2011 First Extraordinary and Regular Sessions of the Louisiana Legislature

By House Legislative Services

State Operating Budget

Funding for Fiscal Year 2011-2012

- $24.9 Billion budget
  - $11B federal funds, $7.6B state generated revenue, $2.84B interagency transfers, $1.92B fees and self-generated revenues, and $2.85B statutory dedications
- Addressed $1.6 Billion shortfall
- Decreased total spending by $1.5 Billion

Significantly reduced use of one-time money

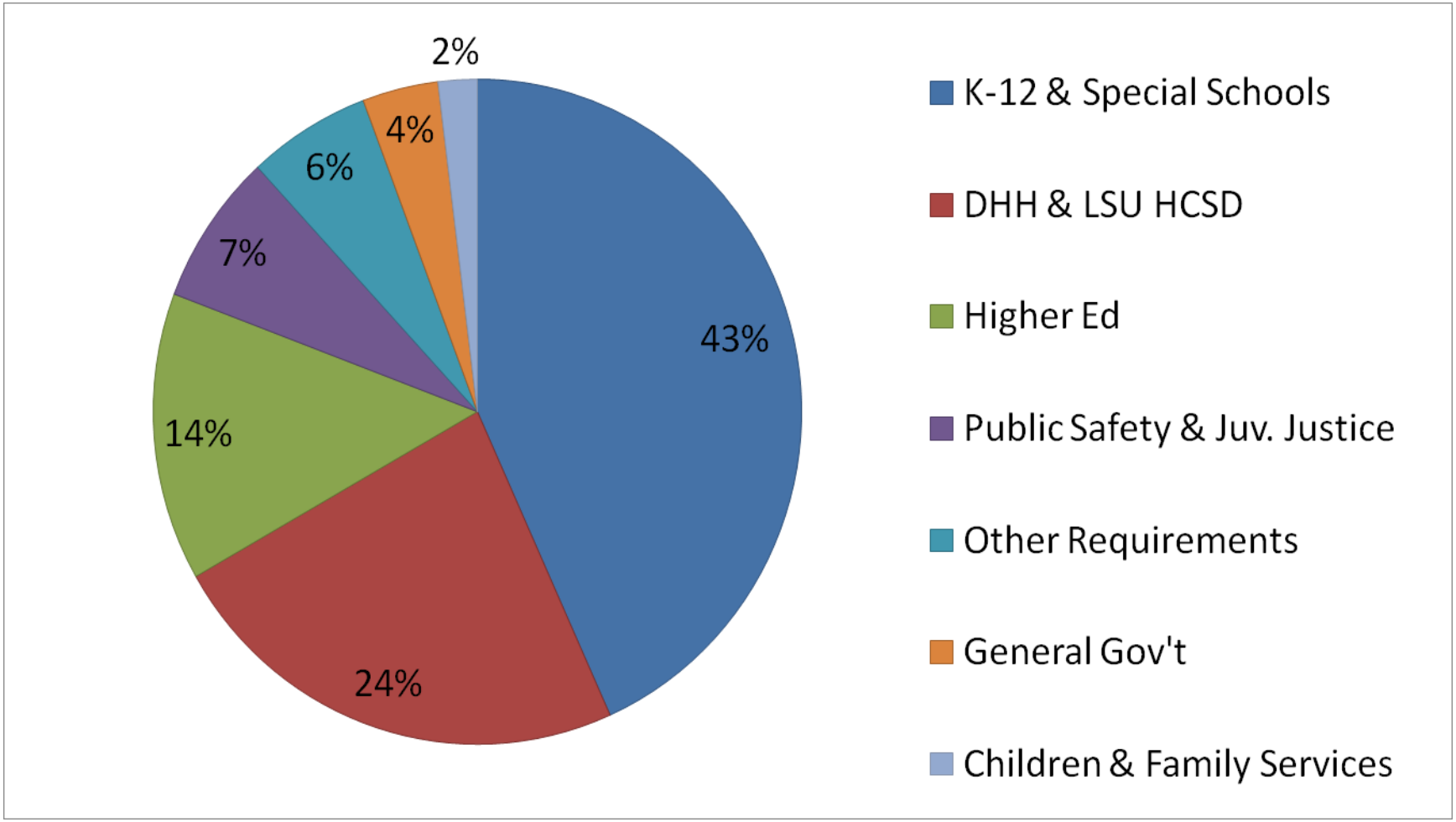
- No sale of state prisons nor the Office of Group Benefits
- No increase in state employee retirement contributions
- Not dependent upon passage of TOPS Constitutional Amendment

The Geymann Rule

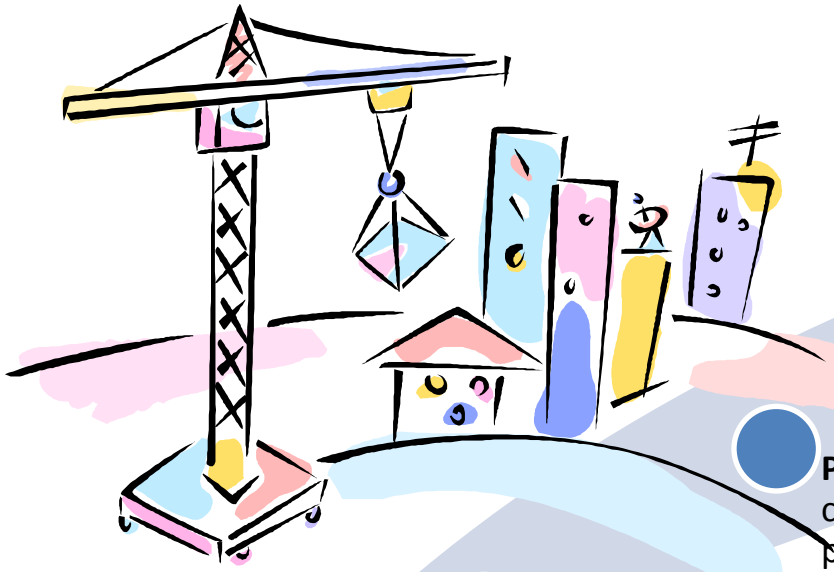
- A new House Rule requires 2/3 vote for use of “one time” money on recurring expenses; purpose of HR 27 is to curtail budgetary “quick fixes”

State General Fund Allocation

FY 2011-2012



$2.68 Billion State Capital Outlay



Priority 1 – reauthorization of previously authorized projects: $1.6 Billion

Priority 2 – new bond funded projects: $124 Million

Priority 5 - non-cash lines of credit projects: $905 Million

Priority 3 & 4 – future projects: $7.7 Million and $15.9 Million, respectively

State Bond Commission must approve lines of credit in order for the project to be funded

Constitutional Funds

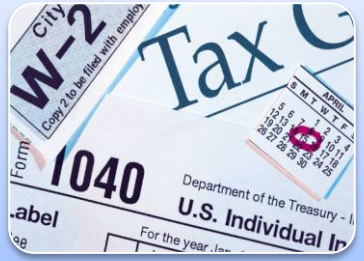
TOPS & Cigarette Tax

SB 53 is a constitutional amendment proposing to rededicate tobacco settlement funds in excess of $1.38 billion to the TOPS Fund. Additionally, 4 cents of the 36-cent cigarette tax that will expire in 2012 was amended into this bill after the governor vetoed HB 591 and the revenue from the continuation of the 4 cents will be dedicated to health care.

Rainy Day Fund

A proposed constitutional amendment, SB 147, will change repayment triggers for the deposit of mineral revenues into the Budget Stabilization Fund by providing that mineral revenues do not have to be deposited into the fund, to replace monies used from the fund, in the same or ensuing fiscal year. Thereafter, mineral revenues would resume being deposited in the fund, but for each of the following 3 years, no more than 1/3 of the original amount made available could be deposited into the fund.

Taxes and Tax Credits



State Income Tax Phase Out

An eventual phasing out of $5.4 Billion in personal state income taxes failed to pass. An amendment to SB 259 was tacked on that would have required the governor and state leaders to develop and submit a plan in 2012 for reducing state expenses or replacing the lost tax revenue, or both, but the bill still could not get the needed votes.

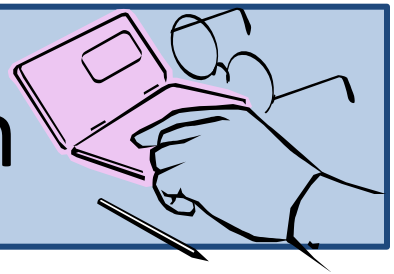
Non-public and Lab school Tax Deduction

SB 13 removes the 50% cap on the income tax deduction for tuition and fees paid to non-public and Lab schools thereby allowing a full $5,000, per child, deduction.

Tax Credits for Certain Structures

HB 348 increases the amount of the tax credit for the rehab of certain residential structures; SB 63 extends income and corporation franchise tax credits for the rehab of historic structures; and HB 319 authorizes a credit against individual income tax for the owner of a newly constructed residence that includes certain accessible and barrier-free design elements.

Funding for Higher Education



Louisiana's Taylor Opportunity Program for Students (TOPS)

- A constitutional amendment, SB 53, will permanently dedicate more dollars from the Tobacco Settlement to the merit-based TOPS scholarship program.
- Presently, $15 Million is dedicated to TOPS from the Tobacco Settlement and this amendment will constitutionally dedicate an additional $43 Million.
- TOPS total funding for Fiscal Year 2011-2012 is $154.4 Million.

Tuition Increase at Universities

- The Joint Legislative Committee on the Budget authorized a 10% fee increase. New tuition for full-time, in-state students at LSU this fall will be $6,300.
- In addition to the above 10%, HB 628 adds another possible 5% increase at the state's medical and dental schools. Presently, in-state costs are $15,000 a year.

Tuition Increase at Community and Technical Colleges

- HB 526 standardizes the tuition rates charged at community colleges in state. Tuition at two-year schools will now be about $2,400 for full-time students per academic year.

Higher Education Governance

LA GRAD Act 2.0

- HB 549 adds to LA GRAD Act of 2010 by granting qualifying colleges financial autonomy on certain cost-saving measures.
- Performance objectives which trigger these autonomies include increased graduation and student retention rates.

Mergers and consolidations

- The creation of a single, super board of higher education in lieu of five boards failed to pass (HB 391).
- While a move to consolidate SUNO and UNO failed to garner sufficient support, HB 537 and SB 266 transfer UNO from the LSU system to the University of Louisiana System.

Contract with Board of Regents

- The legislature and Board of Regents, in HCR 121, established an understanding and shared vision regarding the future of higher education in Louisiana which, among other things, include higher admission standards and greater use of “two-year” institutions.

K-12 Education Funding (MFP)

- $3.38 Billion for public schools
- Equates to $5,035 on average for 670,000 public school students ($12,000 per pupil with all sources of revenue)
- Maintains current MFP funding formula level for third consecutive year
- Adds $27 Million due to additional students and local revenue adjustments to districts' wealth
- Adds $40 Million for addition of Legacy Type 2 Charter Schools and segment of the NOCCA and LSMSA

K-12 Education

Charter School Expansion

- HB 421 allows corporate partners to provide facilities or land for a charter school or significant upgrades to an existing campus
- In exchange for which, the partner is allowed a minority percentage of seats on that school's board and up to 50% of the school's enrollment capacity for its workers' children

Retired/Rehired Teachers

- HB 150, 151, 369, & 417 added to the list of those retired teachers who can continue to receive retirement benefits upon returning to the classroom:
- Includes substitute teachers, adjunct professors, and adult education / literacy instructors provided their earnings do not exceed 25% of their retirement benefit
- Includes any retiree who retired between May 1, 2009 and June 30, 2010, without limitation if such retiree returns to a position requiring certification

Community Development

Louisiana Housing Corporation

SB 269 creates the Louisiana Housing Corporation and abolishes the Louisiana Housing Finance Authority. Its stated goal is to provide access to more affordable housing.

The corporation will establish financing policies for all public entities involved in financing single or multi-family housing for low to moderate income residents.

University Medical Center

The University Medical Center board is currently developing a business plan with the likely intent of selling high-yield bonds to supplement funding for the construction of a $1.2 Billion medical complex in midtown New Orleans to replace the Charity Hospital facility.

Current project financing committed to date includes approximately $381.6 Million in state funds, approximately $474.8 Million in FEMA funds, and an authorization by the state to issue $900 Million in revenue bonds.

There continues to be discussion over how much state money the hospital would need to operate annually. Still, other options, including the purchase and expansion of Tulane University hospital facilities, have been proposed.

Medical Coverage

Coordinated Care Networks

- Under a new program, the "Coordinated Care Networks", more than 800,000 Medicaid recipients, many of whom are children, will be shifted into private managed-care networks for the stated purpose of cost savings and promoting better health outcomes.
- Health-care networks of physicians and hospitals would be formed to provide patients' care under a pre-paid or shared-risk model.
- SB 207 mandates reporting requirements and "sunsets" this program at the end of 2014, unless renewed by the Legislature. This will allow the full Legislature to review the program making sure it is meeting both financial and health-care expectations at the end of the three-year contract.

Prescription Drug Prices

- HB 345 will ensure that prescription drug coverage stays the same during a contract period and requires notice of changes to a prescription drug plan 60 days prior to the re-enrollment period.

Societal Issues

Reproductive Issues

- A bill defining life as beginning at fertilization and intending to ban abortions in this state except to save the life of the mother, failed in part due to the potential loss of $4.5 Billion of Medicaid funds (HB 645).
- HB 636 requires the state's 6 licensed abortion clinics to post signs and refer women to DHH's abortion alternatives and informed consent website. The signage must include information on a woman's right against being forced to have an abortion, financial responsibility of the father, and adoptive parents' payment of expenses.

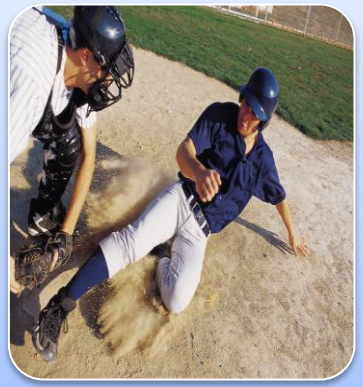
Drug Testing

- A bill that would have required random drug testing of at least 20% of the state's recipients of cash assistance through the Family Independence Temporary Assistance Program failed to pass. (HB 7)

Sports Injury

Youth Concussion Act

SB 189 provides student athletes and their parents with information about concussions and the long-term effects of playing after being injured. Coaches and officials will have to undergo annual training in identifying the symptoms of a concussion. After experiencing a concussion, the player would not be allowed to return to the field without written clearance from a health-care provider or trainer.



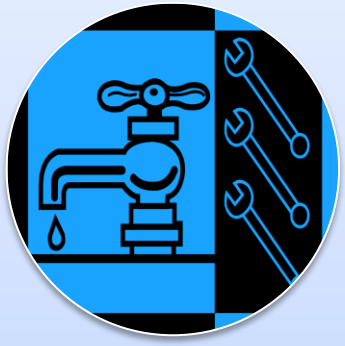
Comprehensive Sports Injury Management Program

HB 364 provides care and return-to-play guidelines for high school students who participate in athletics and who sustain a serious sports injury, other than a concussion. The bill requires BESE to develop specific rules for the program in cooperation with the Louisiana State Board of Medical Examiners and the Louisiana High School Athletic Association.

Commerce

Equipment Payment

HB 133 provides for the timely payment and approval of warranty claims on farm equipment, heavy industrial equipment, construction equipment, and lawn and garden equipment.



Plumbing

HB 471 limits the use of pipes that are not lead free when used for conveying water for human consumption.

HB 418 authorizes the Louisiana State Plumbing Board to fine any person performing plumbing work without a license.

Gulfward Boundary

SB 145 increases the "capture zone" to 9 miles. Revenue currently generated from offshore oil & gas production at the existing 3 mile point is $500 Million for royalty & bonuses and $250 Million for severance. The increased zone will bring in an additional $350 to $480 Million. Subject to Congressional approval.

Service Benefits

Louisiana National Guardsmen

- HB 143 and SB 1 close a gap in state law thereby allowing the granting of $250,000 in death or $100,000 in disability benefits to members of the Louisiana National Guard who were killed or disabled in the line of duty between 2001 and 2007. Thirty-two families will receive the death benefit and two soldiers will receive the disability benefit for which $8.2 Million has already been appropriated.
- HB 232 exempts the spouse and children of a La. National Guard member who dies while serving in state active duty, no longer just federal active duty, from having to pay tuition to attend college in the state.
- Additionally, HB 500 allows certain veterans to utilize military training or service that meets standards of the American Council on Education as college credit hours.

State Fraud Insurance Investigators

- SB 271 expands peace officer death benefits to include other state employees who die while conducting an investigation of possible illegal activity.
- Applied retroactively for the specific purpose of providing a $250,000 surviving spouse benefit and $25,000 surviving children benefit upon the recent death of two fraud investigators of the Louisiana Department of Insurance.

Criminal Law

Parole Eligibility at 60

Under HB 138, an inmate who has served at least 10 years of his sentence is *eligible for parole consideration* upon reaching the age of 60, provided he is considered "low risk", has not committed a sex crime or a crime of violence, and has been a model prisoner, completed any available prerelease program, and obtained his GED.

Parole Eligibility at 25%

Reduces from 33% to 25% the time after which an inmate can be considered for parole. In HB 416, an inmate convicted of a first felony offense who has served 25% of his sentence is *eligible for parole consideration* provided he has not committed a sex crime or crime of violence, has not been sentenced as a habitual offender, and is otherwise eligible.

Synthetic Drugs

Synthetic marijuana and bath salts are now listed as a Schedule 1 drug thereby making their manufacturing, possession, or use illegal pursuant to HB 12.

Concealed Gun Permit

HB 489 removes the requirement that a person reside in Louisiana prior to being eligible to apply for a concealed handgun permit.

Sex Offenses

Campus Registration

- HB 13 requires a sex offender who is a college student in this state to register with the campus law enforcement agency of the institution at least one day prior to the beginning of the semester.

Social Networking

- SB 182 bans incarcerated sex offenders from visiting or establishing an account on a social networking site such as Twitter or Facebook if such site allows users to create a publically available profile about themselves or offers a means of communication among users such as chat rooms, e-mail, or instant messaging.

Human Trafficking

- HB 49 expands the crimes of human trafficking and trafficking of children for sexual purposes to include those who facilitate or benefit from such trafficking activity, who advertise the trafficking activity, or who maintain another person in their status as a victim through the use of fraud, force, or coercion.

Employment

Employee ID

HB 646 requires all employees to verify the citizenship or work authorization status of every employee either through the E-Verify System or with a picture ID and one additional form of documentation. It additionally increases the fines for knowingly hiring illegal immigrants.

Public Contracts

HB 342 requires companies involved in public contract work to verify the citizenship of its employees and check the status of the employee throughout the contract work.

Job Application Forms

A bill to prohibit inquiries on a job application form regarding an applicant's arrest history has failed to pass. (HB 210)

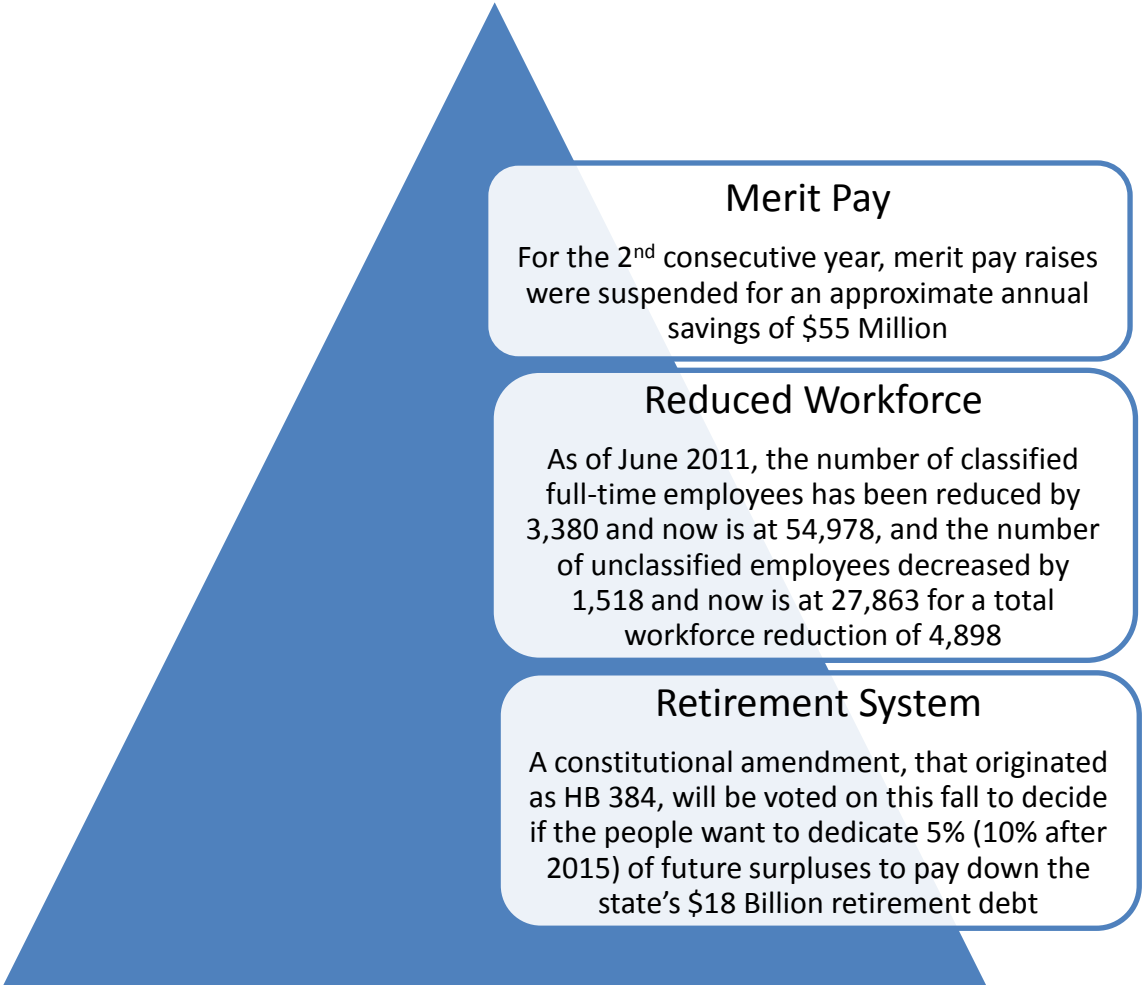
Transportation

HB 370 utilizes $4.25 Million of unclaimed property to secure the issuance of bonds to construct an unfunded 4 1/2 mile section of Interstate 49 north of Shreveport.

HB 243 allows television screens to be installed in the dashboards of vehicles on the passenger side of the car.

A bill to ban the use of hand-held cell phones while driving has failed, again this session, to obtain the requisite votes for passage. (HB 338)

State Employees



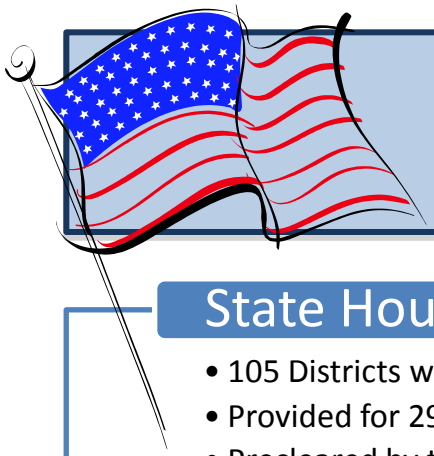
2010 Federal Decennial Census

State's population increased by 1.4% to 4,533,372 residents, compared to the national average growth rate of 7.5%.

Population in Ascension and Livingston increased by 39%; St. Bernard decreased by 46%, Cameron by 31%, and Orleans by 29%.

East Baton Rouge is now the largest parish, then Jefferson, followed by Orleans; many other parishes and municipalities had significant population changes.

Changes in population affected 1,000s of "population-based" laws, many of which were amended in the 2011 Special Session to retain applicability to proper parish or municipality.



Redistricting

State House of Representatives

- 105 Districts with populations within ± 5% of the ideal population of 43,174.
- Provided for 29 districts with a majority minority population.
- Precleared by the U.S. Justice Department.

State Senate

- 39 Districts with populations within ± 5% of the ideal population of 116,240.
- Provided for 11 districts with a majority minority population.

Congress

- Following 2010 census, state was apportioned 6 congressmen.
- Redrew the 7 congressional districts into 6, maintaining the 2nd congressional district as a majority minority district.

Public Service Commission

- Redrew the 5 PSC districts maintaining the 3rd PSC district as a majority minority district.

Board of Elementary & Secondary Education

- Redrew 8 single member districts from which members are elected; 3 other board members are appointed by the Governor.
- Maintained the 2nd and 8th districts as majority minority districts.

Constitutional Amendments

MEDICAL MALPRACTICE FUND (October 22, 2011 election date)

- To authorize the legislature to establish a private custodial fund, designated as the Patient's Compensation Fund, for the use, benefit, and protection of medical malpractice claimants and private health care providers. HB 341

UNFUNDED ACCRUED LIABILITY (October 22, 2011 election date)

- To require that for the next two years, five percent of nonrecurring money be applied toward the balance of the unfunded accrued liability which existed as of June 30, 1988, for the Louisiana State Employees' Retirement System and the Teachers' Retirement System. Thereafter, the amount dedicated increases to 10%. HB 384

TOBACCO PROCEEDS: TOPS and HEALTH EXCELLENCE FUNDS (October 22, 2011 election date)

- To dedicate funds for the TOPS program relative to the portion of the monies deposited in and credited to the Millennium Trust each year from the Tobacco Master Settlement, to provide that once the balance in the Millennium Trust reaches a total of one billion three hundred eighty million dollars, one hundred percent of the annual Settlement Proceeds shall be allocated to the TOPS Fund to support state programs of financial assistance for students attending Louisiana postsecondary education institutions; to provide relative to the rate of tax on certain tobacco products and beginning July 1, 2012, to dedicate such tobacco revenues to the Health Excellence Fund to be used for the purposes of the fund, including providing for the optimal development of Louisiana's children through the provisions of appropriate health care and providing health care initiatives through innovation in advanced health care sciences; to provide for the deposit, transfer, or credit of certain monies in the Millennium Trust to the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund. SB 53

RAINY DAY FUND (October 22, 2011 election date)

- To provide that if at any time mineral revenues exceed the base provided by law and monies are withdrawn from the Budget Stabilization Fund, no deposit of mineral revenues shall be made to the Budget Stabilization Fund in the same or ensuing fiscal year in which monies in the fund are appropriated or incorporated into the official forecast, except by specific legislative appropriation, and thereafter deposits of mineral revenues into the fund shall resume except in an annual amount not to exceed one-third of the most recent amount appropriated or incorporated into the official forecast. SB 147

SALE OF IMMOVABLE PROPERTY (November 19, 2011 election date)

- To prohibit the levy of new taxes or fees upon the sale or transfer of immovable property, including documentary transaction taxes or fees, by the state or any of its political subdivisions after November 30, 2011. HB 135