



2018 REGULAR LEGISLATIVE SESSION RECAP

Introduction

The 2018 Regular Session adjourned early on May 18 in order to convene a Second Special Session to run from May 22 through June 4.

The fast-moving Regular Session was overshadowed by a looming fiscal cliff, as certain temporary taxes, including a fifth penny of state sales tax, are set to expire at the end of the current fiscal year. The cliff is now estimated to be **\$648 million**, down from \$994 million at the start of the Regular Session, given additional state revenue resulting from federal tax reform.

As required, both the House and Senate crafted versions of HB 1 – the state budget bill – but neither would have fully funded existing programs and services. The initial House version slashed healthcare, while the Senate version slashed other areas of state government. The House approved the Senate changes to send the bill to the Governor’s desk. The bill they advanced would have fully funded healthcare but cut most other state agencies by about 25%. Under the bill, TOPS took a 30% cut, and higher education took an additional 10% cut. Immediately after the Regular Session adjourned, the Governor vetoed the bill.

When the Legislature reconvenes for the Second Special Session, they will look to address the imminent budget shortfall, possibly with yet another temporary fix. However, Louisiana urgently needs a permanent solution to our recurring budget problems if we hope to protect and grow our economy.

1A’s Legislative Priorities

In addition to advocating for fiscal stability and sustainability, One Acadiana (1A) advocated for a broader set of Legislative Priorities during the Regular Session. These high-level priorities, adopted by our Board of Directors, advance positions included in 1A’s [Public Policy Agenda](#).

2018 Legislative Priorities

1. **Fiscal Reform** – Seek long-term fiscal sustainability and stability through cost-cutting and cost-containing measures and reform of the budget process while adequately funding key priorities like PreK-12 and higher education, health care, and transportation infrastructure
2. **Transportation Infrastructure** – Support efforts to maximize transportation infrastructure funding, with I-49 South as a top priority, while strengthening transparency and accountability for transportation spending and project delivery; promote greater flexibility for regional and local investment, in line with federal funding priorities
3. **Workforce Development** – Promote demand-driven workforce programs, advocate for sufficiently funding early childhood care and education, support increased autonomy for higher education institutions, and support regional higher education capital outlay priorities
4. **Public Education** – Protect and advance gains made in PreK-12 education by maintaining rigorous academic standards matched with a fair, robust accountability system designed to increase student achievement
5. **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, Angel Investor, and ITEP)

This recap provides a summary of some of the steps taken during the 2018 Regular Session aligned with 1A's Legislative Priorities.

Fiscal Reform

1A supports a balanced approach to stabilizing Louisiana's budget and working toward long-term fiscal sustainability. A balanced approach will require cost-containing measures and budget reforms while maintaining essential funding for key priorities like PreK-12 and higher education, health care, and transportation infrastructure.

As part of our advocacy to maintain essential funding for health care, 1A joined with Governor John Bel Edwards, Mayor-President Joel Robideaux, and other partners to ask the Legislature to **#SaveUHC**. University Hospital & Clinics (UHC), Acadiana's primary safety-net hospital and Graduate Medical Education center, faces closure on June 30 if not fully funded. This would have significant consequences for Acadiana, resulting in the loss of more than 800 direct jobs, an additional 600 indirect jobs, Graduate Medical Education programs for our future healthcare workforce, and healthcare services for more than 54,000 patients per year. We are hopeful for a budget solution that protects funding for UHC in the Second Special Session.

In the months leading up to the Regular Session, 1A met with our Governmental Affairs Committee to discuss opportunities for stabilizing Louisiana's budget and working toward long-term fiscal sustainability. Three issues in particular the committee discussed and agreed to support this session were: (1) calling a limited Constitutional Convention, (2) pension reform, and (3) TOPS reform. Unfortunately, the Legislature came up short on all three.

- 1. Constitutional Convention** – One of the roadblocks to needed state fiscal reform is the Louisiana Constitution, which is overly long, complicated, and prescriptive. It's time to go back to the drawing board and holistically fix what is broken. That's why 1A joined Constitutional Coalition 2020, with 30 business and civic organizations from across the state, calling for a properly designed state [constitutional convention in 2020](#). A bill that would have set this course in motion, **HB 500** by Rep. **Neil Abramson**, passed two committee hearings but failed to receive the necessary two-thirds support on the House floor.
- 2. Pension Reform** – Among the biggest drags on Louisiana's budget are the state's pension obligations. Because Louisiana's defined benefit plans were under-funded for years, the state accrued a massive unfunded accrued liability (UAL). The Louisiana State Employees Retirement System (LASERS) proposed a hybrid retirement plan for new state workers hired in 2020 and beyond. This would achieve needed reforms by: limiting the state's exposure to UAL, offering portability for shorter-term employees, and saving money long-term by properly funding the system up front rather than shifting costs into the future. The bill, **SB 14** by Sen. **Barrow Peacock**, stalled in the Senate.
- 3. TOPS Reform** – Since 1989, Louisiana's merit-based state scholarship program, the Taylor Opportunity Program for Students (TOPS), has been a resource for students to pursue a more affordable college education. Unfortunately, rising tuition costs and state budget problems have raised concerns about the program's long-term viability. 1A supports efforts to ensure the stability and sustainability of the TOPS program and to strengthen the predictability of funding for students. To that end, 1A supported **HB 413** by Rep. **Barry Ivey**, which would have modestly increased the GPA and ACT requirements to earn a TOPS Opportunity award and allowed certain TOPS Tech students who earn an associate degree to continue in a bachelor's program. The bill, among other TOPS reform proposals, failed to receive consensus support. 1A thanks Sen. **Blade Morrish** for his leadership on the legislature's TOPS Task Force.

Another bill that came up short during the Regular Session was **HB 510** by Speaker Taylor Barras. The bill would have created [Louisiana Checkbook](#), an enhanced online platform with detailed, user-friendly information on how our state tax dollars are spent, modeled on national best practice [OhioCheckbook.com](#). 1A joined with a [coalition](#) of business-minded organizations to support the initiative. We will continue advocating for Louisiana Checkbook during the Second Special Session. 1A believes strengthening transparency and rebuilding public trust is an essential component of much-needed state fiscal reforms.

Fortunately, one of the important fiscal reform measures 1A supported did pass in the Regular Session. The Louisiana Constitution prohibits appropriations from the state general fund and certain dedicated funds from exceeding an expenditure limit, but because of the way this limit is calculated, it has ballooned far beyond what the state actually spends. To address this concern, [HCR 5](#) by Speaker **Taylor Barras** reduces the state expenditure limit from \$14.8 billion to just under \$13.6 billion for FY 2018-2019, bringing the cap back down to a reasonable amount.

Transportation Infrastructure

Increasing infrastructure investment continues to be one of 1A's top policy priorities. With revenue-raising measures off-limits during the non-fiscal Regular Session, 1A's infrastructure priorities this session were to: (1) maximize available funding, (2) strengthen transparency and accountability, and (3) increase regional and local flexibility.

- **Maximize Available Funding** – A few bills this session aimed to identify additional funding for infrastructure from existing revenue sources. For example, [HB 478](#) by Rep. **Tony Bacala** would have redirected sales tax on motor vehicles to highway projects based on a cost-benefit analysis. Another bill, [SB 555](#) by Sen. **Eric LaFleur**, would have securitized the economic damages portion of the BP Deepwater Horizon settlement to provide nearly \$500 million in one-time funds for road projects. Neither bill passed. One measure that did pass was [HB 900](#) by Rep. **Neil Abramson**, which creates the Louisiana Capital Outlay Revolving Loan Bank. This financing mechanism would tap earnings on unclaimed property securities to offer low-interest loans for local capital projects. 1A joined the I-49 South Coalition for two meetings with Treasurer John Schroder to discuss this legislation.
- **Strengthen Transparency and Accountability** – As a prerequisite for increasing infrastructure investment, 1A continues to push for steps to strengthen transparency and accountability for transportation spending and project delivery. 1A supported two related bills by Sen. **Page Cortez**, which both passed this session. [SB 332](#) requires DOTD to post weekly updates on the DOTD website with information related to construction and maintenance projects in each parish. [SB 59](#) is a Constitutional Amendment that would help restore trust in the Transportation Trust Fund (TTF) by fully prohibiting diversions from the TTF to State Police for traffic control purposes, building on prior legislation by Rep. **Terry Landry**. 1A thanks Sen. **Page Cortez** and Rep. **Terry Landry** for their leadership as Chairmen of the Senate and House Transportation Committees.
- **Increase Regional and Local Flexibility** – In addition to advocating for a statewide transportation funding solution, 1A also supports greater flexibility for regional and local infrastructure investment. One opportunity is to create a multi-parish authority with the ability to levy a dedicated tax for infrastructure, subject to voter approval. [SB 496](#) by Sen. **Rick Ward** establishes that authority for the Capital Region, including East Baton Rouge, Ascension, Livingston, Iberville, and West Baton Rouge parishes, with the aim of funding a new bridge over the Mississippi River. 1A will stay abreast of developments regarding this new Capital Region Infrastructure Authority, as it could be a model Acadiana looks to replicate in the future.

As part of our advocacy for completing I-49 South, 1A joined with the I-49 South Coalition to convene **I-49 South Day at the Capitol** on May 15, in conjunction with National Infrastructure Week. The day aimed to encourage leadership at all levels of government to address Louisiana's pressing infrastructure investment needs, including the completion of I-49 South. The Governor issued a resolution officially recognizing May 15, 2018 as I-49 South Day in the State of Louisiana.

Workforce Development

Last year, 1A released a [Regional Workforce Development Strategy](#) (RWDS), partnering with workforce development stakeholders across the region on initiatives that strengthen our workforce pipeline. 1A tracked several bills this session in line with RWDS goals. Two of the successful bills 1A supported were [HB 144](#) by Rep. Mark Abraham and [HB 676](#) by Rep. Stephanie Hilferty.

- **HB 144 (Abraham)** creates the Louisiana Jobs Now Fund to incentivize postsecondary education degree and certificate production in high-demand fields. Half of the funding will go to four-year universities based on each institution's prior year degree production in STEM programs. The other half will go to two-year, community, and technical colleges based on each institution's prior year degree and certificate production in fields required for four-star or five-star jobs, based on the Louisiana Workforce Commission's Star Jobs program. The fund is subject to appropriation.
- **HB 676 (Hilferty)** creates a commission to develop a vision and plan for the future of early care and education in Louisiana and pilot programs for high-performing community networks. High-quality early childhood care and education is the most proven and impactful investment in our long-term talent pipeline. Studies demonstrate that students who participate in a high-quality early childhood program are better prepared for kindergarten and achieve greater success in later grades, which has a long-term impact on their academic progress and success. 1A investors, members, and partners sent **nearly 100 messages to legislators** in support of this bill. The bill had strong bi-partisan support, with more than 50 co-authors.

Another successful bill 1A tracked was [SB 202 \(Peacock\)](#), which allows Louisiana to join a multi-state compact for nurses to obtain multi-state license privileges. Easing the transfer of licenses across state lines will improve the ability of Louisiana healthcare providers to recruit for hard-to-fill nursing positions.

Additionally, 1A arranged a meeting with legislators to advocate for capital outlay funding for SLCC's International School of Aviation Excellence. SLCC established the new aviation school in 2016 to help meet regional demand for aviation and avionics workers. We will continue to look for opportunities like this to connect business and higher education leaders with legislators to discuss economic development opportunities for our region.

Public Education

As in past sessions, 1A continues to join 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.

One of the bills we opposed, [SB 55](#) by Sen. John 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 federal Every Student Succeeds Act (ESSA), which requires every state to adopt challenging academic content standards. The bill failed to advance past its initial committee hearing.

One of the successful bills 1A supported, [HB 193](#) by Rep. Jean-Paul Coussan, enables UL Lafayette to receive laboratory school funding through the minimum foundation program (MFP). Lab schools provide teacher candidates experience with new teaching models and research. UL's new lab school is scheduled to open as a K-3 school in 2019 and add one grade each year over 10 years to eventually serve grades K-12.

1A thanks **Sen. Blade Morrish** and **Rep. Nancy Landry**, the Chairs of the Senate and House Education Committees, for their leadership on public education issues.

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.

To that end, 1A worked with other regional economic development organizations to defeat [SB 493](#) by **Sen. Jay Luneau**. The bill would have made permanent the originally temporary reductions to several economic development programs, including the Louisiana Quality Jobs (QJ) program. QJ is one of the most impactful tools in Louisiana's economic development toolkit, with a strong return on investment. Protecting this important program is critical to Louisiana's ability to attract business and create new jobs. 1A will remain diligent in protecting QJ and other high-impact incentive programs during the Second Special Session.

1A is also monitoring possible rule changes to the Industrial Tax Incentive Program (ITEP) proposed by the Edwards administration. The intent is to streamline the process for local agencies to vet ITEP applications. Under the new rules, the industrial tax incentive would be offered for a single 10-year term at 80% abatement of property taxes, instead of five years at 100% and three years at 80%. This would provide more certainty to industry and allow local agencies to immediately receive some revenue. Local agencies would have the opportunity for an up or down vote on the proposal, with 30 days to schedule a hearing and an additional 30 days to conduct the hearing.

Conclusion

1A worked to amplify the business community's voice on these issues during the Regular Session through a strong advocacy program. 1A's Senior Vice President of Governmental Affairs & Communications, Anita Begnaud, had a regular presence at the Capitol throughout the session, building relationships and reinforcing our Legislative Priorities. We also issued regular Voter Voice calls to action so legislators could hear directly from their constituents on our priority issues.

In total, we issued **11 calls to action**, generating over **500 messages to legislators**. Our #SaveUHC call to action generated more than **200 messages** alone.

A highlight of the session was celebrating our region at the Capitol for **Acadiana Day** on May 1. 1A brought together business, economic development, tourism, and civic leaders, along with Leadership Lafayette, Leadership EXCEL (Acadia and Jeff Davis parishes), and Leadership Iberia. As part of the day-long program, our delegation of more than 80 got an up-close experience, hearing from executive leadership, lobbying legislators on issues that matter to them and their business, and attending committee hearings.

1A would like to thank Tommy Hebert of Atmos Energy and Marie Centanni of Centanni Communications for serving as Co-Chairs of our Governmental Affairs Committee, a group of leaders with invaluable experience in a variety of fields, including government relations and advocacy. Centanni Communications also provides 1A with access to [My Capitol Watchdog](#), a tracking tool that helps us stay on top of bills as they move through the legislative process. 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.

Our advocacy continues during the Second Special Session, as we work to support a solution to the imminent fiscal cliff and to lay the groundwork for long-term budget stability and sustainability for our state.