, schedule by schedule, approving millions of dollars for state agencies in a series of votes.
- Despite the devastation of hurricanes Katrina and Rita. Car sales, gambling and oil and gas prices have been strong for months, generating money to give a \$500-a-year pay increase for school support workers as well as more money for colleges, nursing homes and hospitals.
 - The spending plans also would:
 - Double the amount of money for the legal defense of poor defendants in criminal cases from \$10 million to \$20 million.
 - Spend \$40 million to pay down the state retirement debt.
 - Add an additional \$120 million to help private and community hospitals with the cost of caring for uninsured patients - that would be combined with \$268 million in compensation already proposed.

- Provide \$46.7 million to offset a revenue loss in higher education.
- Another point - Gov. Kathleen Blanco wants to create a \$150 million hurricane fund to pay for the cost of seven evacuations - - the fund actually is budgeted at \$169 million.
 - The fund turned into a target on the House floor as lawmakers tried to raid it to save a developmental center, to give a pay raise, to increase education funding and to soften homeowners' share of a state-sponsored insurer bailout.
 - Chairman Alario stepped up to the podium on the House floor time and time again to thwart the attacks.

ON THE FEDERAL FRONT:

****FTC: No Evidence of Gas Price Gouging After Katrina***

The Federal Trade Commission said it found no evidence of price gouging in gasoline markets after last year's hurricanes in the Gulf of Mexico, nor did its investigation support allegations of a broader effort to constrict supplies by shutting down refineries during the past couple of decades.

- In the much-anticipated report to Congress, the commission also reiterated its position that federal price-gouging legislation would be difficult to enforce and could cause more problems than it solves.
- Congress in August required the FTC to investigate whether refiners manipulate the price of gasoline by reducing refinery capacity, along with other potential forms of market manipulation.
 - Lawmakers subsequently followed up with a directive to investigate whether price gouging played a role in the price shocks that followed hurricanes Katrina and Rita, which knocked out many refineries along the Gulf Coast.
- While the commission did find various instances that met the congressional definition of potential price gouging — an increase in the average price of gasoline from August, prior to the hurricanes, to September, “other factors such as regional or local market trends, however, appeared to explain these firms’ prices in nearly all cases.”

****Search of Jefferson's Capitol Hill Office 'Unprecedented'***

Federal prosecutors went to extreme lengths to separate the legislative from the potentially criminal when they searched the Capitol Hill office of Rep. William J. Jefferson, D-La., a move a historian called “unprecedented.”

- The affidavit filed in support of the warrant to search the office also described how a special team of FBI agents would filter the documents and computer files to determine whether they might be considered privileged materials under the Constitution's speech and debate clause.
- Past criminal investigations have led to searches of lawmakers' homes and businesses, but not their Capitol Hill offices, said Donald A. Ritchie, associate Senate historian.

- “We have no record of them raiding their official congressional offices. We are saying it’s unprecedented,” Ritchie said.
 - An associate of Jefferson’s has said as part of a plea agreement that the lawmaker demanded and collected more than \$400,000 in exchange for helping to secure several telecommunications deals in Africa.
 - The plea deal came nearly four months after Brett Pfeffer, a former Jefferson aide, pleaded guilty to conspiracy and bribery charges in the same case and implicated his former boss in the scheme.
 - Jefferson, also the subject of an ethics investigation, has said he will not resign his seat.

****House ANWR Bill Unlikely To Survive Senate Filibuster***

The U.S. House passes a bill 225-201 that authorizes oil drilling in the Arctic National Wildlife Refuge, despite widespread acknowledgement that the legislation will almost certainly succumb to a Democratic filibuster in the Senate.

- The bill (HR 5429) would direct the Interior secretary to begin leasing in a portion of the refuge along Alaska’s northern coast.
 - The House by 234-184 adopted a rule that allowed no floor amendments.
- Opponents argued that the GOP leadership is trying to revive an idea that has been rightly rejected over and over in years past.
 - Republicans countered that the nation is already doing what it can to conserve energy and promote alternative energy technologies.
 - Opening ANWR would bring a major new source of oil to market while creating jobs and boosting federal revenue, they said.
- Similar ANWR attempts have repeatedly fallen prey to Senate filibusters - but House Majority Leader John A. Boehner, R-Ohio, dismissed such considerations stating “This is the House, if members want to vote on it, we’ll vote on it.”

****Senate Panel Moves Bill To Bolster Flood Insurance Program***

Legislation designed to shore up the federal flood insurance program, which was virtually bankrupted by record claims from last year’s hurricanes, won approval last week from a Senate committee.

- The draft measure was approved, 20-0, by the Banking, Housing and Urban Affairs Committee and the federal program historically has been funded through insurance premiums paid by homeowners.
- Congress had to borrow from the U.S. Treasury to cover roughly \$23 billion in claims from the hurricanes and the bill approved by the Senate committee would forgive that debt, recognizing it could never be repaid.

- About 25 percent of the structures the program insures pay premiums that are kept artificially low through subsidies for structures built before the introduction of flood insurance rate maps in 1973.
- The Senate bill would phase out these subsidies on second homes, businesses and properties that have been flooded repeatedly or severely.
 - Premiums could rise as much as 25 percent a year until they reach rates that reflect the true risk of flooding.
 - The bill also directs the Federal Emergency Management Agency, which administers the program, to update its flood maps.

****Senate Confirms Hayden As CIA director***

After hearing assurances he will be independent of the Pentagon, the Senate on May 26th easily confirmed Gen. Michael Hayden, a career Air Force man, to head the CIA.

- Hayden, a four-star general, currently is the top deputy to National Intelligence Director John Negroponte.
- Hayden, 61, would be the first active-duty or retired military officer to run the spy agency in 25 years.
- He was approved by a vote of 78-15.

****President Bush Taps Paulson for Treasury Secretary***

Treasury Secretary John Snow resigned today and President Bush nominated Goldman Sachs Chairman Henry M. Paulson Jr. as his replacement -- another chapter in the shake-up to revive what is seen as the President's troubled administration.

- During the Rose Garden announcement President Bush stated: "Henry Paulson has a lifetime of business experience - he has intimate knowledge of financial markets and an ability to explain economic issues in clear terms."
 - He also praised Snow for showing "strong leadership" at Treasury.
- Paulson called the U.S. economy "truly a marvel, but we cannot take it for granted. We must take steps to maintain our competitive edge in the world."
- Snow, the former head of railroad giant CSX Corp. who has a Ph.D. in economics, has been Treasury secretary since February 2003 and his departure has been rumored for more than a year.
- Paulson has been chairman of Goldman Sachs for about eight years which is considered one of the premier financial firms on Wall Street and has sent a number of its top executives to high positions in Washington.

- The Senate must confirm Paulson for the post and the Senate Banking Committee is expected to act swiftly on Paulson's nomination, a spokesman for the panel said.
- In choosing Paulson for the Treasury job, the administration is seeking a more effective spokesman to tout Bush's economic accomplishments of low unemployment and solid economic growth.
- White House officials believed that a Wall Street executive with Paulson's talents could better make the case for the administration's economic program.

**The mission of the Louisiana Rural Health Association is to serve as a unified voice for the promotion of rural health care through advocacy, education, and leadership. The information above was provided in part by the National Rural Health Association and gathered from various publicly released documents of news related sources.*