4.17.15
Commentary
The Public Affairs Research Council of Louisiana

Louisiana's State Budget Vertigo

Magic rabbits, hidden holes and sleights of hand are not the only potential solutions to our fiscal challenge

Louisiana's Legislature is performing a high-wire act without a net as it attempts to balance the government budget. Anticipated state expenses for the next fiscal year are towering above a nearly flat state revenue forecast. As the financially vulnerable higher-education leaders figure, it's a long way down.

The recently published *PAR Guide to the State Budget Crisis* explained how various players and events over time led to this vertigo moment. The best long-term fixes therefore will require multiple steps and patience, which is in rare supply when facing a $1.6 billion shortfall of immediate concern. In the meantime, some short-term measures could help ease the imminent imbalance if modest sacrifices are shared by many stakeholders. This commentary examines the executive budget, identifies problems and reviews typical and extraordinary potential solutions.

The Legislature should look at mandatory or recurring spending programs that can be reduced or eliminated. These cuts in state government could be matched with reductions or eliminations of some tax credits or exemptions.

The current budget situation

The estimated state general fund shortage of $1.6 billion is an initial budgetary calculation tool that assumes government is going to keep operating the same way next year plus inflationary costs, payroll growth, higher funding mandates and increased demands on services. In fact about $400 million of the shortfall can be attributed to rising mandatory spending such as pension debt, state employee health benefits, school district funding and inflationary expenses.

Meanwhile, in a recurrent Louisiana economic cycle, falling oil and gas prices have resulted in lower tax revenue from the energy industry. This expected loss of about $400 million for this and the next fiscal year is being offset partially by anticipated gains in other sources of state income. General fund revenue from non-dedicated state taxes is supposed to *rise* slightly to $8.5 billion in the 2016 fiscal year, which begins July 1. The total state budget, backed by federal dollars and other revenue, is scheduled to *decline* 3% to $24.6 billion.

The shortfall is exacerbated primarily by the fact that this year's budget was made whole with about $1 billion in sources of revenue that are not necessarily available for the fiscal 2016 budget-balancing act. These sources include trust fund depletions, a debt defeasance maneuver, a lawsuit settlement, fund sweeps, a tax amnesty and other short-term fixes. The more we've balanced this way, the more we have to keep balancing this way.

The governor's plan

The executive budget proposal devours the low-hanging fruit often picked in tight financial times: ignore inflation and increased service demands in general; don't give pay raises to state employees; and cut state agencies and higher education, big time. On the revenue side, the governor wants to use one-time funds, surplus money, dedicated-fund sweeps and another tax amnesty for quick cash. (The fiscal 2016 tax amnesty, which will be the fourth tax amnesty in Gov. Jindal's eight years in office, is expected to bring in less than the amnesty this fiscal year.) The administration also will use one-time money to make a payment on state debt that will free up general funds. With this combination, the budget gap in theory will shrink to less than $800 million.

The governor also predicts a savings of $145 million by following the recommendations of his Government Efficiencies Management Support project (GEMS), which was conjured by the consulting firm Alvarez & Marsal. The state will try to use volume purchases to secure lower prices, sign a contract with a private broker to assist with property insurance work and consolidate human resource departments. GEMS in the long run is supposed to save costs, leverage more federal spending money and revamp the expensive state employee health benefits system, which is where most of the GEMS savings would occur.

The Jindal administration has pursued many initiatives for greater efficiencies in state government. The concern is that the projected savings of $145 million may be overly optimistic. Without convincing information demonstrating that these numbers are achievable, legislators should be skeptical about using them to balance the budget. If the full savings are assumed in the budget and then fail to materialize, then these items will contribute to the possibility of cash flow problems and a year-end deficit.

Voila!

Even with all these gap-reduction measures, the shortfall is still more than half a billion dollars. So the governor pulled a moose-sized rabbit out of his hat: he would support a law refusing to pay the cash rebate portion of refundable tax credits. For budgeting purposes, the administration pegs the state savings at $526 million. The governor contends that tax credit refunds are a state expenditure and therefore the elimination of them would not constitute a tax increase. This stance was defined by Americans for Tax Reform and the governor is abiding by the organization's positions.

The governor is correct that these are state expenditures, although he would be even more correct if he acknowledged that the full tax credit is actually a state expense. Each of these expenses can be evaluated separately for their worth in pursuing economic development, competitiveness and as a taxpayer return on investment. Whatever their tangible or intangible value, they are an automatically appropriated expenditure that affects the general fund and limits the pool of money available for state budgeting.

The largest part of this ultra-rabbit is the inventory tax credit. (For an in-depth look at the inventory tax and credit, see the supplemental section of the *PAR Guide to the State Budget Crisis*.) This fiscal year, the state will provide tax credits of $452.7 million to manufacturers, retailers and distributors to cover the inventory property taxes that they pay to local governments, according to the Department of Revenue. Of that amount, $76 million of the credits will be used by the companies to offset their state tax liabilities and the remaining $376.7 million will be cashed in as refunds.

The refund portion is what Gov. Jindal wants to cancel. This move would unquestionably save the state a major expense while placing a large new burden on businesses with major inventories, such as refineries, chemical plants, car dealers and grocers. However, the companies are sure to react with adjustments in their inventories, financial accounting and other business decisions that would help protect their interests.

So, while the numbers above are used as an estimate, the real budget impact could be substantially different and probably less than projected. Other refundable tax credits on the governor's list also might not produce the desired long-term savings. A cancellation of the refundable ad valorem credits for offshore vessels would raise state and U.S. constitutional issues and likely would be challenged in court. The solar energy tax credits already are being phased out.

Some tax credits are not included in the executive budget plan because they are not refundable, such as the film tax credit program. The governor favors this Hollywood subsidy and has not led an effort in the Legislature to curtail it, even as costs have ballooned and his economic development secretary has called for constraints and reforms in the program.

At the end of this long chain of events and fiscal assumptions is the higher education budget, which is shrinking. Assuming that the governor's initiative to eliminate $526 million in refundable tax credits actually works, colleges still would be hit with large cuts under the governor's budget plan. Here is the best case scenario in the executive budget: Higher education would take a $226 million reduction in general fund support and an overall budget cut of $245 million. Insomuch as the governor's budget tactics fail to close the funding gap, higher education will be that much more vulnerable to additional cuts.

Budget holes

The executive budget leaves a number of holes that, if not filled, will likely lead to mid-year budget shortfalls and other financial strains. The health and hospitals budget in particular appears designed for a mid-year budget shortfall. In addition to the probable overestimates of the GEMS and refundable tax credit savings, the administration is making other loose assumptions:

High tuition estimates. The Executive budget assumes colleges will be able to get an additional $70 million from increased tuition as authorized by the LaGrad Act. However, the Board of Regents believes $35 million is a more realistic number because many colleges cannot continue increasing tuition and fees without losing enrollment.

Elections. The executive budget short-changes democracy by failing to finance elections; it leaves out $3.4 million that would support a presidential preference primary in 2016.

Unidentified funds. The Legislative Fiscal Office has identified $66 million in "unidentified resources" that will not be known until a separate "Funds Bill" is filed.

Health care shortfalls. The Medicaid budget includes about $154 million in contingent revenue that is based on the gamble that the governor will be successful in eliminating the refundable tax credits. Also, the state chronically fails each year to allow for higher Medicaid health care expenses and must make adjustments during the fiscal year for an inadequate budget; the currently proposed executive budget is no exception. Medicaid inflation and utilization increases typically run at least 3% annually and these increases have not been factored into the budget proposal. Meanwhile, the executive budget has no cuts planned for medical schools or the Bayou Health plans.

Hospitals. The hospital operators who partnered with the state to privatize the state's Charity hospitals have a standstill budget that leaves them $142 million short of what they believe is needed. In particular, the new University Medical Center the state built in New Orleans is scheduled to get $88 million less than requested. UMC is scheduled to open in August under the management of the local private partner, LCMC Health. The administration proposal has assumed the large new facility can operate at the same state budget level as the current, smaller interim hospital, which is an untenable assumption. (There is additional Upper Payment Limit program money budgeted for LCMC's private Children's Hospital.) Meanwhile, a New Orleans area Medicaid waiver program, which has been providing health coverage to low-income residents and taking some of the burden off hospitals, has not been funded in the executive budget.

Even more health care shortfalls. The executive budget does not finance growth for certain federally mandated payment increases, such as Medicare prescription payments, long-term personal care services and a program that saves money by covering certain Medicare premiums. Also, to the extent that revenues from tax amnesty, fund sweeps and GEMS don't live up to expectations, Medicaid health care provider rates and the health department budget will be cut.

Low MFP student count. The MFP number used in the budget is based on a February student count. The Legislative Auditor has noted that this calculation tends to be a low point in enrollment resulting later in mid-year shortfalls. For example, the shortfalls were $17.9 million in 2008 and $55.8 million in 2014.

No accountability testing. The executive budget recommends a $23 million cut (48%) to the Department of Education State Activities program. The impact of this cut would be a reduction in department field staff that work with local school districts, but more importantly would gut the state's testing regime, potentially jeopardizing hundreds of millions of dollars in federal funding. Department officials have testified that they could live with a $13 million cut and still conduct the testing.

In summary, the executive budget, even if implemented according to plan, would very likely still leave the state short by hundreds of millions of dollars. The result could be a mixture of mid-year budget cuts, cash flow problems and a year-end deficit. The governor will be in office only until January 2016, and so the real impact of these shortcomings will fall upon the next governor and legislators elected this fall.

Jindal revenue increases

Labeled as inflation adjustments to keep up with the cost of doing business, the administration estimates up to $75 million could be collected from increasing a variety of fees. These increases have not yet been factored into the budget. They include about $40 million in increases for the agency that oversees State Police and the Office of Motor Vehicles in the form of higher fees for vehicle titles, driving records, storage facilities, vehicle inspections and regulatory applications for gambling related businesses. The Department of Revenue would charge more for late payments and bounced checks. Certain oil and gas fees would rise.

Efforts to raise Louisiana's cigarette tax have been thwarted repeatedly by Jindal since he has been in office. He may accede to an increase this session if the new revenue is couched as an offset to some other tax decrease or credit program. Louisiana has the 2nd lowest state cigarette tax in the country at 36 cents a pack, compared with the southern average of 83 cents and the national average among the states of $1.36 a pack.

Raising Louisiana's tax to the southern average would generate an additional $100 million, according to the administration. Some legislators hope to raise even more revenue by increasing the tax further.

Estimating revenue from an increased cigarette tax can be a tricky business, as some other states discovered when their forecasts fell short. Increased prices result in responses from smokers. They could purchase more from areas that have lower taxes such as from Indian reservations or through the Internet. Louisiana gets some share of revenue from Texas smokers who cross the state line to avoid paying the Lone Star tax of $1.41 a pack. Louisiana's revenue from those visitors would be diminished with higher cigarette tax rates. Some smokers will change their behavior either by using other products (such as smokeless tobacco) or by reducing or quitting smoking. The larger the tax increase, the greater the change in consumer behavior and the higher the risk that revenue estimates will be off. This applies to e-cigarettes as well as regular tobacco.

The key question about an increase in cigarette and tobacco taxes is whether the new revenue will be dedicated to a special purpose. Many constituencies will want to get their hands on the money. There is a chance that the Legislature could end up creating a higher cigarette tax only to have the new revenue melted into a new tax credit program. One use of higher cigarette tax revenue that has been suggested in the past would be to offset a reduction of personal income taxes or the elimination of the corporate franchise tax. However, in the current crisis atmosphere, a constructive use of the new tax as part of a thoughtful reform of Louisiana's tax system seems unlikely.

A new tobacco securitization

The Jindal administration is hoping to find additional funding for TOPS college scholarships by securitizing part of the tobacco settlement. As part of a settlement in 1998 with tobacco companies, 46 states including Louisiana receive annual revenue according to a formula that is primarily based on the number of cigarettes sold. In recent history the settlement has delivered around $140 million per year.

In 2001, Louisiana securitized 60% of the annual payments to receive a $1.2 billion up-front payment that was then placed in trust. The trust's interest earnings are used to fund various educational and health programs, including TOPS. The special funding serves to offset the amount of TOPS financing drawn from the state general fund to fully fund the scholarships.

The administration wants to securitize the remaining 40% to generate $750 million so that an additional $50 million a year goes to TOPS. It would be structured so these additional funds would be available until the debt on the original securitization is paid off, mitigating the drop off in annual revenue.

PAR has several concerns about this transaction. It is a method of borrowing from the future to pay for today's expenses. In addition, whether deliberate or by accident, the original proposal omitted the constitutional requirement that 20% of any proceeds from the securitization of tobacco settlement revenue have to be placed in the Coastal Trust Fund. This will diminish the funds that could be spent on TOPS and therefore help balance the budget.

Also, this process seems rushed. The state rehired consultants used on the last tobacco transaction rather than use the normal request for proposals (RFP) process. The consultants might perform well for the state, but the non-competitive way they were hired could injure public confidence. The deal also provides another example of how the administration is inconsistent about when to pursue contracts with competitive bidding.

Some officials have discussed the idea of eliminating the local inventory tax and using new tobacco tax revenue to compensate the local governments for some of the loss. A removal of the inventory tax would eliminate the need for the state inventory tax credit, thereby saving the state nearly half a billion dollars per year. These types of tradeoffs are reviewed in the *PAR Guide to the State Budget Crisis*; they are controversial and raise constitutional and practical issues.

Another idea would be to flow the tobacco tax money to local governments and cancel the Revenue Sharing Fund, which requires an annual $90 million allocation from the state general fund to local governments. This step would require a constitutional amendment. The effect would be to unencumber $90 million of general fund money while keeping the locals whole financially.

What now?

To achieve a balanced budget for fiscal 2016 as required by law, the state will have to take very significant actions that could include deeper spending cuts than currently planned, new tax burdens on businesses or citizens, new revenue sources, some forms of borrowing or a shift of financial responsibilities to the future.

Under these circumstances, some areas of the budget that are normally off the table must be considered as part of a solution. The *PAR Guide to the State Budget Crisis* reviews some of the long-term options, such as pension reform, higher education streamlining, local versus state spending and Constitutional and statutory restructurings of budget priorities. For the near term, a number of items that would typically be unacceptable to the Legislature should be part of the discussion. Some of these expenditures and gifts are considered sacred as a matter of political preference rather than any genuine state budgetary need.

Some of these items are spending matters, some are tax matters and some are gray areas in-between. Programs and priorities that poorly serve the state taxpayers or fail to bring a strong return on investment should be fixed, reduced or eliminated. For example, a wasteful tax credit program is harmful to the general taxpayer, whose interest should be foremost. If the Legislature wishes only to consider proposals that maintain neutral tax and revenue offsets, then it might identify guaranteed cuts to mandatory or recurring spending programs and potentially match these with reductions or eliminations of some tax credits or exemptions. Here are some budgetary items affecting more than $700 million in state resources that receive little or no attention but deserve to be part of the budget-balancing discussion:

> **-Cut the budgets of the judicial and legislative branches.** Unlike just about everyone else, these government bodies have enjoyed increased budgets the past eight years. A 5% cut to both overall would save $13 million.
>
> **-Cut the Revenue Sharing Fund.** This anachronism is a constitutionally protected $90 million annual expenditure from the state general fund distributed to local governments for purely local priorities. A constitutional amendment would be needed. It should be phased out, taking into consideration any bonded obligations. At a minimum it should not be limited strictly as a state general fund cost.
>
> **-Reduce the Parish Roads funding**. The state has been awarding about $38 million annually from the state general fund to the parishes based on a distribution formula. The spending should be reduced or better channeled to maintenance or construction according to state priorities. Parishes could be given a local option to raise revenue for roads.

-Reduce or eliminate non-public educational assistance. The executive budget for fiscal 2016 contains $26.3 million in state general fund spending on private schools, the same amount as this year. The money is for textbooks, regulatory compliance and other expenses. It does not include school lunches or private school vouchers, which are provided by separate programs. (By some accounts, vouchers save the state money.)

-Reduce state supplemental pay. The state provides an approximately $127 million annual subsidy to supplement $500 per month in pay for more than 20,000 local police, deputies and firefighters. Constables and justices of the peace get $100 per month. This kind of pay is a local government responsibility. Some constitutional restrictions apply. Immediate deep cuts would be too painful, but the local governments should be weaned off this state largesse.

-State employee furloughs. Some state agencies might already be resorting to this standard budget-cutting method. The state should aim at saving about $30 million. Employees would lose several days of pay but get time off in compensation.

-**Allow limits on TOPS expenditure growth and consider supplemental revenue alternatives for the college scholarship program**. Legislative leaders and advocates of the Taylor Opportunity Program for Students have a plan to do this, and it should be supported. TOPS is estimated to need an increase of $34 million for full funding in fiscal 2016. The major impact of the initiative would begin in fiscal 2017.

-Reduce spending through the Minimum Foundation Program. The state's $3.6 billion distribution to local school districts will have to increase next year by $35 million to keep up with rising student enrollments. As a routine matter, overall funding for the program may only go up, not down, according to the Constitution. However, there is a constitutionally approved mechanism to cut MFP funding. A 1% trim of the MFP would free $36 million in non-discretionary spending, and leave local schools with a standstill budget.

-Medicaid provider rate reductions. This should not be recommended strongly because such cuts would forfeit matching federal dollars, would likely be challenged in court and would deter medical professionals from participating. It should be noted that such cuts have been made during Jindal's reign. The administration does not call for provider rate reductions but those cuts are an executive budget contingency plan if the governor's funding initiatives do not work out for fiscal 2016.

-Reduce rather than eliminate the inventory tax credit. As recommended to the Legislature by a team of economists, the inventory tax credits could be limited to 80% of their value. This move would likely result in fewer inventories and lower local ad valorem inventory taxes, which in turn would further reduce the state's cost of paying for the compensating credits. The credit program costs the state about $450 million, of which 20% is $90 million. However, the actual savings to the state would be affected by companies' reactions to lower their exposure to the lower credits and to the potential for lower inventories overall. Eventually the inventory tax should be eliminated if local governments can find a financial bridge to a better revenue source.

-Suspend, eliminate or reduce the Citizens insurance credit. This cash or income tax credit was created as a gift to homeowners during the soaring post-Katrina budget years. The credit can be part of a homeowner's tax filing or can be claimed as cash through the submission of a special form. It costs the state about $42 million per year. It is essentially an expenditure, not a tax break or a part of the state tax structure. After Hurricane Katrina, the state's insurance program of last resort had to be restored with money to pay for widespread damages to homes that did not have regular commercial coverage. The Louisiana Citizens Property Insurance Corp. was entitled to collect an extra insurance assessment on all homeowner policies statewide to recover the Citizens liability fund. The Legislature has given those homeowners a refundable credit for the full assessment since 2006 and a cash rebate since 2007.

-Suspend, eliminate or reduce the private school tuition deduction. This income tax deduction costs the state $22 million per year and serves no real state purpose or investment. It was created during wealthier times.

-Suspend or cancel the $25 per student education credit. This feel-good but unnecessary gratuity to parents of school children cost the state $17 million per year. This was another gift from a wealthier budget era.

-Suspend or eliminate the state sales tax holidays. The state would save about $4 million.

-Limit the film tax credit exposure. This will be the subject of a separate PAR report. For example, limiting the state's annual exposure to $150 million could save the state $100 million or more per year.

-Exclude or ramp down retailers from the Enterprise Zone program. The state might realize savings of $20 million annually by following this and other recommendations by the Department of Economic Development, although first-year savings would likely be less.

-Reduce or remove the compensation to vendors, gasoline and tobacco retailers for timely filing of sales and excise taxes. Not all states pay their retailers to turn in the taxes they collect, but Louisiana does. The vendor rate already was reduced slightly two years ago to 0.935%. The state's total annual cost of the programs is $33 million. Of course, Louisiana is an outlier because it doesn't have a centralized sales tax collection system, subjecting retailers to a different collection and auditing system in each parish. It's hard to blame multi-parish retailers for seeking a break, but a new compromise on this compensation would save state money.

The Legislature is likely to consider many ideas for revenue generation or cost-savings through reductions in tax exemptions. Here is a quick review of some of those proposals:

-The vehicle fuel tax. Each penny per gallon would raise about $30 million. Louisiana's core 16-cent per-gallon vehicle fuel tax has not been raised since 1984 and a companion 4-cent tax for the TIMED projects was set in 1989. Low increases in traffic miles and better mileage vehicle engines are keeping fuel tax revenues flat overall. Meanwhile, the buying power of 16 cents in 1984 is about 7 cents today.

-**The "Amazon tax".** The growth of online purchases has resulted in lost sales tax revenue for states. The U.S. Constitution prevents states from interfering with interstate commerce by forcing companies like Amazon from collecting and remitting state and local sales taxes. However several states have responded by adopting Affiliate-Nexus or "Amazon Tax" laws. These laws require collection of sales tax by any company that has affiliates in the state. Since Louisiana does not have such a law, proponents see this as a way to collect additional revenue without hurting businesses actually residing in the state. However, states have met with mixed success with such an approach. Often Internet companies will simply cancel any relationships with in-state affiliates rather than collect the sales tax, leading to an actual reduction in revenue. Any revenue estimates associated with a passing a state level "Amazon Tax" should be calculated as conservatively as possible.

-Legislative suspensions. The state Constitution allows the Legislature to suspend laws for the forthcoming fiscal year without the option for a gubernatorial veto. This tool could be used to halt spending mandates or tax exemptions temporarily. The procedure does not allow lawmakers to tinker with amendments to a law, only to suspend a law. A number of budget-relief measures could be made this way. Suspensions could be repeated in future years, but ultimately they do not represent a permanent solution leading to long-term budget sustainability.

-Suspend or eliminate obscure sales tax exemptions. Two years ago the Revenue Study Commission identified several sales tax exemptions that did not appear to have strong constituencies or a pressing economic or legal rationale. The Legislature should revisit the work of the Commission to identify potential exemptions that would save the state money without unfairly burdening taxpayers.

Energy issues

Oil and gas severance exemptions are likely to be considered during the session. An understanding of the order of magnitude of these breaks would be helpful to the discussion, because their impact is not what it used to be. Horizontal drilling – which boomed during the heavy fracking years when natural gas prices were higher than today – enjoyed tax credits valued at up to $265 million annually just a few years ago. But with natural gas prices and activity down, the credits now cost the state about $76 million.

On paper, a 10% temporary reduction on all severance exemptions would save the state about $29 million, not considering market changes and company adjustments to the lower exemptions. And speaking of perennial topics, a 10% reduction in the sales tax exemption for industry and business power supply would amount to about $33 million; a similar such effort was strongly crushed two years ago.

As a long term endeavor, state leaders should account for all state energy and mineral revenue in its many forms of dedications, special funds and restricted spending to consider where it is all coming from and where it is all going. Before taking steps to tax the industries and mineral rights owners more, the state might evaluate how segmented and diffused the existing revenues and fees have become through various programs and restrictions over the years. The goal should be to focus scarce state resources on the highest priorities for true state spending.

Wild card

State coastal and restoration projects in Louisiana will receive substantial funding through criminal and civil penalties against BP for the 2010 oil spill. Much of this money will be directed by regional authorities, the courts and federal law for spending on coastal restoration and protection. One particular potential windfall is the state's case against BP for state economic damages. This is the one segment of the various BP penalties or settlements that probably should be spent on state budgetary needs, especially those that represent a financial impact from the oil spill.

If reached soon, a BP economic impact settlement could provide a boost to the state during this budget crisis or next year. Officials would possibly consider spreading the payments over several years so that it could be counted as recurring revenue eligible to be spent on the operating budget. Last year the Legislature passed a law to allocate this money, if and when it comes, to the Rainy Day fund, the Medicaid Trust Fund for the Elderly and the Health Trust Fund. This approach will be re-evaluated continually.

Conclusion

Just about everyone knew the budget situation was bad. PAR's deeper look at the budget holes and tenuous patchwork unfortunately show it to be even worse than many thought.

A few things seem likely at this point. Higher education is about to endure its worst-ever single-year cut in overall financing, and that's according to the best-case scenario. The state will face mid-year budget shortfalls for health care services. Some of the larger sources of emergency revenue used in past years' budgets will not be as easily available because of trust account depletions, newly protected funds in the Constitution, tax amnesty exhaustion and practical limits on college tuition. Oil and gas prices eventually will rise again, but even the more bullish industry forecasts are not predicting that will happen soon.

A reasonable approach to this very serious challenge would be to ask for sacrifices from every possible stakeholder, including the normally protected interests of local governments, private schools and tax credit recipients. The strong temptation in the Legislature will be to find ways to borrow money or postpone some forms of payments in the hope of weathering the fiscal shortfall until a new governor arrives. The expectations for the next chief executive are sky high.

A crisis should not be wasted, of course. The situation could lead state officials to implement long-term changes in the way the state allocates scarce resources and handles its finances and governing structures. This could lead to a new, stronger focus on genuine *state* needs and priorities. It could mean a substantial restructuring of higher education governance, campus missions and program offerings. It could mean the state will advance to a less costly health care system in which many more citizens will have insurance coverage. It could mean that unlimited tax credit programs are no longer at the top of the budget food chain.

It's a long way over dizzying heights to get to that place. Maybe in this session the state can take sure steps in that direction.

For more information contact: Robert Travis Scott, President, 225-926-8414 ext.221 robertscott@parlouisiana.org
P O Box 14776 Baton Rouge, LA 70898-4776 Phone: (225) 926-8414 Fax: (225) 926-8417 Web Site:www.parlouisiana.org