

Louisiana Federation of Teachers

Weekly Legislative

Digest

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2018 Second Extraordinary Session

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Session collapses: They'll be back!

This could have been, should have been, the final LFT Legislative Digest of 2018. But thanks to the legislative Caucus of NO, lawmakers will return to Baton Rouge before July 1; otherwise TOPS, higher education and other vital state services will be slashed.

Governor John Bel Edwards and state senators worked feverishly to craft a budget compromise that would stave off a budget shortfall, fund state services, and still reduce the state's overall tax burden by \$400 million. Despite their best efforts, a hard core of Republican House members torpedoed the deal in the final minutes of the special session.

The difference between success and failure came down to less than a penny. There was wide agreement that part of a temporary one percent sales tax would be made permanent to resolve the looming budget shortfall.

A House version would have kept one-third of the penny on the books, but that would leave TOPS, higher education and other services lacking. The Senate responded with a version to keep one-half of the penny, generating \$504 million to keep the state afloat.

House members did not get one last chance to vote, because Rep. Alan Seabaugh (R-Shreveport) filibustered until time ran out at midnight Monday.

Said Rep. Seabaugh, "Yes, I'm trying to run the clock out, because we've voted on this bill before, and it didn't get 70 votes."

"If you're scoring at home," according to the Louisiana Budget Project, "this means the Legislature broke down over a difference of \$.017 of sales tax renewal - or 17 cents on a \$100 purchase."

The budget that was adopted by the House requires cuts of more than \$500 million. Unless another special session succeeds, TOPS will be slashed by about 30 percent. Colleges and universities will be cut by about 25 percent.

Governor Edwards has not signaled whether he will veto the budget, or wait for lawmakers to correct it in a special session.

By law, there must be a seven day waiting period before another special session can be called by the governor. That will leave lawmakers with a small window of opportunity to do their jobs for the people of Louisiana before the start of a new fiscal year.

One bright spot...

The Louisiana Federation of Teachers was part of a coalition that successfully argued for an increase in the Earned Income Tax Credit with the passage of HB 18 by Rep. Katrina Jackson (D-Monroe).

The bill increases the EITC from 3.5 percent of the federal credit to five percent. It will mean a total of \$21 million in the pockets of low-income working families when their 2019 taxes are filed.

As amended, the credit will sunset in 2025 if it is not reenacted by the legislature.