

# Louisiana Federation of Teachers

# Weekly Legislative

# Digest

June 1, 2018

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2018 Second Extraordinary Session

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## House and Senate working to reconcile budget versions

As the Louisiana Legislature careens toward a June 4 deadline to craft a balanced budget, some observers question whether or not yet another special session will be required before the next fiscal year begins on July 1.

The House of Representatives passed a \$28.5 billion budget plan (HB 1 by Metairie Republican Rep. Cameron Henry) this week, with a \$400 million supplemental bill, also by Rep. Henry, that would become effective if any additional revenue is raised before the session ends.

As passed by the House, HB 1 would only fund TOPS scholarships at 80 percent. It would fully fund higher education, but would jeopardize health care programs for substance abuse and mental health treatment.

The supplemental bill, HB 35, would bump TOPS up to 90 percent of necessary funding.

The House approved extending part of the sales tax that is set to expire on June 30. HB 27 by Rep. Lance Harris (R-Alexandria) would raise about \$370 million.

House members are concerned that the Senate Revenue and Fiscal Affairs Committee altered Rep. Harris' HB 27, bumping revenues to about \$640 million by eliminating some sales tax breaks to business and industry.

The Senate will be debating its changes to the House plan through the evening Friday, and the House is slated to return on Sunday in what may be a contentious session aimed at reconciling the Senate and House versions of the budget.

The state is facing a shortfall of about \$650 million for the coming fiscal year.

If the House balks at the Senate version, the special session could collapse. That would require a third special session to craft a budget in the waning weeks of June.

## Senate okays, then house panel kills, break for working families

A bill that would have given lower-income working families an important tax break was approved by the Senate, but later killed by a House committee.

SB 10 by Sen. J.P. Morrell (D-New Orleans) would have increased the Earned Income Tax Credit from 3.5% to 5% for eligible wage-earners.

The EITC was the brain child of President Ronald Reagan, who believed the credit would encourage people to work. He considered it one of the most significant accomplishments of his presidency.

Ironically, it was President Reagan's fellow Republicans in the House Ways and Means Committee who doomed the EITC increase.

The bill had won an overwhelming 30-5 vote in the Senate, where members agreed that the credit would help offset regressive sales tax increases that cost lower-wage workers a larger percentage of their income than wealthier people.

It would have provided a maximum credit of about \$141 to 42 percent of the state's working families earning less than \$50,000 a year, and came with a price tag to the state of about \$21 million.

When the bill got to the very partisan House Ways and Means Committee, a strict party-line vote doomed the effort to bring a little economic justice to over 97,000 taxpayers. Every Republican voted against the bill, while every Democrat supported it.

And that is why the committee is often called "Ways to be Mean."

## **The week ahead...**

**Sunday, June 3:** The House Ways and Means Committee and the House Appropriations Committee are scheduled to meet at 3:00 P.M.

The House of Representatives will convene at 4:00 P.M.

**Monday, June 4:** The legislature must conclude its business by midnight, or face yet another special session to adopt a budget prior to the start of the fiscal year on July 1.