

Louisiana Federation of Teachers

Weekly Legislative Digest

June 5, 2015

Steve Monaghan, President * Les Landon, Editor

2015 Regular Legislative Session

Now available on the Web at <http://la.aft.org>

Senate panel defers MFP; \$36 million in jeopardy

[Click here: Tell the full Senate to fully fund public education!](#)

After sailing through the House of Representatives just a week ago, public education's Minimum Foundation Program hit a wall in the Senate Education Committee. Without opposition, the panel voted to defer the \$3.7 billion spending plan.

The move exemplified a frayed relationship between the two houses. Committee Chairman Conrad Appel (R-Metairie) put blame on the House, saying that the budget approved by that body could be short of funding for education buy between \$25 million and \$55 million.

In a bipartisan display of unity against the MFP, Sen. Jean-Paul Morrell (D-New Orleans) said that the entire budget passed by the House is underfunded by \$200 million.

Chafing at the proposed \$36 million inflation factor in the proposed MFP. Sen. Appel asked if school districts are "truly strapped" for cash or if they "just want more money."

LFT President Steve Monaghan told the panel that public education's struggles are real, pointing out that school districts have faced employee furloughs, premature teacher retirements and other issues because state funding for public education remained flat for six out of the past seven years.

"Those are the painful realities for people who do the work in the buildings," Monaghan said. "This is just another brick in the wall for a besieged profession."

The MFP developed by the Board of Elementary and Secondary Education had included a \$36 million inflation factor, as well as \$8 million to bump spend on students with special needs and for those in dual enrollment college courses and career education programs.

It is unclear what the next step will be for education funding as the session enters its last week. Lawmakers must shut down by 6:00 P.M. on Thursday, June 11.

According to law, the legislature can accept or reject the MFP, but cannot change it. If BESE does not meet to devise a new formula, the spending plan will revert to the one in effect this year.

Committee okays budget sham, scam, fiction, gimmick

In order to satisfy Gov. Bobby Jindal's pledge to a right-wing Washington, D.C. think tank, the Senate Finance Committee approved a plan that various critics called a sham, scam, gimmick, fiction, fraud, and some other names that shouldn't be used in a family-friendly publication.

But not without some twists and turns that seemed bizarre even to veteran capitol watchers in Baton Rouge.

It all started when lawmakers approved some new taxes that will go to higher education. That violated a promise Jindal made to Grover Norquist's Americans for Tax Reform that any tax increases will be balanced by tax cuts or credits.

So Sen. Jack Donohue (R-Mandeville) created SB 284. It imposed a fee on college students that is offset by a matching tax credit. Students would not actually pay the fee or collect the credit – the money would automatically be forwarded to higher education.

Neither the fee nor the credit actually exist. They are simply covers for the taxes that were increased to pump money into higher education.

When SB 284 was heard by the House Ways and Means Committee, the knives came out. Members called it all the names mentioned above. Revenue Secretary Tim Barfield admitted to the committee that he had spoken to Americans for Tax reform to make sure that it passed their test. If the bill failed, he said, Jindal would probably veto the budget.

In a move that rocked the capitol, Chairman Joel Robideaux (R-Lafayette) and two other Republicans joined all seven Democrats to involuntarily defer the bill on a 10-9 vote.

But later that evening, Rep. Robideaux appeared before the Senate Finance Committee, which is chaired by Sen. Donohue.

At Sen. Donohue's direction, each of Rep. Robideaux's three bills was amended to include the language in SB 284.

The story doesn't necessarily end there. With less than a week to go before the legislature must approve a budget, anything can still happen.

Budget issues linger as session wanes

Lawmakers will meet over the weekend to piece together a budget that is in balance, meets Gov. Jindal's (and the Americans for Tax reform) demand that it be revenue neutral, and that meets the state's needs for education, health care and transportation infrastructure.

On Thursday, the Senate Finance Committee added some \$250 million to the state operating budget, largely based on tax and spending changes. That includes about \$36 million that was lost to public education when the Senate Education Committee rejected the Minimum Foundation Program.

Lawmakers aren't close to finished with the budget, however. As the Budget Project's Daily Dime reported:

With six days left before adjournment, the budget deal still depends on the passage of nearly a dozen tax bills that are working their way through the process, including an increase in the state cigarette tax to \$1 per pack and an across-the-board cut to some tax credit programs. Legislators are also working on a package of bills designed to overhaul and cap Louisiana's film subsidy program. But the biggest remaining sticking point is whether the final legislative package will satisfy Gov. Bobby Jindal's anti-tax criteria.

What happens to TOPS tuition bill?

The failure of SB 284 in committee left final adoption of a bill capping TOPS awards in doubt. SB 48, also by Sen. Donohue, would lock in the TOPS tuition payment at the same level as 2015-16. Any future increases would require legislative approval.

Although SB 48 has already passed the House and Senate, it is tied to SB 284, and cannot become law unless both bills are passed. Will passage of SB 284's language in in another bill be sufficient to enact the TOPS cap? That's one of the lingering questions of this session. Gov. Jindal opposed SB 48 during its journey through the process.

Senate Finance Committee acting on retiree COLA

As this edition of the Weekly Legislative Digest went to press, the Senate Finance Committee was preparing to hear HB 42 by Rep. Sam Jones (D-Franklin), which would provide a 1.5% cost of living adjustment for members of the state retirement systems.

The money would come from the systems' experience accounts, the profits made on investments.

After winning overwhelming approval by the House of Representatives, HB 42 went before the Senate Retirement Committee, from which it emerged with some amendments that say there will not be a COLA next year, that bump the state police and school employee system raises to two percent, and make changes in the amortization schedule of the systems' unfunded accrued liability.

Beginning in 2017, retirees may expect a COLA every other year, according to the bill.

If approved by the Finance Committee, the bill must still face a vote by the full Senate.

Voucher scheme dies in committee

The House Appropriations Committee killed a bill that was seen as a new way to fund vouchers.

SB 249 by Sen. Rick Ward (R-Port Allen) would have provided low-interest loans to voucher schools, not to exceed \$100,000, for construction purposes. The proposed loan fund would be administered by the Board of Elementary and Secondary Education.

Amendments to the bill removed specific references to non-public schools and made the fund available to public schools, which would have had first call on available money.

Resolutions await House action

Study resolutions affecting education were approved by the House Education Committee and await floor action.

HCR 174 by Rep. Helena Moreno (D-New Orleans) asks BESE to work on identifying sources of funding for early childhood education.

HCR 182 by Rep. Wesley Bishop (D-New Orleans) asks BESE to study the establishment of student resource centers for homeschool students.

HCR 201 by Rep. Darrell Ourso (R-Baton Rouge) asks BESE to study the feasibility of establishing independent school districts. It passed the House Education committee with an amendment that extends the time for DOE to complete the study until the 2017 session.

Senate to consider resolutions

Resolutions approved by the House and by the Senate Education Committee await final action by the full Senate.

HCR 126 by Rep. Steve Carter (R-Baton Rouge) is an urgent request that BESE promulgate rules to govern teacher prep programs.

HCR 136 by Rep. Wesley Bishop (D-New Orleans) asks BESE to study dual enrollment for secondary homeschool students, allowing them into post-secondary programs at the state's expense.

Bill would allow districts to take over failing schools

School districts will be allowed to take over failing schools located in other school systems under a bill that was passed by both houses of the legislature.

SB 129 by Sen. Ben Nevers (D-Bogalusa) says that school districts may enter into agreements with other districts to assume control of the struggling schools. Whether any systems will ever take up the offer, which could negatively affect their district performance score, is questionable. The bill awaits Gov. Jindal's signature.

OGB reorganization bills proceed

A bill aimed at reorganizing the Office of Group Benefits and improving its actuarial functions was approved by the House Appropriations Committee and sent to the House floor for consideration.

SB 260 by Sen. Sharon Broome (D-Baton Rouge) calls for establishing the Group Benefits Estimating Conference. Amendments clarify who can serve on actuarial review panels and stipulates that professional staff must have the ability to understand health care, actuarial information, and make intelligent contributions to the actions of the oversight committee.

A similar bill, HB 370 by Rep. Chris Broadwater (R-Hammond) has passed both houses.

Resolution asks for retirement privatization appeal

Both houses approved a resolution seeking ways to offset the cost to retirement systems when employee positions are privatized.

HCR 130 by Rep. Ed Price (D-Gonzales) asks the Louisiana School Employees Retirement System and the Louisiana School Boards Association to develop and implement an appeals process for audits of privatized positions. As school districts

privatize positions, they must pay some sort of offset for the unfunded accrued liability to the retirement systems of those former employees. Basically, this resolution asks LSERS and LSBA to get together and come up with some sort of procedure to appeal these assessments that school systems have to pay.

Committee defers voting and risky behavior bills

The House and Governmental Affairs Committee deferred two bills that LFT was watching.

HB 348 by Rep. Marcus Hunter (D-Monroe) would have extended early voting to compensate for holidays that may occur during the early voting period. It would have allowed for the full amount of time to early vote regardless of any holidays that may have fallen during that period, Sundays excepted. Some lawmakers appear dedicated to keeping early voting periods as brief as the law will allow.

SB 31 by Sen. Jean-Paul Morrell would have allowed students to participate in risky behavior surveys in New Orleans Public Schools.

Bill may address unfunded accrued liability

A bill aimed at correcting the way state revenues are estimated could result in an expedited payout of the state retirement systems' unfunded accrued liability.

Under current practice, the state's Revenue Estimating Conference often is wrong when it predicts how much the state will collect based on the price of oil. HB 562 by Rep. Kenny Havard (R-Jackson) would require estimators to base their prediction on an amount no higher than 90% of the previous year's actual price.

If oil exceeds that price, the bill would direct any additional, unforeseen revenue to pay down the UAL. The bill passed the House on a 73-20 vote, and was referred to the Senate Finance Committee.

House will consider deaf child bill of rights

The Deaf Student Bill of Rights was approved by the House Education Committee.

SB 58 by Sen. Conrad Appel (R-Metairie) would ensure a level of service for deaf and hearing impaired students at all schools. It is headed to the House floor for final passage.

Summer hunger resolution approved

The House and Senate have both approved HCR 81 by Rep. Ledricka Thierry (D-Opelousas), which asks all relevant agencies to convene and form a task force on summer hunger.

The task force will study strategies and best practices by which the state and local school systems can increase awareness of and participation in the U.S. Department of Agriculture's Summer Food Service Program in areas with high rates of food insecurity.

The week ahead...

Committee meetings have ended for the session. The full House and Senate will meet this week.

Thursday, June 11:

Adjourns sine die at 6:0 P.M.

CORRECTION: HB 677 by Rep. Marcus Hunter (D-Monroe) and SB 219 by Sen. Edwin Murray (D-New Orleans) were deferred by the House Labor and Industrial Relations Committee, not the House Appropriations Committee.