



Financing Louisiana's Future

PUBLIC AFFAIRS RESEARCH COUNCIL OF LA., INC.

April 1987

Stabilizing State Mineral Revenues Critical

It has become apparent that Louisiana's high level of spending has been fueled primarily by mineral revenues, which are volatile and have a depletable base. At their peak in fiscal 1981-82, mineral revenues amounted to \$1.6 billion, or 41.2%, of total state taxes, licenses and fees. In the current fiscal year, 1986-87, mineral revenues are estimated by the Legislative Fiscal Office to amount to only 18.7% of total state revenues, or \$714 million. (See Table 1 and Figure 1.)

The oil and gas production on which severance taxes are col-

lected also has declined. During the 10-year period of fiscal 1975-76 to fiscal 1985-86, oil severance tax units (barrels of oil) declined 42.8% and gas severance tax units (MCF of gas) declined 47.6%. Even during the 1980s when the state was reaping the benefits of oil price deregulation, the most that oil severance tax units increased in one year was 1.5% and gas severance tax units, 0.7% (both in fiscal 1983-84).

State mineral revenues have been unpredictable due to their reliance on factors beyond the state's control, such as increases

in oil prices and changes in supply and demand. When oil prices were deregulated, the world price of oil became Louisiana's price and the state lost control of its oil-related economy. Even if prices increase, production in the state is expected to continue to decline over the long term. The state's dependence on this erratic revenue source has led to the need for major tax increases and spending cuts in recent years. To forestall the continuance of these problems, the effect of erratic mineral revenues on the state budget should be minimized.

TABLE 1
Growth in state mineral revenues has been erratic
(In millions)

Fiscal Year	Mineral Revenues					Total State Taxes, Licenses and Fees	Percent of Total
	Severance Tax*	Royalties*	Rentals	Bonuses	Total*		
1976-77	\$ 492.9	\$ 152.4	\$ 6.6	\$ 46.6	\$ 698.5	\$ 1,944.9	35.9%
1977-78	474.1	167.5	13.8	89.4	744.8	2,270.5	32.8
1978-79	466.3	182.0	17.4	47.1	712.8	2,502.5	28.5
1979-80	522.8	223.1	23.5	275.6	1,045.0	3,047.1	34.3
1980-81	813.0	326.6	39.7	128.6	1,307.9	3,476.3	37.6
1981-82	980.4	478.9	54.1	120.4	1,633.8	3,970.1	41.2
1982-83	868.4	459.8	42.1	42.5	1,412.8	3,747.1	37.7
1983-84	836.7	422.5	21.2	52.3	1,332.7	3,754.3	35.5
1984-85	718.9	422.7	20.8	59.5	1,221.9	4,389.9	27.8
1985-86	657.6	369.6	20.5	29.8	1,077.5	4,263.3	25.3
1986-87	439.2	252.1	11.0	12.0	714.3	3,821.4	18.7
1987-88	500.2	259.8	6.0	10.0	776.0	3,970.8	19.5

* Includes a small percentage (less than 5%) of nonmineral severance taxes.

SOURCE: Executive Budget, various years; Division of Administration revisions for 1985-86; Legislative Fiscal Office revised estimates for 1986-87 (as of February 16, 1987); and Legislative Fiscal Office estimates for 1987-88 based on \$19.25 a barrel oil.

A Louisiana Mineral Stabilization Fund

Louisiana would give up little at this time by pledging excess mineral revenue to a mineral stabilization fund, and it would gain by transforming a highly unpredictable source of revenue into a stable, predictable source. Not only would this action protect the state from sudden or temporary drops in mineral revenues, but also from future windfalls which the state might spend on recurring costs. Just as important, interest earnings on the mineral fund would provide continuing, stable revenues for the state general fund. The state would benefit from a rise in oil prices, but the disruptive effect on state spending experienced in the past would not recur.

Another advantage of a mineral stabilization fund is that it would give impetus to the need to overhaul the state's tax structure. The state would be unable to rely on sudden spurts in mineral revenues to bail it out of financial difficulties and to make up the difference when nonmineral revenues failed to grow. A mineral stabilization fund would preserve

revenues derived from the state's depleting natural resources and allow them to benefit future as well as present generations.

Recommendation

The existing constitutional Louisiana Investment Fund for Enhancement (LIFE) should be converted to a true mineral stabilization fund and its base changed to a static \$700 million—slightly less than the amount estimated to be received in fiscal 1986-87. Any future excess mineral revenues (oil and natural gas severance taxes, royalties, bonuses and rentals) above the \$700 million base should be dedicated to the mineral fund. The principal should not be available for appropriation, but interest earnings from its investment should be placed in the state general fund for appropriation.

The existing LIFE is not a true trust fund since both the principal and interest can be appropriated by a two-thirds vote of the Legislature for any purpose. The current base for determining how much mineral revenue is placed in the LIFE is \$1.085 billion with an inflation factor

applied to allow growth in the base. The present LIFE has little money due to its high base and withdrawal of its principal; its ending balance for fiscal 1985- was only \$36,241.

By setting the base at \$700 million, there would be little initial diversion of mineral revenues which could otherwise aggravate the state's current financial problems.

Any dedications of mineral revenues (including the constitutional dedication of part of the severance tax revenues and royalties to parishes, \$28.3 million and \$33.3 million, respectively, in fiscal 1985-86) should be drawn from the \$700 million base. If dedications were excluded from the base, there might be incentive to add more dedications. Act 35 of the 1986 special session dedicated bonuses for four years to the Fiscal Year 1985-86 Deficit Elimination Fund to pay off a one-year deficit. As with other dedications, this dedication should be taken from the \$700 million base.

One purpose of the mineral stabilization fund is to wean the state from overreliance on mineral revenues; by including dedications in the base and not allowing the base to grow, this would be accomplished. Allowing the base to inflate each year could seriously reduce deposits into the mineral fund or result in no future deposits into the fund.

Had the mineral stabilization fund been in existence in fiscal 1978-79 and later, the state could not have raised its spending to the present level without major tax increases and/or a restructuring of the tax base. Figure 2 depicts the effect on state revenues if all but \$700 million in mineral revenues had been deposited in the mineral fund. Table 2 depicts how the mineral stabilization fund and interest earnings on it would have developed. By fiscal 1981- interest earnings from excess mineral revenues already would have exceeded \$100 million annually.

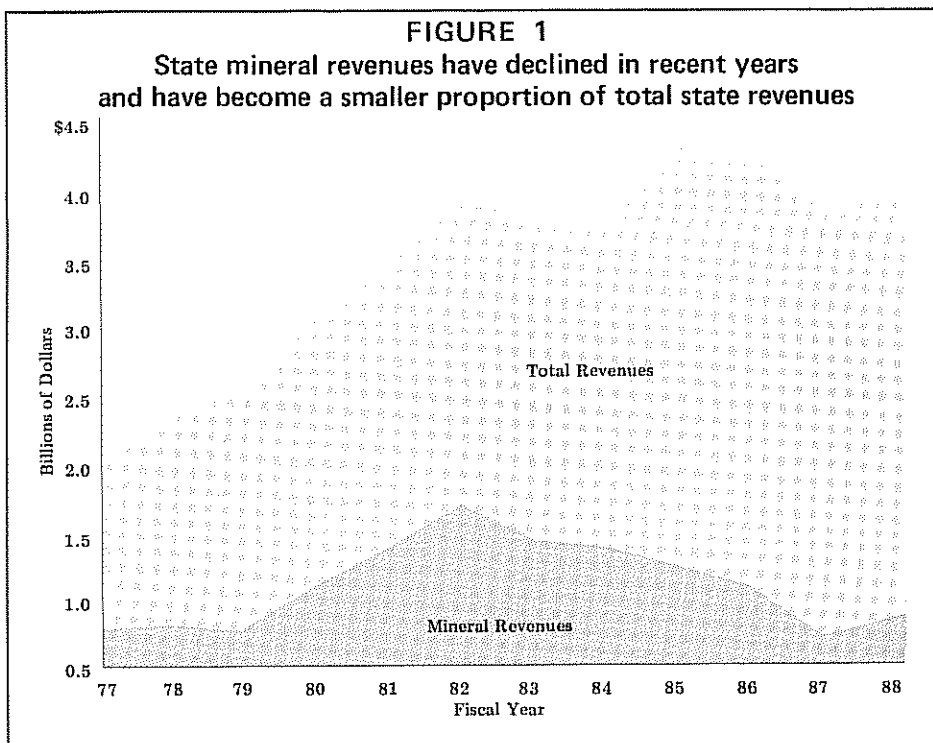
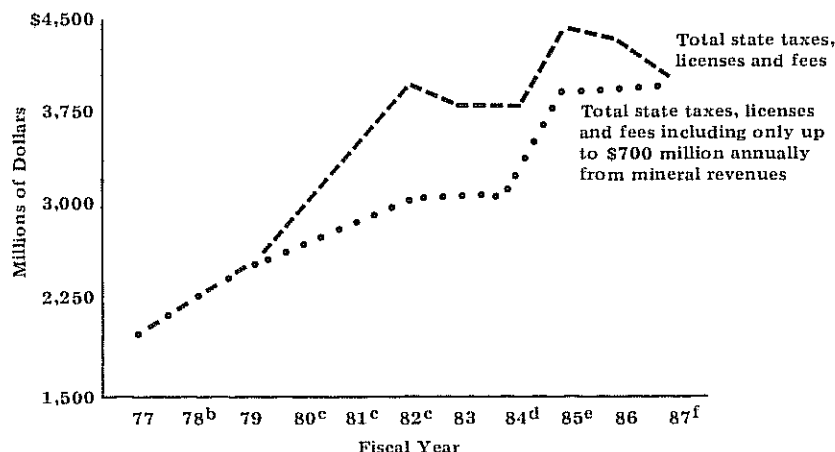


FIGURE 2
A mineral stabilization fund would have slowed Louisiana's increases in spending and revenues in the 1980s^a



a Assuming deposits would have begun in fiscal 1978-79.
b Corporate and personal income tax increase (\$103 million).
c Decontrol effective January 1980.
d Personal income tax increase (\$216 million).
e Major tax package (including 1% sales tax increase) plus personal income tax changes (\$900 million).
f Suspension of 1% of the sales tax exemption (\$185 million).
SOURCE: *Executive Budget*, various years. Division of Administration revisions for 1985-86, and Legislative Fiscal Office estimates for 1986-87.

Two sets of projections using PAR recommendations were developed to determine possible future deposits into the fund from severance taxes and royalties only and subsequent interest earnings. Differences in the projections are due to different rates of decline in oil production. Projection 1, the more conservative with a higher rate of decline in oil production, indicates that with deposits beginning in fiscal 1987-88, by fiscal 1997-98 the mineral stabilization fund could total \$1.2 billion. (See Table 3.) During the same period, annual interest earnings would total \$536 million. Projection 2 estimates that total deposits to the mineral fund could amount to \$1.9 billion by fiscal 1997-98 with annual interest earnings over the period totaling \$723.6 million. (See Table 4.) Again, these projections do not include deposits from bonuses and rentals which would increase the amount placed in the mineral stabilization fund and subsequent interest earnings. They also are based on conservative estimates of revenue growth and interest earnings. The amount

available to be placed in the mineral fund could be considerably higher depending on a number of factors, including changes in oil or gas production and tax rates.

Other Proposals

There have been various other proposals designed to remove mineral revenues in excess of a certain base from the operating

budget. Some of the proposals suggest pegging the base to the price of oil rather than a flat dollar amount as PAR recommends. However, the price per barrel of oil is not the real issue; the issue is the unpredictability of mineral revenues and the inability of the state to respond appropriately to the ups and downs.

Using price as the trigger for the base does not consider the effect of production or tax rate changes, allowing state mineral revenues to continue to be erratic. For example, if a \$22 trigger for deposits were used and oil prices went to \$21 a barrel but production increased, state revenues could grow without any money being placed in a mineral stabilization fund. Similarly, if the price per barrel of oil remained the same but tax rates were increased, more state mineral revenues would be generated without any going into a trust fund. In contrast, use of a flat dollar amount for the base eliminates the impact of production and tax changes while addressing the main issue—the impact of changes in mineral revenues on the operating budget. A flat dollar amount also would be simpler to administer and more precise than an estimate of the price per barrel of oil.

TABLE 2
Interest earnings from a mineral stabilization fund would have been sizeable

Fiscal Year	Annual Deposit to Mineral Stabilization Fund ^a	Cumulative Mineral Stabilization Fund	Annual Interest Earnings ^b
1978-79	\$ 12.8	\$ 12.8	\$ 1.0
1979-80	345.0	357.8	26.8
1980-81	607.9	965.7	72.4
1981-82	933.8	1,899.5	142.5
1982-83	712.8	2,612.3	195.9
1983-84	632.7	3,245.0	243.4
1984-85	521.9	3,766.9	282.5
1985-86	377.5	4,144.4	310.8
1986-87	14.3	4,158.7	311.9

a Includes total revenues from the severance tax, royalties, rentals and bonuses totaling in excess of \$700 million.
b Reflects a 7.5% annual interest rate.
SOURCE: *Executive Budget*, various years; Division of Administration revisions for 1985-86; Legislative Fiscal Office estimates for fiscal 1986-87, and PAR calculations.

Proposals for use of the mineral revenues in excess of a base also have differed. Suggestions have included using the interest earnings on the excess mineral revenues (with the principal placed in a permanent untouchable trust fund) for a specific purpose such as education, economic development or environmental projects or, as PAR has recommended, for general governmental services. Setting the interest earnings aside for a special purpose, however, would likely only result in the interest earnings being used as a substitute for, rather than an addition to, state general funds.

Other proposals are to use the excess mineral revenues themselves for special purposes such as repayment of the accumulating unemployment insurance trust fund debt, early retirement of the state's bonded indebtedness or reduction of the state's unfunded accrued pension liability. These proposals would substitute excess mineral revenues for state funds to finance what have become recurring expenditures. They also would remove some of the pressure for needed reforms in these areas without guarantees that the policies which led to these problems would be corrected. Even when the state received the windfall oil revenues in the early

1980s, it continued to issue large amounts of debt, and the state so far has failed to change the policies that have led to the growing debt of the unemployment insurance trust fund and the growing unfunded liability of the pension funds.

Rainy Day Fund

To lessen the effect of downturns in the state's economy and state revenues, a state rainy day fund has been suggested in pre-filed bills for the 1987 legislative session. It also has been proposed as the recipient of excess mineral revenues and/or interest earnings from their investment.

So-called "rainy day funds" are contingency funds set aside during times of strong economic growth to be spent during periods of weak economic growth or economic decline. The purpose of a rainy day fund is not to resolve an entire revenue shortfall; it can only be counted on to relieve some of the resulting pressures and cushion a transition.

According to a January 1986 survey by the U.S. Advisory Commission on Intergovernmental Relations (ACIR), 28 states have established rainy day funds with nearly all created in the past decade. Florida led the nation with the creation of its Working

Capital Fund in 1959 after that state experienced a major revenue shortfall.

One rationale for a rainy day fund is the desirability of stable state tax rates. A rainy day fund can protect taxpayers from increases in tax rates when revenues decline. Frequent adjustments in tax rates can affect economic development by interfering with planning by businesses and households. Another argument for a rainy day fund is that such a reserve can improve or deter the lowering of a state bond rating.

Yet, a rainy day fund removes some of the impetus for tax reform, economies and evaluation of existing programs when spending exceeds revenue. "Large" undesignated fund balances can be challenged as representing overtaxation of present taxpayers to fund services for future residents. The more than \$4 billion surplus in California's state budget in the 1970s was a key factor in generating support for Proposition 13 which restricted property tax.

The National Conference of State Legislatures (NCSL) Fiscal Affairs and Oversight Committee recommended in 1983 that a rainy day fund comprise at least 5% of total general fund expenditures; however, at the end of fiscal 1984-85, only nine states had met or exceeded this recommendation.

TABLE 3
Projection 1 (lower estimated deposits):
Projected Deposits into Mineral Stabilization Fund and Interest Earnings^a
(In millions)

Fiscal Year	Severance Taxes	Royalties	Total	Annual Deposits To Mineral Stabilization Fund	Cumulative Deposits To Mineral Stabilization Fund	Annual Interest Earnings ^b
1987-88	\$524.0	\$272.0	\$796.0	\$ 96.0	\$ 96.0	\$ 7.2
1988-89	536.9	267.9	804.8	104.8	200.8	15.1
1989-90	537.7	268.9	806.5	106.5	307.4	23.0
1990-91	538.6	269.8	808.4	108.4	415.7	31.2
1991-92	539.6	270.7	810.4	110.4	526.1	39.5
1992-93	540.8	271.6	812.4	112.4	638.5	47.9
1993-94	542.1	272.6	814.7	114.7	753.2	56.5
1994-95	543.5	273.5	817.0	117.0	870.2	65.3
1995-96	545.0	274.5	819.4	119.4	989.7	74.2
1996-97	546.6	275.4	822.0	122.0	1,111.7	83.4
1997-98	548.3	276.4	824.7	124.7	1,236.4	92.7

^a Based on assumptions of \$19 to \$28.12 price per barrel of oil and price of \$1.70 to \$2.42 per MCF for royalties paid on natural gas produced from state lands plus an average annual 3% decline in oil production, 3.5% decline in royalty oil, 4% increase in the price of oil, 3% decline in gas production, 3.5% decline in royalty gas, and 4% increase in the price of gas on which royalties are paid.

^b Reflects a 7.5% annual rate of interest.

Rainy day funds in 11 states amounted to 1% or less of general fund expenditures at the end of fiscal 1984-85. According to NCSL, "Several state officials . . . said that their fund had proven to be too small to deal with the large revenue shortfalls of the early 1980's."

States have established a variety of procedures to determine when and how much money is to be deposited into a rainy day fund. The existing funds use three major methods: a specific legislative appropriation, all or part of surplus revenues (but a lid often is placed upon the amount that can accrue to the fund), or a formula based upon the growth of state personal income.

States mainly use one of two methods to determine when funds can be withdrawn from the rainy day fund: by legislative appropriation, or by an automatic distribution or transfer when a deficit or revenue shortfall occurs. Three of the four states which use a formula to deposit money into the fund use a similar formula to withdraw funds.

Applicability to Louisiana

A formula-driven method for determining deposits based on real (deflated) personal income growth would not work in Lou-

isiana based on an analysis of data for the past 25 years. Louisiana personal income growth has only recently dropped below 0%—the trigger point for withdrawals in the formula states of Ohio and Michigan (Indiana uses a 2% trigger). While Louisiana's mineral-based economy has fluctuations, they are not as dramatic as in a state such as Michigan with a manufacturing base.

Louisiana has had general fund budget surpluses 15 out of the last 20 years. It is not unlikely that this trend will continue. If so, a fund based on a percentage of the budget surplus could be a viable alternative form of funding in Louisiana. However, budget surpluses are unplanned and often have been used to finance capital outlay.

The appropriation method might not work in Louisiana because the Legislature could not be depended upon to appropriate money into a set-aside rainy day fund.

The methods used in other states would ignore Louisiana's dependence on mineral revenues (oil and gas severance taxes, royalties, bonuses and rentals). Louisiana's nonmineral state taxes have had minimal growth in real dollars other than through tax changes, even when real total state personal income grew.

A rainy day fund that would draw monies from these sources would only further depress them. This leads to the conclusion that if a rainy day fund were established, it would need to be tied to mineral revenues.

Recommendation

Louisiana should not establish a rainy day fund at this time.

A rainy day fund would not solve Louisiana's present difficulties nor guarantee that future difficulties would be minimized. Other states with rainy day funds have had deficits and experienced financial problems despite the presence of a rainy day fund. Also, dealing with financial difficulties is a good occasional experience for a state. Many of the reform ideas and questions about the state's funding priorities now being advanced would not have occurred without the current difficulties. The problems with the state's tax structure and funding priorities should be dealt with before a rainy day fund is established.

Spending and Revenue Limits

The effect of a mineral stabilization fund would be to limit state revenues indirectly through

TABLE 4
Projection 2 (higher estimated deposits):
Projected Deposits into Mineral Stabilization Fund and Interest Earnings^a
(In millions)

Fiscal Year	Severance Taxes	Royalties	Total	Annual Deposits To Mineral Stabilization Fund	Cumulative Deposits To Mineral Stabilization Fund	Annual Interest Earnings ^b
1987-88	\$524.0	\$275.2	\$799.2	\$ 99.2	\$ 99.2	\$ 7.4
1988-89	536.9	274.2	811.1	111.1	210.3	15.8
1989-90	546.3	278.5	824.8	124.8	335.0	25.1
1990-91	556.1	282.8	839.0	139.0	474.0	35.6
1991-92	566.4	287.3	853.8	153.8	627.7	47.1
1992-93	577.3	291.9	869.2	169.2	796.9	59.8
1993-94	588.6	296.6	885.2	185.2	982.0	73.6
1994-95	600.5	301.4	901.8	201.8	1,183.8	88.8
1995-96	612.8	306.3	919.1	219.1	1,403.0	105.2
1996-97	625.7	311.3	937.0	237.0	1,640.0	123.0
1997-98	639.2	316.5	955.7	255.7	1,895.6	142.2

^a Based on assumptions of \$19 to \$28.12 price per barrel of oil and price of \$1.70 to \$2.42 per MCF for royalties paid on natural gas produced from state lands plus an average annual 1% decline in oil production, 1.2% decline in royalty oil, 4% increase in the price of oil, 3% decline in gas production, 3.5% decline in royalty gas, and 4% increase in the price of gas on which royalties are paid.

^b Reflects a 7.5% annual rate of interest.

reducing future mineral revenues available to fund the state budget. Eighteen states, including Louisiana, have state tax or expenditure limits in effect, according to ACIR. Four of the states, including Louisiana, have revenue limits while the remaining 14 have expenditure limits. The limits are evenly divided between being statutory or constitutional provisions. In the November 1986 elections, Alaska voters approved the continuation of the state spending limit and Massachusetts voters adopted a revenue limit.

Louisiana has had a statutory state tax revenue limit since 1979 (R.S. 47:5001-5010). The limit has never taken effect since the state revenues covered have not reached the maximum amount allowed. Revenues covered by the limit are sales and use, income, gift, inheritance, excise, property, license, corporation franchise, and other taxes, charges and fees. A substantial portion of state revenue is specifically excluded from the limit, namely royalties, severance taxes and self-generated funds, interagency transfers and federal funds. The limit is equal to the percentage resulting from dividing state tax revenues for fiscal 1978-79 by the state personal income for calendar 1977. The maximum state tax revenue allowed under the limit for a fiscal year is equal to the state tax revenue limit multiplied by state personal income for the calendar year prior to the calendar year in which the fiscal year begins. Any excess received above the maximum revenue allowed is to be placed in a Tax Surplus Fund and used for tax refunds. The maximum state tax revenue allowed under the limit for fiscal 1985-86 was \$3,687,975,000 compared to actual revenues of \$2,814,218,242. The revenue limit for fiscal 1986-87 is \$3,788,475,000.

Justifications for Limits

The purpose of limits is to control the growth of government.

Revenue limits do so by restricting the amount of revenues available to a government to spend, while spending limits place restrictions on the level of spending.

Limits are portrayed as forcing public policymakers to live within a certain level of income or spending. Proponents claim that efficiency, productivity and the setting of priorities are encouraged. A limit may stop a government from increasing its spending to match a temporary large rise in revenues. If the limit is tied to growth in the state's economy, it keeps the growth in spending, or revenues, in line with changes in the economy and taxpayer ability to support a higher level of public spending. Limits also are espoused on the basis that they reduce political pressures on lawmakers and protect the public from special interests by making it easier for elected officials to say no to special interests.

Limits are criticized as diminishing the role of elected officials and the concept of representative government. They imply that legislators do not hold the overall public interest superior to special interests. A limit may encourage spending up to its ceiling. It can hinder a government's ability to make court-mandated expenditures or to match federal funding in federally mandated programs. Limits can restrict the ability of a state's revenues and spending to grow with the economy and hinder state fiscal flexibility. Limits require that funding for new programs be obtained by reducing funding for existing programs or by raising taxes to keep funding for both new and existing programs, whether or not the existing programs are good or bad. A major shortcoming of limits is that they do not require a government to reduce its spending when revenues fall and, in fact, several states with limits have experienced deficits. Finally, other means to restrict excess government growth exist, such as a balanced budget

requirement, long-range planning, or a prohibition on deficit spending.

States' Experiences With Limits

"The great majority of these (revenue and spending) limits have not been restrictive at all since they were adopted," according to a 1986 NCSL report. This was due to states cutting tax rates and to recessions occurring in the early 1980s, thereby depressing revenue growth. Michigan, Missouri and California recently have come closest to reaching their limits. Oregon has not reached its spending limit, but a requirement that income tax credits be given when revenues are 2% above the official revenue estimate has been triggered. Taxpayers received such credits at the end of the 1983-85 biennium.

However, as federal aid decreases, state spending from own sources will increase which may trigger some limitations.

Limits on Specific Taxes

Limits on specific taxes, such as those on property tax rates, restrict specific components of a state's financial structure rather than set the amount that can be spent or received. They are considered to be more effective than general spending or revenue limits. Limits on specific taxes may affect tax rates, exemptions, classifications, income tax indexation or property tax rollbacks.

Louisiana's constitution sets limits on some state taxes. The constitution restricts to five and three-quarter mills the state property tax rate (a state property tax presently is not levied) plus restricts its base by providing for a \$75,000 homestead exemption and a property classification system. State personal income tax rates are constitutionally prohibited from exceeding rates in effect January 1, 1974, and federal taxes are required to be allowed

as a deductible item for both personal and corporate income taxes. The constitution sets the motor vehicle license tax on late automobiles at \$3 (Article VII, Sections 4, 5, 18-20).

The constitution also contains a general restriction on tax increases. To levy a new tax, increase an existing one or repeal an existing exemption requires legislation enacted by a two-thirds vote of each house of the Legislature (Article VII, Section 2). Legislation increasing or enacting a tax can only be considered in a regular session held in an even-numbered year or any time in a special session (Article III, Section 2).

Recommendation

Louisiana should not use a spending or revenue limit to manage its finances, and the current state tax revenue limit should be repealed.

State limits have not proven to be particularly effective and the arguments against a limit outweigh those for one. A limit implies that an optimum spending level for a state is identifiable but sets the amount through some subjective measure. Other factors tend to work to limit a state's spending more effectively, such as changes in the economy and a state's tax structure.

CONCLUSION

Past overreliance on mineral revenues and their erratic nature has contributed significantly to the state's fiscal crisis. State spending increased to match the temporary rise in state mineral revenues in late 1979 and the early 1980s, but the present level can no longer be sustained by those revenues. The same situation is likely to recur when mineral revenues begin to grow again unless their impact is defused.

Establishment of a mineral stabilization fund would allow the state to avoid future financial crises due to unforeseen and unpredictable fluctuations in the price of minerals. The fund would remove the negative impact of these revenues on the state budget while providing a predictable and continuing source of revenue from interest earned on investment of the fund.

Two other methods used in state fiscal management, rainy day funds and spending or revenue limits, would not address the primary cause of the state's financial problems. Rainy day funds actually can delay a state's tackling its problems by tiding it over initial difficulties. Limits are an arbitrary means of restricting state finances which can be controlled through other mechanisms, such as balanced budget requirements, restrictions on deficit spending, accurate revenue estimates and a responsive tax structure.

Financing Louisiana's Future PAR Special Project

Six months ago, PAR undertook a study of major issues of long-term importance critical to Louisiana's governmental and economic future. A series of reports analyzing these issues and providing specific solutions to problems is now being prepared for release. This report, "Stabilizing State Mineral Revenues Critical," is the second of the series.

In 1987 citizens will decide on the state's new policymakers—the governor, other state officials and legislators. It is imperative that the candidates address these essential issues and solutions so that they can be judged by their stance on them. Statewide discussions and active debate over these issues will have a significant impact on our future.



Public Affairs Research Council of Louisiana, Inc.
300 Louisiana Avenue • P.O. Box 3118
Baton Rouge, Louisiana 70821 • (504) 343-9204

Non-Profit Org.
U.S. Postage
PAID
Baton Rouge, La.
Permit No. 330

RETURN POSTAGE GUARANTEED

PAR EXECUTIVE COMMITTEE

Dr. William L. Senn, Jr., Chairman of the Board

Harry McCall, Jr., First Vice Chairman

Tom Brown, Secretary

Dan Borne', Treasurer

Charles E. Brown	J. D. Carona	Duane Cowart	George Crain, Sr.	Robert N. Davidson	Jay Handelman	
Tommy James	Brian Kendrick	Roy O. Martin, Jr.	W. J. Noel, Jr.	Sam M. Poole	Jack T. Robinette	Errol Savoie
Leslie J. Story	James E. Taussig II	William F. Terbot	Roland M. Toups	Billy R. Vehnekamp	D. Brent Wood	
Mark C. Drennen, President						