

# Louisiana Federation of Teachers

# Weekly Legislative Digest

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2016 Special Legislative Session

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## **Edwards: It's time for fiscal responsibility in this state.**

Governor John Bel Edwards was greeted with a standing ovation as he walked into the well of the House of Representatives for his first address to lawmakers. But the mood quickly grew somber as the new governor laid out the seriousness of the budget crisis facing the state.

"We have a \$940 million budget deficit that must be corrected by June 30th. And next year, we are facing a \$2 billion budget deficit," the governor said. "It's time for fiscal responsibility in this state. No more smoke and no more mirrors."

Eight straight years of thinly-veiled budget deficits, tax giveaways, make-believe efficiencies and privatization schemes that cost more than they saved are responsible for the state's dire circumstances today, the governor said.

To solve the problem, Gov. Edwards said, "We need a balanced approach of strategic cuts and new revenue. Focusing on one without the other would be irresponsible, especially when the problem is so massive."

Because so many state programs are protected by either statutory or constitutional dedications, the brunt of many cuts will fall on higher education and health care unless the legislature acts, the governor said.

Gov. Edwards said he will push lawmakers to accept an expansion in federal Medicaid funding. The governor said that taking the federal funds would "dramatically improve the health of our working poor, while saving tax dollars, creating jobs, and investing in our workforce. Today, we pay 38 percent of the cost of providing care to the uninsured after they already are sick, but with expansion, we will never have to pay for more than 10 percent of the cost of helping the same patients see their primary care doctor and get preventive care. It is a win-win for health care and the budget."

Without legislative action, he said, colleges and universities will have to absorb another \$200 million in cuts by the end of the school year. That could cause many schools to close early and lose faculty and even whole departments. The popular TOPS scholarship program is \$28 million short, a cost that must be absorbed by colleges.

The governor has promised to avoid cutting funding for K-12 education's Minimum Foundation Program. Even though it is constitutionally dedicated, the MFP and all other such funds can be reduced under some circumstances.

The governor said he wants to be inclusive and consider everyone's ideas in this special session: "That's why I intentionally made a broad call for this special session. If you want to cut spending further than I have proposed, show me where and who is impacted. That is the first thing in the call. If you believe, as I do, that we should reduce contracts, that too, is in the call. If you believe as I do that we should reduce statutory dedications, it's in the call. I don't claim to have the market cornered on good ideas to fix this budget, so please bring forth constructive ideas, not simple talking points."

[To see what is included in the governor's legislative agenda for the special session, please click here.](#)

## **Thank Gov. Edwards for fighting to fully fund education!**

As the special legislative session opened, Governor John Bel Edwards – who has been in office a little over a month – is already facing massive opposition from corporate interests and others who believe the only solution to the state's crisis is to cut spending.

If simply cutting spending really meant better services and more revenue for our state, we would not be facing the current crisis. We know that cuts to education and health care have been disastrous over the past eight years.

The last administration made choices that resulted in a \$900+ million shortfall this year, and an expected \$2 billion deficit next year, which our Constitution forbids.

To fix the problem, Governor Edwards is proposing a mix of new revenues, reductions in tax credits and deductions, and cuts where they can be made without threatening services. His goal is to save colleges and universities from collapse, and to fully fund our K-12 schools.

We were proud to support Governor Edwards during the election. Now we want to let him know we still have his back during a very trying time. The crisis can be solved and our schools can thrive, but only if we work together in the best interests of our children, our families and our schools.

[Please click here to sign this petition and let Governor Edwards know that we support his effort to fully fund public education!](#)

## **House action centers on two committees**

All eyes in Baton Rouge are focused on the House of Representatives' two money committees to see how lawmakers intend to deal with this year's \$900+ million deficit and a looming \$2 billion shortfall in the 2016-17 fiscal year.

This special session is crucial because lawmakers are prohibited from raising taxes in the regular session slated to begin on March 14. Under our constitution, revenues can only be raised in odd-numbered years' regular sessions.

The Ways and Means Committee, chaired by Rep. Neil Abramson (D-New Orleans), is the place where any bills that raise revenues originate. The committee is considering 94 bills and one resolution in this session.

During the first week of testimony, bills were divided into groups with similar objects and testimony was heard, but no votes will be taken until public comment has been heard on all of them. Capitol observers expect those votes to begin on Monday, February 22.

The other pertinent committee this session is House Appropriations, chaired by Rep. Cameron Henry (R-Metairie). This is the panel that recommends how state funds will be allocated.

Appropriations was the scene of the most heart wrenching testimony in the first week, with parents of special needs children pleading to fund the programs that are lifelines for their children.

The panel also heard somber reports from higher education officials concerned that colleges and universities may have to shut down and that athletic programs may be cancelled. Members also wrestled with possible cuts to the popular TOPS program that provides tuition for a great number of college and university students in the state.

The money committees are facing a division that falls largely along party lines, with Democrats arguing that the state cannot solve its crisis by cutting programs alone, and Republicans saying that new taxes will harm business development in the state.

Big business has had the upper hand in recent years. One example: the state gave businesses over \$200 million more in tax credits and rebates than it actually collected in corporate tax revenues.

## **Senate: Our work is done for now**

Of the two legislative houses, the Senate had the lightest load in the first week of the special session. Because revenue-raising efforts must originate in the House, the Senate is limited in what it can consider before the other side takes some action.

The full Senate followed the lead of its Finance Committee and approved measures that could reduce this year's \$900+ million deficit by about \$338 million. After that, Senate President John Alario (R-Westwego) declared that the body had done all it could, and adjourned until Monday.

The Senate approved SB 4 by Sen. Eric LaFleur (D-Ville Platte), which directs about \$200 million from the Deepwater Horizon Economic Damages Collection Fund to plug the deficit hole. The spending does not affect any of the settlement aimed at coastal restoration.

The second bill, SCR 2 by Sen. Jean-Paul Morrell (D-New Orleans), calls for the state to direct \$128.5 million from the state's rainy day fund, officially known as the Budget Stabilization Fund, to help with the deficit.

Both measures have moved to the House for further action.

## **Honest voting measure to be decided by House**

Lawmakers have a chance to strike a blow for accountability and transparency if they repeal a House of Representatives rule that allows them to change their vote after an issue is decided.

HR1 by Rep. Gene Reynolds (D-Minden) would make it much easier for citizens to know the real voting records of their representatives.

Here's how the current rule works. Representatives can make an unpopular vote on a controversial issue, but after the topic is decided, they are allowed to change their vote as long as it does not change the outcome of the bill. After voting one way, the official record would reflect a different vote by the lawmaker.

As Rep. Reynolds told Advocate reporter Will Sentell, "I saw time after time people would change their votes. If the tax bill had enough votes to pass, and they supported it, they would change their votes (later) to no so they could go home and do their song and dance."

The practice makes it difficult to report on a lawmakers records, because the official tally is sometimes different from the vote they actually cast.

LFT supports HR1, which will be heard by the House and Governmental Affairs Committee.

## **Teachers' retirement on firm footing**

As bleak as the state's budget seems in this special session, one bright spot is the performance of the Teachers' Retirement System of Louisiana.

Not only is the system on firm financial footing and on track to pay off its debt on schedule, but TRSL's experience account has assets that could provide another 1.5% cost of living adjustment, provided the legislature approves it in the upcoming regular session.

Those were among the good news items presented to the Senate Retirement Committee as heads of retirement systems presented their financial data for consideration this week.

TRSL Director Maureen Westgard reported that the system's \$11.1 billion unfunded accrued liability – the debt that accrued because the state failed to make promised payments in the past – is on track to be paid off by 2043.

Had the legislature made its contributions in the past, she said, retirees could be enjoying more than \$800 million in COLAs that has been diverted to paying the UAL. Without that debt, employers would only have to pay 4.5% of employee salaries to maintain the system, instead of the 26.3% school boards pay for teachers. Employees contribute 8% of their salaries to TRSL.

Because of the payment plan in place, state contributions to TRSL have been reduced by \$46 million this year, and will go down by \$20 million next year.

Incredibly, and despite the good stewardship displayed by TRSL, some lawmakers including Rep. Barry Ivy (R-Central) have plans to disrupt the retirement systems during the upcoming regular session by introducing risky 401(k) type plans that would enrich investment bankers without promising a guaranteed income for retirees.

Other facts about TRSL presented at the hearing:

- Value of TRSL assets: \$17.46 billion
- Annual TRSL benefit payments: \$1.95 billion
- Average annual benefit: \$25,787
- Active members: 83,602
- Retirees: 75,259
- DROP participants: 2,283
- At less than 1% of expenses, TRSL administrative costs are 19% lower than peer systems in other states.

## **Superintendents send new standards to BESE**

An influential advisory group has sent a revised set of education standards to the Board of Elementary and Secondary Education along with a request that the state provide all the necessary resources to implement them successfully.

Regina Sanford, the St. Tammany Parish administrator who chaired the 26 member standards review steering committee, told PSAC that the revisions constitute "a quality product that should be endorsed."

She cautioned the superintendents that the revised standards cannot be successful without resources, a sentiment also shared by PSAC Chair Hollis Milton, who is superintendent of schools in West Feliciana Parish.

The standards are being revised after months of controversy over Louisiana's endorsement of national Common Core State Standards. The review was begun after Common Core's implementation here was roundly criticized by various groups and from many different perspectives. About one of every five of the standards is being changed under the recommendations.

Examples of the changes given at the meeting included:

- Money counting is a new math standard for kindergartners.
- Math standards pay attention to grade level appropriateness and recognize that changes in any grade affect the next grade level.
- ELA standards clarify that examples are not curriculum directives, ensuring that teachers have latitude in how they teach to the standards.

The next step will be for BESE to approve the standards at its March meeting. They will then have to be approved by both Governor John Bel Edwards and the legislature's Joint House and Senate Education Committee.

## **LFT and LAE agree on joint legislative program**

The leaders of Louisiana's two largest public education unions – the Louisiana Federation of Teachers and the Louisiana Association of Educators – will partner on legislative goals in the 2016 special session.

"We can accomplish far more together than we can by remaining divided," said LFT President Steve Monaghan. "During the last legislative session and the gubernatorial election, we demonstrated the power that teachers and school employees can wield when we find our common ground and look for solutions that work for our members, our students and our schools."

"Joining forces in our efforts to motivate positive change in education politics gives Louisiana educators a stronger voice with which to advocate for their schools and their classrooms," said LAE President Debbie Meaux. "Both LAE and LFT seek the best outcomes for Louisiana's students, and I believe that we can achieve powerful results by working together."

Both Meaux and Monaghan agree that working collaboratively will be key in influencing critical budgetary decisions as they relate to the sound funding of Louisiana's public schools.