



Public Affairs Research
Council of Louisiana, Inc.

Guide to the Constitutional Amendments

November 7, 2006, Ballot

Introduction

Voters passed all 13 proposed amendments to the Louisiana Constitution offered on the September ballot. Despite having candidates for two statewide elected offices and several high-profile proposals addressing hurricane protection, levee board consolidation and private property rights on the ballot, only 22.3 percent of the 2.8 million registered voters participated. Voters must now deal with eight more proposed amendments in November. While there are fewer proposals to consider, voters will have to familiarize themselves with a number of complex and technical issues. The eight proposed amendments on the Nov. 7 ballot include:

- A proposal that would consolidate the seven separate tax assessors in New Orleans into a single, parish-wide office.
- Four proposals that would make changes to property tax law.
- A proposal that would allow schools in the community of Central to form a district separate from the East Baton Rouge Parish School District.
- A proposal that would give the Legislature specific authority to create new family and juvenile judgeships.

The Constitution is considered the fundamental law of the state. It addresses the rights of the citizens and the authority of the government. The concept of the Constitution as a relatively permanent statement of basic law for governing the state, however, fades with the adoption of new amendments. Since 1974, voters have approved 140 out of 202 proposed amendments, which have nearly doubled the length of the Constitution.

In evaluating each proposal, voters should consider whether the proposal is a sound concept and also whether the proposed language belongs in the Constitution. In the past, amendments have often been drafted for a specific situation rather than to set a guiding principle that allows the Legislature to fill in the details by statute. In some cases, very rigid principles are set, but numerous exceptions then are added by amendment.

In addition, special interests and the general public frequently demand constitutional protection for favored provisions to avoid legislative

Voter Checklist

November 7, 2006, Ballot

Proposed Amendments

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interference, resulting in numerous detailed amendments. Thus, voters often are asked to decide issues that are highly complex, specialized and applicable to a single place or time.

1 Property Tax Assessment Freeze for Military and Disabled

CURRENT SITUATION: The Constitution gives a special property tax break for the owner-occupied homes of seniors (age 65 or older) and their surviving spouses (if 55 years of age or older or with minor children). The property tax assessment is frozen at a “special assessment level,” which is the assessed value of the property when it first qualifies for the freeze. The assessment remains the same as long as (1) the property value does not increase more than 25 percent due to construction or reconstruction or (2) the property is not sold. The benefit is lost if the applicant’s combined adjusted gross income for federal income tax purposes exceeds a threshold equal to \$50,000 in 2000, adjusted annually for inflation.

While the eligible homeowner’s assessment is frozen, the millage rates applied to that assessment are not. The tax bill on that assessed value could rise due to new or increased millages, but not a rise in local property values.

PROPOSED CHANGE: This amendment would expand the list of those eligible for the property tax freeze to include people with a military service-connected disability rating of 50 percent or more, military members who are missing in action or prisoners of war for a period exceeding 90 days, the spouses of military members killed in action, and any person that a state or federal administrative agency has deemed permanently and totally disabled. These people would become eligible for the freeze in 2007.

Owners or their surviving spouses who would receive the assessment freeze for one of these military- or disability-related reasons would have to annually recertify that their income level continues to be below the threshold. This recertification is not currently and would not be required for those who receive the special assessment solely because they are age 65 or older. The inflation-adjusted income threshold for 2006 is \$58,531. Awkward language in the amendment leads to disagreement over whether the freeze would expire after a prisoner of war is released or a member missing in action is found.

The amendment also includes other restrictions on eligibility for certain people.

- The surviving spouses of those who receive the freeze due to a service-connected disability must be 45 years of age or older or have minor children to maintain their eligibility.
- The surviving spouses of those who are killed in action do not need to meet an age qualification or have minor children to maintain the assessment freeze.
- Surviving spouses or spouses of those missing in action are eligible for the freeze even if they are owners in usufruct (temporary legal ownership status).

COMMENT: If this amendment passes, revenues derived from property taxes will not be lowered. However, revenue growth will be slowed, because a wider range of people will have tax bills that can only grow due to millage increases and not property value increases.

You Decide

- A vote **for** would expand eligibility for a property tax assessment freeze to certain current and former military members, certain people with permanent and total disabilities and some of their surviving spouses.
- A vote **against** would continue to allow only those who are 65 years of age or older and some of their surviving spouses to be eligible for the property tax assessment freeze.

Proponents argue that this amendment is needed to protect certain homeowners from tax increases due to inflation in the value of their homes. People who live on a fixed or declining income can expect to pay increased property taxes as periodic reassessments raise the assessed value of their homes. Homes must be reassessed every four years. A typical four-year reassessment in high-growth St. Tammany Parish, for example, would yield a 10 percent increase in assessed value. On a \$200,000 home,

that 10 percent increase would translate into a tax increase of \$330.

Opponents argue that the policing of homestead exemptions is already difficult, and this complex and confusing legislation would increase the administrative burden on assessors to an unmanageable degree. Assessors would have to dedicate an inordinate amount of time and resources to verifying initial and ongoing eligibility for the special assessment levels.

Opponents add that homeowners already question the fairness of assessments, and the practice of authorizing “special assessment levels” for certain homeowners contributes to suspicions of favoritism. They argue that tax breaks can be granted to certain groups by other, more direct means, such as freezing tax bills at a certain amount.

They also warn that this tax exemption could create new avenues for abuse of the system and would limit future revenue increases for local governments. Proponents counter that the fiscal effect would be minimal to governments, but significant for the recipients of the tax break.

The potential loss of additional revenues to local governments or the value of the tax break to recipients cannot be estimated.

LEGAL CITATION: Act 511 (Senator Nevers) of the 2005 Regular Session, amending Article VII, Section 18(G).

2

Parish Severance Tax Allocation

CURRENT SITUATION: The Constitution requires the state to give parish governments a portion of the severance taxes collected in each parish. It requires that 20 percent, but only up to \$750,000 a year, of the severance tax on all natural resources, other than sulfur, lignite or timber, be shared with the parish of origin. Local governments are prohibited from levying a severance tax. The sharing of state severance tax revenue, which goes back to at least the 1921 Constitution, is intended to help compensate

parishes for wear and tear on roads and bridges by oil and gas drilling equipment and other related traffic. The present cap has been in place since 1998, when it was increased from \$500,000.

In 2005, the state collected \$666 million of these severance taxes, which are collected primarily on oil and natural gas. Parishes would have received \$133 million if the full 20 percent were distributed, but the \$750,000 per-parish cap limited the actual distribution to about \$29 million. All 64 parishes received some severance tax revenue (one received only \$390), and 31 received the maximum amount of \$750,000.

PROPOSED CHANGE: The amendment would increase from \$750,000 to \$850,000 in 2008 the maximum amount of the severance tax revenue on oil and gas paid by the state to the parish of origin. Each year after 2008, the cap would be adjusted upward for inflation.

COMMENT: Raising the severance tax distribution limit would benefit the parishes that currently are receiving the maximum \$750,000 a year. Of the 31 parishes receiving the maximum amount in 2005, 30 would have been eligible for the full \$100,000 increase if the cap were raised to \$850,000. The new cap would have meant a loss in revenue to the state and a gain to the 30 parishes of about \$3 million in 2005. This would have raised the total local distribution to about \$31 million that year.

Proponents also argue that adjusting the cap annually would prevent the value of the cap from declining over time due to inflation. Adding this provision also would prevent the need for future constitutional amendments to raise the cap.

Another argument for the amendment is that an increase is required to adequately provide for the higher cost of maintaining and repairing parish bridges

You Decide

- A vote *for* would increase the maximum amount of state oil and gas severance tax revenue a parish government could receive each year from \$750,000 to \$850,000.
- A vote *against* would retain the present limit at \$750,000 per parish.

and roads. They argue that those parishes with the greatest severance activity also suffer the greatest damage to their roads and are justified in receiving more of the tax revenue.

Others counter that the potential \$100,000 increase would be a small percentage of a parish's road and maintenance budget. Critics of the proposal question the need for the state to give up more revenue to benefit parishes that already receive other revenues from the economic activity associated with severance operations, like jobs and sales taxes. If mineral resources are considered assets to the state as a whole, then the dedication prevents the state from using its revenues where most needed.

LEGAL CITATION: Act 864 (Representative Gallot) of the 2006 Regular Session, amending Article VII, Sections 4(D).

3 Property Tax Exemption for Leased Medical Equipment

CURRENT SITUATION: The Constitution exempts certain types of property from property taxes.

Property owned by nonprofit organizations dedicated to a variety of causes, including health care, is exempt. For example, equipment owned by nonprofit hospitals is exempt, but those hospitals are taxed for similar property if leased.

PROPOSED CHANGE: This amendment would exempt from property taxes medical equipment leased to nonprofit organizations that own or operate small, rural hospitals. Such equipment would only be exempt if it is leased for at least five years and used solely for health care purposes. The exemption would only last for the duration of the lease. The exemption would become effective in January 2007.

Small, rural hospitals are defined as those with fewer than 50 Medicare-licensed acute care beds. To qualify, such hospitals would have to be located in a municipality with a population of less than 10,000 and that has been classified by federal authorities as an area with a shortage of health care manpower.

COMMENT: Passage of this amendment could potentially cut costs for certain small hospitals that lease medical equipment. The amendment is drafted so narrowly that currently only three hospitals would qualify for the tax break: Assumption Community Hospital in Napoleonville, Christus Coushatta Health Care Center in Coushatta and Union General Hospital in Farmerville. The equipment likely to be leased in these types of hospitals includes fetal monitors, machines that measure bone density, CT scanners and lab monitors. Local tax collections in those parishes and municipalities where the equipment is located could decrease by a small amount.

Proponents argue that the exemption would cut costs for hospitals in rural areas. They argue that the current law is unfair, because it gives a tax break to hospitals that buy their equipment but not to those that can only afford to lease it.

You Decide

- A vote *for* would exempt from property taxes certain medical equipment leased for five years or longer to small, rural nonprofit hospitals.
- A vote *against* would maintain a property tax exemption only for medical equipment owned, not leased, by small, rural nonprofit hospitals.

Opponents argue that the amendment is too narrowly drafted by including the arbitrary population threshold of 10,000, which tailors the tax break for a few facilities. There are 34 nonprofit, community hospitals in the state, but only three fit the criteria for the tax break.

LEGAL CITATION: Act 510 (Senator Adley) of the 2005 Regular Session, amending Article VII, Section 21(B).

4

Municipal Property Tax Exemption for Motor Vehicles

CURRENT SITUATION: The Constitution exempts motor vehicles from state, parish and special property taxes, but not municipal property taxes. Motor vehicles are subject to municipal property taxes unless the municipality passes an ordinance or resolution to provide an exemption.

New Orleans has no such ordinance extending this exemption and is the only municipality that currently levies this tax. An assessment of 158.53 mills on motor vehicles was levied there in 2004, which yielded \$5.2 million in revenues for the city. For example, a resident with a car valued at \$20,000 would have paid \$317.06.

PROPOSED CHANGE: The amendment would extend the motor vehicle property tax exemption to municipal taxes. The exemption would apply statewide, but revenues would only be reduced in New Orleans, because no other municipality levies the tax. The bill would take effect immediately.

COMMENT: The motor vehicle property tax has been levied in New Orleans since the 1950s. Past efforts to place an amendment on the ballot prohibiting the motor vehicle property tax failed, because a source of replacement revenue for the local government entities could not be identified.

New Orleans has gone without this revenue since the last time the tax was levied in 2004. The proposed amendment was passed by the Legislature in the 2005 regular session. The

bills normally go out in September, but were not sent just following Hurricane Katrina in 2005. They were not sent in 2006, either. A confluence

You Decide

- A vote *for* would exempt motor vehicles from municipal property taxes.
- A vote *against* would continue to allow municipalities to levy property taxes on motor vehicles.

of factors is reported to have led to the decision not to send the tax bills, including the vast destruction of automobiles in the area, the displacement of population and the legislative passage of this proposal.

New Orleans could exempt motor vehicles from its property tax by local government ordinance, rather than by supporting a statewide constitutional exemption. Statewide property tax exemptions place further limits on local governments' ability to raise their own revenue, thus increasing their reliance on state funding.

Opponents argue that a further tax exemption would create additional burdens on local government entities, particularly during the post-Katrina budget crunch in New Orleans.

Proponents argue that the motor vehicle tax is hard to apply uniformly and difficult to collect. They point out that some people register their cars in other parishes in order to avoid the tax.

LEGAL CITATION: Act 512 (Representative Arnold) of the 2005 Regular Session, amending Article VII, Section 21(E).

5

Property Tax Exemption for Consigned Art

CURRENT SITUATION: The Constitution exempts certain types of property from property taxes. Personal property used in the home, which would include art, is exempt. However, art held on consignment with a dealer is not exempt from property taxes, nor is any art owned as property for sale for profit. Consignment is the practice of placing items with dealers who then sell the property for a commission.

Only the first and second assessment districts of Orleans Parish

You Decide

- A vote *for* would grant a property tax exemption for art placed on consignment.
- A vote *against* would maintain the current property tax exemptions, which do not include consigned art.

(there are seven districts in the parish) currently tax art held on consignment. The French Quarter is located in the first district, and the Warehouse District is located in the second district. The second district tax assessor has been assessing property taxes on consigned art since 2000, and the first district tax assessor has been assessing this tax since 2003.

The owner of the art who has placed the piece on consignment is responsible for paying the tax.

PROPOSED CHANGE: This amendment would exempt from property taxes all art held on consignment statewide as of January 2007.

COMMENT: Passage of this amendment could result in a decrease of property tax revenue for local government entities. The value of the tax break would fluctuate from year to year, and data are unavailable to determine the amount of revenue the tax on consigned art has generated in the past. However, this revenue would only decline in the first and second districts in New Orleans, because they are the only districts where the tax is assessed.

Proponents point out that this tax depresses sales tax revenues by discouraging artists from placing their pieces on consignment. The potential sales tax loss, they say, is greater than the property tax gain. Supporters of the exemption argue that it would create a more friendly business climate for artists in Louisiana, many of whom were caught off guard by the recent imposition of this tax.

Opponents argue that additional exemptions for property taxes are burdensome to local governments and reduce local governments' capacity to raise their own revenues.

LEGAL CITATION: Act 509 (Senator Bajoie) of the 2005 Regular Session, amending Article VII, Section 21(C).

6

New Family and Juvenile Judgeships

CURRENT SITUATION: The 1974 Constitution specifically allows the Legislature to create judgeships with general or limited jurisdiction but is silent as to the creation of specialized judgeships that may hear only family or juvenile matters. Family or juvenile courts existing before 1974 were retained in the Constitution.

The state's current judicial system is divided into several types of courts that hear juvenile and family matters, including district, parish and city courts. There are 47 district or trial courts that include:

- 40 judicial district courts composed of one to three parishes. Many district courts have juvenile divisions and a few have family divisions;
- The family and juvenile courts in East Baton Rouge Parish;
- The juvenile courts in Caddo and Jefferson parishes;
- The civil, criminal and juvenile courts in Orleans Parish.

The civil and criminal courts will be consolidated in Orleans Parish in 2009 to create the 41st Judicial District Court. The juvenile court for Orleans Parish will be abolished in 2014 and its cases will be transferred to the 41st Judicial District Court.

The Legislature may create judgeships based on the recommendation of the Judicial Council of the Louisiana Supreme Court. The Judicial Council is composed of 17 members representing the judiciary, various legal associations and the citizens of the state. The council's staff visits the judicial district

You Decide

- A vote *for* would give the Legislature specific authority to create new family and juvenile judgeships.
- A vote *against* would leave some existing family and juvenile judgeships subject to legal challenge.

making the request, interviews judges serving in the district and reviews the court's workload. Requests for new judgeships are presented by the Judicial Council and the requesting district to the House and Senate Judiciary committees. Legislative committee approval is needed to create new judgeships.

Although the courts have relied on their inherent constitutional powers to create juvenile and family divisions or sections, there has been some question regarding their legal status. Specifically, the delegation of juvenile and family cases has been argued to violate random allotment rules that require access to all judges to ensure judicial independence and fairness. There have been some lawsuits challenging the authority of certain specialized divisions created after 1974.

PROPOSED CHANGE: This proposal would allow the Legislature to create new family or juvenile judgeships beginning on Jan. 1, 2007. The judgeships would have the same territorial jurisdiction of the district court in which they operate.

The current procedures for creating new judgeships would continue to apply.

COMMENT: The Legislature has requested the Judicial Council provide recommendations by early 2007 on the need for specialized courts or divisions within each judicial district. The Judicial Council's current strategic plan does not call for the creation of particular specialized judgeships. There is a growing national trend toward using specialized judges to deal with the rising number of family and juvenile cases.

Proponents argue that the amendment is needed to give the Legislature specific constitutional authority to create judgeships that have specialized jurisdiction over family or juvenile matters within a district court. The proposal would resolve questions over such judgeships created in the future and protect their judgments from legal attack and potential nullification.

Supporters say that specialized courts are essential because judges develop expertise in particular areas that help move cases more

rapidly and efficiently through the judicial system. They also note that the amendment would help the state's troubled juvenile justice system by speeding up the progress of juvenile cases to avoid potential federal court sanctions.

Some critics think the proposal should be broader to allow the Legislature to create judgeships that may hear both family and juvenile matters.

LEGAL CITATION: Act 862 (Representative R. Carter) of the 2006 Regular Session, adding Article V, Section 15(A).



Consolidation of the New Orleans Assessors

CURRENT SITUATION: The Constitution requires each parish except Orleans to elect one tax assessor. All assessors have four-year terms. Seven assessors are elected in Orleans Parish. Each municipal district in Orleans Parish elects one assessor who must be a resident of the district. The districts are not divided based on population but instead on historical boundaries dating back to the 1870s. Many statutory requirements dealing with tax assessment do not apply to Orleans Parish, which operates under separate provisions.

PROPOSED CHANGE: This proposal would consolidate the seven separate assessors in New Orleans into a single, parish-wide elected office.

To allow current Orleans Parish assessors' terms to expire, the offices would not be consolidated until 2010. The proposal must be approved by voters statewide and in Orleans Parish.

The companion legislation would make the Orleans Parish assessor operate in the same manner as

You Decide

- A vote *for* would consolidate the seven separate assessors in New Orleans into a single, parish-wide office.
- A vote *against* would maintain the seven separate assessors in New Orleans.

assessors in every other parish except in certain areas such as election dates and work deadlines.

The U.S. Department of Justice must approve any proposed change to voting districts to ensure that there would be no adverse effect on minority voting rights. Preliminary approval has been given for this amendment, but final approval also must be granted if the amendment passes.

COMMENT: Proponents argue that consolidation would be a good first step toward achieving more uniform property assessments, improving city finances, streamlining government and enhancing transparency and accountability. Some proponents also say that consolidation would help improve the current image of the state and city, which has been tarnished by allegations of corruption and post-storm strife.

Opponents argue that the proposal diverts critical attention from more important issues that include saving Orleans' failing school system, rebuilding destroyed and damaged homes, reviving abandoned businesses and bringing back residents who are scattered throughout the nation. Some opponents also argue that consolidation would create an office that could wield too much power and influence. Proponents counter that East Baton Rouge and Jefferson parishes each have total assessed values higher than that of Orleans Parish and have only one assessor.

Some of the key issues debated in the Louisiana Legislature included the following:

Assessment Practices. Proponents argue that the current system of multiple assessors has resulted in wide differences between policy and practice. The city's antiquated arrangement has resulted in well-documented variations in assessments both pre- and post-Katrina. Research has shown that property assessments in New Orleans are inequitable and haphazard. Assessment values often radically differ based merely on arbitrarily determined district lines. Supporters also argue that inequitable assessments increase the tax burden on some property owners and reduce funding for critical services, such as schools, police and fire protection.

Opponents argue that a system of separate assessors is better equipped to implement policies that are tailored to address each district. Proponents counter that the current officials assess a wide variety of properties that range from historic to recent construction. There is no single district that is limited to one type of property and no special expertise would be lost with consolidation. In addition, a single assessor can structure the office to include staff who specialize in assessing particular types of property.

Costs. Proponents argue that the amendment would save taxpayers a significant amount of money. The fiscal note prepared by the Legislative Auditor's Office conservatively estimates that roughly \$574,000 would be saved simply by eliminating six assessors' salaries and expense accounts. Additional savings likely would occur from cutting expenses related to duplicate staff positions, health care and retirement benefits. According to the Legislative Auditor's summary of the 2004 financial statements, the expenses for the seven assessors and the Board of Assessors totaled \$3.8 million. Supporters also note that taxpayers who own multiple properties in Orleans Parish no longer would waste time and money dealing with several assessors.

Opponents argue little, if any, money would be saved by the proposal. They say that expenses likely would increase as a single assessor would require additional support staff.

Impact on Taxes. Proponents argue that there would be no increase in taxes paid by owners whose property is currently assessed accurately. Some opponents suggest that some owners would experience a tax increase because property is under-assessed. Proponents counter that any increase in taxes would depend on the degree to which property is currently under-assessed and how diligently the single, consolidated assessor may assess property. In addition, the proposal would not affect the homestead exemption or assessment freezes.

Transparency. Proponents argue that establishing a single assessor would enhance

transparency in government and make public information more readily available to citizens interested in examining assessments. Instead of analyzing different sets of data and deciphering the policies and processes of seven separate offices, a citizen would only deal with one assessor.

Opponents argue that citizens have more access under the current system, because they can more easily interact with their district assessor. A smaller population, they say, can receive more personalized service. Further, assessment data for all districts are readily available on the Internet.

PAR has recommended for more than 30 years that the seven separate Orleans Parish assessors should be consolidated into a single, parish-wide office.

LEGAL CITATION: Act 863 (Senator Duplessis) of the 2006 Regular Session, amending Article VII, Section 24. Companion legislation is Act 622 (Senator Duplessis) of the 2006 Regular Session.

8

Central Community School System

CURRENT SITUATION: Public schools in the community of Central are now part of the East Baton Rouge Parish School System (EBRPSS). Louisiana currently has 68 public school districts, 64 of which are parish districts. The other four districts are Baker, Bogalusa, Monroe and Zachary. The Constitution states that these four districts, and no others, shall be regarded as independent districts and shall have the authority granted to parish districts. The Baker and Zachary school districts are the most recent to gain the constitutional authority to separate from a parish-wide district (East Baton Rouge). Both districts became operational in 2003.

PROPOSED CHANGE: The amendment would allow Central to separate its schools from the EBRPSS and form its own school district. The new district would have the same authority as parish school districts, including the authority

to raise certain local revenues. The amendment also would add specific language prohibiting any school district in the state from using state dollars to discriminate against students.

Four schools, Bellingrath and Tanglewood elementary schools, Central Middle School and Central High School, fall within the defined district boundaries and would be included in the new district. All public property used for school purposes within the boundaries of the new district (i.e., buildings, books and equipment) and the direct buses currently used to transport students within those boundaries would become the property of the new district. No payment would have to be provided for the transfer.

If approved, the new school system would begin operations on July 1, 2007. Companion legislation defines the boundaries of the proposed Central Community School System, requires reapportionment of the EBRPSS and defines the process for appointment of an interim seven-member school board and the election of the Central Community School Board. The companion legislation would become effective only if the constitutional amendment is approved by voters both statewide and in East Baton Rouge Parish.

If this amendment passes, final approval from the U.S. Department of Justice would have to be sought. Any proposed change to voting districts in Louisiana must be deemed by federal authorities to have no adverse effect on minority voting rights.

COMMENT: In September, the State Board of Elementary and Secondary Education (BESE) passed a resolution opposing the creation of the Central school district. The resolution states that BESE “respectfully

You Decide

- A vote *for* would establish the Central Community School System, a new public school district that would include four public schools that are now part of the East Baton Rouge Parish School System (EBRPSS).
- A vote *against* would maintain the status quo, and public schools in the Central community would remain part of the EBRPSS.

discourages” the creation of new school systems from existing school systems. Aside from this very cursory statement on the matter, there are currently no standard criteria by which either the Legislature or BESE judge the merits of proposals to create new school districts.

Without clear policy guidance from an independent authority, local politics and rhetoric dominate the debate. A more rational and research-based approach would guide this process toward more efficient and effective districts or sets of districts. While the large majority of school districts in the state do not face the threat of district fragmentation, some suggest that there are a few areas where the formation of new districts might be attempted pending the successful passage of this proposed amendment.

Proponents of the amendment argue that a separate, smaller school system would offer citizens greater local control of neighborhood-based schools and encourage greater parental involvement. They also argue that a more localized school district would foster a greater sense of school system ownership among voters, which might result in an increased willingness to provide financial support for public schools.

Proponents contend that student enrollment in public schools in the Central area has declined over recent years and that at least 50 percent of the students in the Central community now attend private schools. The migration to private schools and outlying areas with better performing districts, proponents argue, is the result of a steady overall decline in the test scores of Central area public school students and resistance to busing students across the parish. Creating a smaller district, they contend, would enhance academic achievement and bring students back to neighborhood public schools in the Central community.

Opponents argue that the withdrawal of Central would cost EBRPSS both financially and academically. Further, the new district would not have to pay EBRPSS for any of the property transferred.

The Louisiana Department of Education estimates that EBRPSS would lose approximately 2,500 students, which means an annual loss of about \$10.6 million in state funds, about \$6.9 million in local tax revenue and 4 percent to 6 percent of federal revenue. The combined loss of revenue for EBRPSS would be balanced to some extent by a decrease in costs, but the net gain or loss to the larger system is a debatable and highly contested calculation.

State funding to all other local school districts in the state could be affected by the creation of a new district, because the distribution of funds is based on a variety of factors, including comparative local wealth and revenue capacity. Adding another player to the formula would lead to a debatable outcome that is difficult to estimate in advance.

Some amendment opponents contend that creation of the Central school system is racially motivated. Enrollment data show that at the end of the 2005-06 school year, the four schools that would be Central schools had a racial makeup of 47 percent black and 52 percent white. Estimates show that the new district would be approximately 15 percent black and 85 percent white, because about 500 minority students currently are being bused into the schools from neighborhoods that would fall outside of the new district’s boundaries. Though those supporting the amendment acknowledge this change in racial diversity, they argue that the real issue is a better educational system, not race.

Other opponents contend that allowing smaller school districts to be carved out of larger ones leaves the remaining larger districts with an increasing percentage of “at risk” students. Central would be the third district to separate from EBRPSS in the past three years.

Questions also have been raised about the new district’s tax base having the capacity to support its own school district. Supporters of the amendment point out that the estimated local revenue per student for the new district is near the state average and well above the current funding level of many Louisiana school districts.

A ballot initiative recently passed to incorporate Central into a city, but a legal challenge to the incorporation is pending. The validity of the Central school district is not dependent upon the outcome of the incorporation case.

To take effect, the amendment must be approved by voters in East Baton Rouge Parish and the state as a whole.

LEGAL CITATION: Act 861 (Representative White) of the 2006 Regular Session, amending Article VIII, Section 13(D)(1). Companion legislation is Act 202 (Representative White) of the 2006 Regular Session.

Voting on Louisiana Proposed Constitutional Amendments (1921-2006)			
	Number of Amendments		Average Percent of Registrants Voting
	Proposed	Approved	
1921 Constitution	802	536	--
1974 Constitution (Total)	202	140	--
November 7, 1978	1	1	29.9
October 27, 1979	3	3	37.5
November 4, 1980	4	4	55.7
September 11, 1982	8	4	24.9
October 22, 1983	3	3	44.2
November 6, 1984	5	0	53.7
September 27, 1986	7	2	39.3
November 21, 1987	5	5	32.3
October 1, 1988	1	0	27.5
April 29, 1989	1	0	46.8
October 7, 1989	13	5	28.3
October 6, 1990	15	14	46.9
October 19, 1991	8	5	47.1
October 3, 1992	5	2	29.4
November 3, 1992	7	0	53.7
October 16, 1993	6	6	18.1
October 1, 1994	4	4	30.9
October 21, 1995	15	13	46.9
November 18, 1995	1	1	53.2
September 21, 1996	2	2	36.1
November 5, 1996	3	3	54.4
October 3, 1998	18	15	19.6
November 3, 1998	2	2	26.4
October 23, 1999	10	5	31.9
November 20, 1999	6	6	23.1
November 7, 2000	4	0	51.0
November 5, 2002	12	6	35.7
October 4, 2003	15	11	38.1
September 18, 2004	1	1	27.8
November 2, 2004	4	4	50.6
September 30, 2006	13	13	22.3

SOURCE: Official Promulgation, Secretary of State.

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