



ONEACADIANA

2016 Regular Legislative Session Recap June 6, 2016

Introduction

Prior to each annual legislative session One Acadiana (1A) releases a set of high-level legislative priorities to convey a simple message regarding the issues that matter most to our regional economy. Developed by 1A's policy committees – working with local partners, subject matter experts, and elected officials – these priorities provide a focused framework for improving economic competitiveness as well as job creation and retention in our area. 1A's 2016 priorities build on the "[Priorities for a Better Acadiana](#)" and reflect Louisiana's urgent need for fiscal stability and sustainability.

2016 Legislative Priorities

1. **Fiscal Priorities** – Seek long-term fiscal stability and sustainability through cost-containing measures and reform of the budget process while adequately funding key priorities like pre-K-12 and higher education, health care, and transportation infrastructure
2. **Economic Development** – Maintain and advance industry-based competitiveness, including key economic development incentives proven to generate return on public investment (esp. Digital Media/Software Development, Quality Jobs, R&D, Competitive Projects Payroll Incentive, and Angel Investor)
3. **Transportation Infrastructure** – Maintain I-49 South as a top transportation priority for the state and work toward a sustainable transportation funding solution, including restoring faith in the Transportation Trust Fund
4. **Workforce Development** – Promote demand-driven workforce programs, support increased autonomy for higher education institutions, and advocate for capital outlay funds to strengthen SLCC's new International School of Aviation Excellence and construct a new UL Lafayette engineering facility
5. **Public Education** – Protect and advance gains made in pre-K-12 education by maintaining rigorous academic standards matched with a fair, robust accountability system designed to increase student achievement

Our work will continue as the Legislature enters a Second Special Session ([read the Governor's call here](#)); however, some important steps were taken during the 2016 Regular Session to improve our region's economic competitiveness and protect our base. This recap provides a summary of some of the steps taken during the 2016 Regular Session aligned with 1A's Legislative Priorities.

Fiscal Priorities

As the Legislature looks to address comprehensive fiscal reform during the 2017 Regular Session, 1A continues to push for the State to contain costs while adequately funding critical priorities for our regional economy. With a significant budget shortfall for fiscal year 2016-17, higher education and health care

are two areas still in danger of damaging cuts. 1A will continue to prioritize adequate funding for higher education and health care during the Second Special Session.

Two cost-containing topics 1A supported were public employee retirement reform and TOPS reform. On retirement reform, 1A joined partners in support of a package of bills that would have established a new hybrid retirement benefit structure for members of state retirement systems. This hybrid structure would have resembled what is offered in the private sector, with a pension and a 401(k)-type program, instead of the current defined benefit plan, which has indebted the state with an unfunded accrued liability of nearly \$20 billion. After lengthy debate, the author voluntarily deferred these bills in order to address some of the critiques and further strengthen the legislation. They were not reintroduced this session.

On TOPS reform, 1A supported the successful effort to decouple TOPS from tuition. SB 174 (Donahue) locks in TOPS award amounts at the 2016-17 award level, unless an increase is approved by the Legislature. Such a ceiling for TOPS award amounts will relieve pressure on the State budget moving forward and provide predictability for the cost of the program.

Economic Development

Over the past decade Louisiana significantly improved the state's economic competitiveness, in part by developing a system of economic development programs that generated unprecedented levels of private investment. 1A supports protecting and strengthening those programs that have demonstrated the strongest return on public investment.

During the Regular Session, 1A supported three specific bills related to these programs. First, HB 783 (Abramson) strengthened the Quality Jobs (QJ) program by delinking it from the Enterprise Zone (EZ) program, establishing its own capital investment benefits directly within the QJ statute. Second, in the same way, HB 794 (Abramson) made the Competitive Projects Payroll Incentive (CPPI) a stand-alone program. Both bills passed. Third, HB 950 (Foil) would have restored a state Research and Development incentive for companies that receive a federal Small Business Innovation Research Grant. This incentive had been rolled back as part of a package of cuts at the tail end of the 2015 Regular Session. Due to concerns about the State's lack of funding, the bill failed to pass the full House. In addition to supporting those three bills, 1A testified before the Senate Revenue and Fiscal Affairs Committee in support of protecting the Digital Interactive Media and Software Development tax credit, which has been critical in recruiting new technology companies to Acadiana and other regions of the state.

1A also worked with LED and other regional economic development organizations to oppose a set of bills that would have required the budgeting and appropriating of tax credits and rebates. These bills would have harmed economic development in the state by introducing uncertainty for the business community and economic developers as a result of having to wait for the end result of each year's appropriations process to know if the Legislature had budgeted and appropriated enough funds in each program for LED to honor its incentive contracts. None of the most harmful bills received a hearing.

Transportation Infrastructure

In partnership with the I-49 South Coalition, 1A helped organize "I-49 South Day" at the Capitol to highlight progress on this top priority and discuss next steps. Among other things, our group met with DOTD Secretary Shawn Wilson, distributed promotional materials to members of the Legislature, and received a proclamation issued by Governor John Bel Edwards that designated May 17, 2016, as I-49 South Day.

As 1A continues to support a long-term, sustainable transportation funding solution, we know we must first restore trust to the Transportation Trust Fund (TTF) before considering options for additional transportation funding. A bill authored by 1A legislator Rep. Terry Landry during the 2015 Regular Session, which limited the authority to fund state police through the TTF, was an important first step in this direction. This session, 1A monitored the budget bill (HB 1) proposed by the Governor to ensure the TTF was not raided for non-transportation-related expenditures. Keeping the TTF "clean" restores more than \$60 million from the FY

2015-16 budget for transportation infrastructure and builds trust for future efforts to increase transportation funding.

One of the transportation bills 1A supported this session was HB 1057 (Havard), which helps DOTD reduce the mileage of state-owned roadways by codifying certain incentives for parishes and municipalities to transfer roads on the state highway system to local control. Currently, 27 percent of public roads in Louisiana are state-owned, while the national average is 19 percent. This excessive burden of state-owned roads has contributed to the State's \$12.7 backlog on transportation infrastructure projects. In exchange for transferring a roadway to local control and assuming future maintenance responsibilities, DOTD will provide a parish or municipality credit toward debt owed to the department, credit toward another construction project, or a payment equal to the 40-year maintenance costs of the roadway being transferred. The program is mutually beneficial for the State and locals because it reduces DOTD's burden while at the same time providing a mechanism for parishes and municipalities to move projects forward. Other supporters of this bill included Lafayette Mayor-President Joel Robideaux, DOTD, and LABI. It passed unanimously through both chambers.

1A also supported Sen. Page Cortez's SB 195, which provides greater authority for DOTD to solicit and enter into public-private partnerships. The bill, which passed with strong support, improves DOTD's ability to utilize innovative procurement practices. 1A would like to thank Sen. Cortez, who serves as Chair of the Senate Transportation, Highways, and Public Works Committee, and Rep. Terry Landry, who serves as Vice Chair of the House Transportation, Highways, and Public Works Committee, for their leadership.

Workforce Development

Louisiana is one of the only states in the U.S. where the Legislature sets postsecondary tuition rates and the only state requiring a two-thirds vote for tuition adjustments. SB 80, authored by 1A legislator Sen. Blade Morrish, is a constitutional amendment that, pending voter approval, would authorize postsecondary education management boards to establish tuition and fee amounts charged by institutions under their supervision and management. Increasing higher education autonomy in this way, by enabling a more market-based approach to tuition setting, will allow colleges and universities the ability to ensure more stable competitive funding in line with regional and national peers. 1A supported Sen. Morrish's legislation, which will be put before voters this November.

While funding for state construction projects remains limited, SLCC's new International School of Aviation Excellence was added to this session's capital outlay bill (HB2), putting it in the queue when funding becomes available. SLCC established the new aviation school this year to help meet regional demand for aviation and avionics workers.

Public Education

1A joined with partners from across the state to advocate for protecting and advancing the significant gains Louisiana has made in student achievement over the past decade. These gains are supported by reforms that are raising standards, providing accountability, and offering parental choice. Certain measures introduced this session would have taken Louisiana backward relative to these reforms and risked reversing our progress.

1A's public education advocacy this session focused on standards and accountability. One of the bills we opposed, SB 330 (Milkovich), would have done significant harm to the quality of Louisiana's standards and accountability by allowing each local education agency (district or charter school) to determine its own content standards and summative assessments. In addition to the negative impact this would have on the consistency in quality of education throughout the state, it would have violated the recently enacted federal Every Student Succeeds Act (ESSA), which requires every *state* to adopt challenging academic content standards. Following strong testimony from partner organizations, the bill failed to advance.

A significant outcome of the session with respect to standards and accountability was a pair of bills authored by 1A legislators Sen. Blade Morrish and Sen. Gerald Boudreaux. SB 262 (Morrish) provides for

the 2016-17 school year to be a “hold harmless” year before schools and districts are evaluated against Louisiana’s new content standards. SB 477 (Boudreaux) affects how teacher evaluations are weighted. Under the legislation, 35 percent of a teacher’s evaluation will be based on Value Added Model (VAM) evidence of student growth, with 15 percent coming from other measures of student achievement and 50 percent coming from classroom observations. This pair of bills was heavily negotiated by education stakeholders and represents a widely supported compromise that will continue to move our state forward.

While we entered the Regular Session with real threats to Louisiana’s public education momentum, we ended Session with no significant damage done. 1A thanks Sen. Blade Morrish and Rep. Nancy Landry, the Chairs of the Senate and House Education Committees, for their leadership.

Conclusion

While solving the budget shortfall and adequately funding key priorities like higher education and health care still hang in the balance going into a Second Special Session, we want to recognize some of the positive steps taken during the Regular Session to advance 1A’s Legislative Priorities.

One of the highlights of the session was celebrating our region at the Capitol for Acadiana Day on April 14. As part of the day-long program, our delegation of more than 60 met with Governor John Bel Edwards, Speaker Taylor Barras, and Chairman of the Acadiana Delegation Rep. Vincent Pierre.

We would like to thank all of those who helped support our priorities, including our partner organizations throughout the state. We would also like to thank 1A investors Haynie & Associates and The Picard Group for helping to represent 1A at the Capitol. Most of all, we would like to thank 1A’s legislative delegation for their service and leadership on behalf of Acadiana.