

Regular Session, 2011

SENATE BILL NO. 238

BY SENATOR PETERSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING. Requires legislative approval of certain contracts and action plans related to hurricane recovery. (7/1/11)

1 AN ACT

2 To enact R. S. 39:136, relative to the deposit and expenditure of federal funds; to provide

3 for legislative approval and allow legislative modification of any Action Plan or

4 Proposed Action Plan Amendment relative hurricane recovery; to require legislative

5 approval of certain contracts executed pursuant to an Action Plan or Action Plan

6 Amendment; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:136 is hereby enacted to read as follows:

9 **§136. Federal funds related to disaster recovery; legislative approval**

10 **As used in this Section:**

- 11 **(1) "CDBG" shall mean Community Development Block Grant.**
- 12 **(2) "LRA" shall mean the Louisiana Recovery Authority.**
- 13 **(3) "OCD" shall mean the office of community development within the**
- 14 **division of administration.**
- 15 **(4) "Plan" shall mean an Action Plan, a Partial Action Plan, an**
- 16 **amendment or amendments to an Action Plan or a Partial Action Plan, or any**
- 17 **other method utilized for the allocation of dollars for the use of CDBG funds or**

1           any other funds provided for the recovery.

2                   (5) "Recovery" shall mean all of the efforts and activities of the state to  
3           rebuild and redevelop from Hurricanes Katrina, Rita, Gustav, and Ike and  
4           their aftermaths.

5                   B.(1) No contract for recovery services funded by CDBG funds in excess  
6           of two hundred thousand dollars shall be executed after September 1, 2011, and  
7           no CDBG funds shall be expended pursuant to such contract, unless a contract  
8           proposal is first approved by the Joint Legislative Committee on the Budget.

9                   (2) No contract for recovery services entered into by LRA or OCD in  
10          excess of fifty thousand dollars shall be amended after September 1, 2011,  
11          unless the proposed contract amendment is first approved by the Joint  
12          Legislative Committee on the Budget.

13                  C.(1)(a) OCD shall also develop proposals and plans related to the  
14          recovery. After developing and approving a proposal or plan, OCD shall send  
15          it to the governor for approval. If the governor approves the proposal or plan,  
16          it shall be submitted to the Joint Legislative Committee on the Budget for  
17          review, and approval or approval with modification.

18                  (b) Whenever any proposal or plan amounts to ten million dollars or  
19          more and is approved by the Joint Legislative Committee on the Budget, it shall  
20          be submitted for approval of a majority of the elected members of each house  
21          of the legislature. If the legislature is in session, the approval shall be by  
22          resolution or Act. If the legislature is not in session, approval shall be obtained  
23          using the same mail ballot procedure used to obtain approval of an action by the  
24          interim emergency board.

25                  (c) Only if a proposal or plan is approved as provided by Subparagraphs  
26          (a) and (b) of this Paragraph, shall the governor submit the proposal to the  
27          United States Department of Housing and Urban Development or other  
28          appropriate federal authority for approval. In the event that the United States  
29          Department of Housing and Urban Development or other appropriate federal

1 authority does not approve such amended plan authorizing the use of funds,  
2 those provisions shall be without effect.

3 (2) If the appropriate federal approval has been obtained, the OCD shall  
4 request the approval of the Joint Legislative Committee on the Budget for a  
5 budget adjustment in the amount of the approved funding in accordance with  
6 the procedures set forth in the General Appropriation Act and Title 39 of the  
7 Louisiana Revised Statutes of 1950.

8 (3) In the development of proposals related to the recovery, the OCD  
9 shall give due consideration to the nonprofit organizations which are involved  
10 in the recovery, especially those which are licensed in Louisiana as residential  
11 contractors. Additionally, the office in the development of proposals shall  
12 provide for maximum practical opportunities for the participation by the  
13 broadest number of minority-owned businesses to the extent allowable by law.

14 D.(1) For proposals or plans that require legislative approval as  
15 provided in Paragraph C(1) of this Section, OCD shall provide to each member  
16 of the legislature ten calendar days in advance of the meeting or voting deadline  
17 accurate detailed information explaining the following about the proposal or  
18 plan:

19 (a) For each type of proposed expenditure set forth in the proposal,  
20 detailed information showing how the total amount of expenditure was derived  
21 or estimated, including the types of goods, services, or contract work expected  
22 to be purchased with such expenditures.

23 (b) If the amounts of the proposed expenditures are estimates, which  
24 amounts or other information were such estimates based upon and a specific  
25 designation of the sources of that information.

26 (c) A listing of the governmental and nongovernmental, public and  
27 private beneficiaries of the proposed expenditures.

28 (2) Such information shall include any work papers or other documents  
29 related to estimated expenditures received by LRA or OCD from any task force,

1            **subcommittee, consultant, or state department or agency utilized by LRA or**  
2            **OCD in preparation of the proposal or plan.**

3            **(3) Any legislative instrument submitted for approval by the legislature**  
4            **shall contain a reference to such information provided to members of the**  
5            **legislature pursuant to this Subsection which shall become a part of such**  
6            **instrument and proposal by reference.**

7            **E.(1) OCD shall submit a copy of the quarterly Disaster Recovery Grant**  
8            **Report to the Joint Legislative Committee on the Budget and shall make such**  
9            **report available via the Internet at the same time the initial quarterly report is**  
10           **submitted to the United States Department of Housing and Urban Development.**

11           **(2) For contracts for recovery services in excess of two hundred**  
12           **thousand dollars and funded by CDBG funds, OCD shall submit a copy of**  
13           **reports pursuant to the monitoring plan for such contracts or any evaluations**  
14           **of such contracts to the members of the Joint Legislative Committee on the**  
15           **Budget within ten days of receipt of the monitoring report or evaluation.**

16           Section 2. This Act shall become effective on July 1, 2011; if vetoed by the governor  
17           and subsequently approved by the legislature, this Act shall become effective on July 1,  
18           2011, or on the day following such approval by the legislature, whichever is later.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Dawn Romero Watson.

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#### DIGEST

Present law requires the LRA to develop proposals related to the recovery from Hurricane Katrina and its aftermath and Hurricane Rita and its aftermath, including CDBG proposals. Such proposals shall be sent to the governor for approval. If approved by the governor, the proposal shall be submitted to the Joint Legislative Committee on Budget, (the JLCB), and upon approval of same, the proposal shall be submitted by the governor to the U.S. Dept. of Housing and Urban Development or other appropriate federal agency. Further requires approval of the JLCB for incorporation of any monies associated with such a proposal into the budget.

Proposed law provides authority and responsibility for the development of proposals and requirements for legislative approval contained in present law to the division of administration, office of community development (OCD). Expands the provisions to the recovery from Hurricane Gustav and its aftermath and Hurricane Ike and its aftermath. Proposed law establishes similar requirements for proposals related to Hurricanes Katrina, Rita, Gustav, and Ike for OCD.

Proposed law prohibits the awarding or execution of any contract after July 1, 2011, for recovery services funded by CDBG funds in excess of \$200,000 without recommendation of the commissioner of administration and approval of the JLCB. Further prohibits the amendment of any contract for recovery services after July 1, 2011, funded by CDBG funds in excess of \$200,000 entered into by either LRA or OCD without recommendation of the commissioner of administration and approval of the JLCB.

Present law requires that proposals related to the recovery which provide for expenditures in excess of \$10 million will require approval by a majority of both houses of the legislature. Upon approval of same by the JLCB, the LRA shall submit the proposal for full legislative approval. Provides that if the legislature is in session, such approval shall be by resolution or Act; if not, then by an Interim Emergency Board-type (IEB-type) mail ballot. Prior to the actual expenditure of any federal monies, the LRA must receive approval by the JLCB.

Proposed law establishes similar requirements for submissions of proposals in excess of \$10 million by OCD.

Present law requires that the LRA submit certain information to the legislature seven days prior to approval of any proposal in excess of \$10 million including.

- (1) Information showing the estimate was derived, including the basis of such estimates were derived.
- (2) A listing of the governmental and nongovernmental, public and private beneficiaries of the proposed expenditures.
- (3) Any work papers or other documents related to estimated expenditures received from any task force, subcommittee, consultant, or state department or agency utilized by the authority in preparation of the proposal.

Proposed law establishes similar requirements for submissions of proposals in excess of \$10 million by OCR, except requires the information be submitted 10-days in advance of a JLCB meeting or voting deadline on an IEB-type vote.

Proposed law adds a requirement that OCD submit to the JLCB and make available online the quarterly Disaster Recovery Grant Report at the same time the initial quarterly report is submitted to the U.S. Dept. of Housing and Urban Development. Also, regarding CDBG contracts in excess of \$200,000 adds a requirement that OCD submit a copy of any monitoring reports or evaluations of such contracts to the members of JLCB.

Effective on July 1, 2011.

(Adds R.S. 39:136)