

Louisiana Federation of Teachers

Weekly Legislative Digest

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Edwards: Jindal was state's most irresponsible governor

Speaking to a room filled with more than 200 teachers and school employees on Saturday, Gov. John Bel Edwards said that for leaving Louisiana in the worst financial crisis in decades, ex-Gov. Bobby Jindal ranks as "the most irresponsible governor who has ever governed Louisiana."

Jindal is not solely to blame for the crisis, Gov. Edward said, because he was abetted by a majority of lawmakers who sent along with the disgraced former governor and failed presidential candidate.

"We pretended that things were better than they were, that we could do more with less," he said. Edwards was not one of Jindal's enablers; as a state representative, he was often one of the lonely voices speaking against the extremes favored by the former governor.

One result of the previous policies has been a downgrading of the state's bond rating, which makes it difficult and more expensive to borrow money for projects.

"We should take this as a wake-up call," he said. "We live in the real world."

The governor said he remains optimistic that solutions can be found for the state's woes. One of the good signs, he said, is the cooperation between the state's two largest education unions, the LFT and the Louisiana Association of Educators. The LAE's political director, Shane Riddle, was in the audience as a guest of the LFT.

The governor assured the teachers and school employees in the audience that he intends to protect funding for public education's Minimum Foundation Program, but that he will need the help of the education community during the legislative session.

"I need you to gear up for the fight ahead, and I need your prayers," he said.

The governor spoke to a combined conference comprising the Federation's annual winter leadership meeting and a gathering of paraprofessionals and school related personnel.

Budget questions linger at session's midpoint

Lawmakers are meeting through the weekend, trying to come to grips with the state's \$900 million income gap this year. As the special legislative session passes the halfway mark, the legislature appears to be some \$150 million to \$200 million short of balancing the budget by the June 30 deadline.

The state's two top legislative leaders, Speaker of the House Taylor Barras (R-New Iberia) and Senate President John Alario agree that lawmakers have cut about as much from the budget as they can, and must rely on new revenues to make up the difference.

The question everyone in Baton Rouge is asking: who will have to pay, and how much?

A temporary one cent sales tax seems to be the most expedient way to raise the necessary funds by the end of the fiscal year, but other options are also being explored.

Some lawmakers favor “cleaning” some of the pennies in the state’s existing four percent sales tax – that means removing exemptions that allow some to avoid paying part of the sales tax. There are almost 200 such exemptions that allow individuals and corporations to avoid paying up.

Corporate lawyers have descended on the capitol in droves to oppose anything that would raise their tax liabilities. Even so, many lawmakers are starting to believe that increases are necessary to forestall a disaster.

The case for higher corporate taxes has been boosted by revelations that so far this year, corporations have received some \$210 million more in tax credits and exemptions than they have paid in taxes.

A clean one-cent sales tax increase would raise \$210 million this year and could raise another \$900 million next year. As proposed, the tax would be in effect for about 18 months.

Other proposals include raising the tax in cigarettes by 22 cents to \$1.08 per pack, raising \$16 million. A new tax on beer, wine and liquor would raise another \$9 million this year.

Lawmakers are also looking at proposals to get rid of the deduction that corporations take for paying their federal income tax, and laws that allow companies to avoid state taxes by diverting their profits outside the state.

Bill: Cuts to fall on Ed Department, not schools

A bill which originally would have cut funding for public schools by \$44.2 million has been amended to impose the cuts on State Superintendent of Education John White’s education department, and not n local school boards.

HB 122 by Rep. Cameron Henry (R-Metairie) was the target of numerous e-mails and telephone calls to lawmakers after the LFT and LAE notified members that education funding was at risk.

Rep. Henry’s bill is intended to cut some \$87 million more from the budget that Gov. Edwards has requested. The \$44.2 million proposed to be cut from public education is the same amount that Gov. Edwards convinced lawmakers to add to the budget last year to continue a teacher pay raise and provide services for students with significant disabilities, dual enrollment courses, and career development programs

Pressure to save schools and teachers from budget cuts was so intense that Rep. Henry agreed to an amendment stipulating that the cut could not come from any money spent on local schools or teachers. Instead, the cut will fall on the Department of Education budget.

The \$44.2 million represents over half of the DOE budget, and it is unclear how Supt. White can reduce spending enough to comply. Capitol insiders say it is unlikely that the bill will emerge from the Senate just as it looks now.

New studies say vouchers are failing

Researchers this week revealed [four new studies](#) showing that students in voucher schools are performing at lower levels than their counterparts in public schools.

The studies by the University of Arkansas and the Education Research Alliance for New Orleans at Tulane University come on top of a December report from the [National Bureau of Economic Research](#) finding that the state's voucher scheme "substantially reduces academic achievement."

The authors of the study released this week said, "We find the program had a negative impact on participating students' academic achievement in the first two years of its operation, most clearly in math."

The studies show that students who were already far behind their peers did even worse when they transferred to voucher schools. Their scores on state math tests were 24 percentile points behind students who remained in public schools, and their English scores dropped by eight points.

Even though there was a slight uptick in results in 2015, Alliance Director Doug Harris told a panel of experts on Monday, the students "are learning less each year."

Calling the voucher scheme a "political morass," LFT President Steve Monaghan told the panel that Louisiana's vouchers are the product of a brilliant marketing campaign and a political agenda that has little to do with education.

Monaghan told the panel that as poor as the results of the study are, the real story could be worse. Because of the way Louisiana's voucher law and privacy rules are written, he said, many voucher schools are not required to even report the progress of students who take the state funding.

"It's unacceptable that only 37 of 131 voucher schools are reporting their scores," he said.

Savings fund could help prevent future shortfalls

The House of Representatives unanimously approved a bill that sets up a savings fund that will require lawmakers to be more responsible with state revenues in the future.

HB 86 by Rep. Walt Leger (D-New Orleans) would require the state to lock away corporate income and franchise taxes above \$500 million, and mineral revenues between \$650 million and \$950 million. When that fund grows to \$10 billion, the state would be able to spend five percent of the money.

"Every year we spend every dollar we get." Rep. Leger said. "We should also be looking at long-term, structural reforms to the budget."

The bill moves to the Senate Finance Committee for action. Votes will have to approve a constitutional amendment for the fund to go into effect.

Lawmakers stop raid on supplemental education funds

A proposal to unlock the dedication of nearly \$105 million in funding for public schools so that it could be used for other purposes was derailed in the House of Representatives.

HB 100 by Rep. Kirk Talbot (R-River Ridge), was gutted by an amendment from Rep. Pat Smith (D-Baton Rouge) that preserved the dedication of public schools dollars. The amendment maintains supplemental funding to the MFP. The LFT and LAE lauded Rep. Smith's actions to protect vital school programs and services for Louisiana's schoolchildren.

With just two weeks left in the special session, several lawmakers are still expected to bring forward proposals attacking the funding of public schools. The LAE/LFT will continue to monitor closely and thwart any such attempts that would negatively impact educators, the schools they work in, and the students they serve.

House votes to repeal bogus SAVE act

One of the Jindal administration's oddest efforts to paper over the shortcomings of his budgetary hocus-pocus is on the verge of being undone by the legislature. The House of Representatives voted to repeal the so-called SAVE Act and sent the measure to the Senate for concurrence.

The sole purpose of the SAVE act was to make it appear that some \$400 million in various tax increases were offset by tax credits. It imposed a fee on college students that is offset by a matching tax credit. Students don't actually pay the fee or collect the credit. Instead, money from the other tax increases is funneled to higher education. It was passed so that Jindal could fulfill his pledge to anti-tax crusaders in his futile campaign for the presidency.

Co-sponsored by Rep. Chris Broadwater (R-Ponchatoula) and Rep. Rob Shadoin (R-Ruston), HB 2 was jokingly referred to as the "B.S." bill. It was the first piece of legislation passed during the special legislative session.

Moody's lowers LA's credit rating

Louisiana was hit with a double dose of bad news this week, as the nation's premier bond rating agency lowered the state's bond rating, and put our colleges and universities on a watch list for a possible downgrade as well.

Moody's Investor Services lowered the states bond rating by one step, to Aa3. The reduction means that it could cost the state higher interest rates to borrow money.

Governor John Bel Edwards said he's disappointed by the move. "We believed that Moody's would wait until the conclusion of the special session to make any decision on our rating," the governor said in a press release. "Unfortunately, the downgrade confirms what we've been saying about the structural imbalance of our budget."

Earlier in the week, Moody's put eight Louisiana universities on a watch list for future credit downgrades.

"Over the last eight years, Louisiana's higher education institutions have faced the largest disinvestment in the country," Edwards said. "We cannot continue to chip away at funding for higher education and expect them to have the ability to invest in our children's education."

Universities at risk for lowered bond ratings include LSU, the University of New Orleans, ULL at Monroe, LSU Health and Sciences Center, Louisiana Tech, Southeastern LA University, McNeese State and Southern University.