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Budget Debate Focuses on Education

House Budget Pits Education Programs Against Each Other

The state budget crafted by the Louisiana House steers new money to public school programs at the expense of early childhood education, while maintaining the governor's push to grow spending on state prisons and police.

Some public school teachers would receive short-term pay hikes, though not all are guaranteed to receive the increases. The state would pay for nearly 2,000 fewer children to access early learning programs. State troopers would get raises, as would many of the [governor's cabinet secretaries](#). Road and bridge work would receive new funding. And \$50 million would flow to legislative earmarks that received no public discussion or vetting.

The Public Affairs Research Council of Louisiana appreciates that Gov. Jeff Landry and House leaders are budgeting with an acknowledgment of next year's fiscal cliff, trying to pay down debts and limit some government growth ahead of the expiration of the 0.45% temporary state sales tax. They also are rightly using much of the state's short-term cash — though unfortunately not all of it — on one-time expenses.

But PAR was disheartened to see that the budget proposes to cut early childhood education, contains no new money for coastal protection and includes [yet another round](#) of pet projects.

The state operating budget passed unanimously in the House would allocate \$41 billion in the financial year that begins July 1, a drop of \$3.7 billion compared to the current year, mainly because of the loss of federal pandemic assistance and disaster recovery money. The full package of budget bills — which includes spending on legislative and judicial agencies, state construction and other ancillary departments — totals nearly \$48 billion.

Spending Comparison

Budget	Current Year	Next Year
State operating budget	\$44.7B	\$41B
Legislative agencies	\$127.2M	\$130M
Judicial agencies	\$198.5M	\$207.8M
Construction budget	\$3.3B	\$2.8B

Source: House Fiscal Division

Lawmakers also have a \$325 million surplus from the prior budget year and \$398 million in unspent cash from the current year because of better-than-expected tax collections and other financial adjustments. They allocated that money in the package of budget bills.

Competing Education Priorities

The House budget proposal would increase some education spending, to account for increases sought by the Board of Elementary and Secondary Education for the K-12 public school financing formula. The \$4.1 billion formula would grow by \$71 million, with extra money steered to tutoring, student apprenticeship programs and targeted stipends for teachers in high-need areas.

Public school teachers and support staff, such as teacher aides and cafeteria workers, would receive less money — and a stipend they are receiving this school year won't become a permanent pay raise, despite prior legislative pledges.

Lawmakers in the House allocated \$166 million for stipends for teachers and support workers, less than the \$198 million allocated in the current year to give teachers each \$2,000 and support workers \$1,000. In addition, the dollars next year wouldn't be divided in across-the-board payments but would be left to school districts to determine their use on pay supplements.

PAR supports efforts to steer education dollars to areas with greater teacher shortages or fewer resources. However, taking away dollars that all teachers have been receiving weakens recruitment and retention.

To make the math work for K-12 education, the House cut \$24 million from a program that provides high-quality child care and education for children up to age 3, assistance that allows parents to maintain employment or attend school. Spending on such programs is critical to improving the long-term outcomes of Louisiana's students and, therefore, the trajectory of the state. The program has a waiting list of thousands of families, and the cut would strip funding for an estimated 1,950 children.

House leaders expect state income projections to increase next month and the Senate to restore the money to early childhood education. PAR hopes this expectation becomes reality when senators make their own changes to the budget proposal. Meanwhile, questions remain about whether lawmakers allocated enough money to fully cover the K-12 funding formula even with the increase.

Another troubling development involves the Early Childhood Education Fund, an incentive account that provides a dollar-for-dollar match for local spending on early learning programs. That encourages parish and municipal governments to find ways to generate their own money for the important purpose.

The fund doesn't contain enough money to provide the needed match for local government early childhood programs in future years, and the House proposes to make the problem worse by allowing the state's LA 4 program that provides preschool to 4-year-olds to tap into the fund. The House budget doesn't propose to use the early childhood fund for the LA 4 program in the upcoming year, but language broadening the use of the fund could undermine its purpose and discourage local investment in early learning programs. Other dollars should pay for LA 4, not this fund.

Higher education isn't proposed for any permanent financing increases, though public colleges and research institutions would get \$28 million in one-time cash for their initiatives. TOPS would fully cover all students for the free college tuition program.

Increases for Corrections and State Police

The House budget proposal boosts spending on the Department of Corrections, the Louisiana State Police and the court system, [as requested by Landry](#) to pay for plans to enact harsher penalties and prison sentences for crimes; expand state troopers' presence in New Orleans; hold two cadet classes to increase the ranks of troopers; and increase the use of specialized drug courts. State troopers would get pay raises.

The Department of Corrections also would get \$8.5 million for its ongoing update to the department's offender management system. This work includes an [important pilot program](#) using an online web portal for parish sheriffs and clerks of court to submit documents needed to calculate the release dates of those in custody. PAR hopes the work to expand the online web portal statewide accelerates to address a years-long problem of keeping state inmates in prison beyond their release dates.

Some of Louisiana's short-term cash would be sent to crime labs to help address backlogs while other dollars would go to security work at juvenile prison facilities.

Surplus Spending Priorities

The Louisiana Constitution requires one-quarter of any state surplus, about \$81 million from the latest surplus, to be deposited into the state's "rainy day" fund. Another 10% of the money, or \$32.5 million, must go to pay down retirement debt.

The remaining \$211 million can be spent on construction projects, building maintenance, debt payments and coastal protection work. House lawmakers decided to allocate the money to construction projects for state agencies, higher education, roads, bridges, levee districts, municipalities and ports.

While those projects are worthwhile, PAR had hoped lawmakers would steer some portion of the money to coastal protection and restoration work. While a trust fund for those efforts currently has significant sums, that money is nowhere near the amount needed to fulfill the state's coastal master plan. Worsening the problem, the lion's share of recurring money used on such work will dry up within a few years, and the state's surpluses are expected to shrink as well. Stockpiling some money now would help lessen the problem.

Other Budget Plans

Louisiana's Department of Health would spend \$1.6 billion less next year in the House budget proposal after the Medicaid program resumed eligibility checks that were suspended during the pandemic. Medicaid enrollment fell from a height of more than 2 million people in 2023 to fewer than 1.8 million in March. Medicaid is jointly financed by the state and federal government. Though overall Medicaid spending will decrease, Louisiana will have to pay more of its state

Last Year Surplus

"Rainy day" fund	\$81M
Higher education projects	\$49M
State highway program	\$40M
Retirement debt	\$33M
State agency projects	\$36M
Local government projects	\$20M
Levee districts and ports	\$18M
State building maintenance	\$13M
Other construction projects	\$36M
Coastal protection	\$0

Source: Legislative Fiscal Office

general fund money for the program next year because enhanced Medicaid payments from the federal government for COVID-19 have ended.

Reversing a decision of the Landry administration, lawmakers in the House added the \$3.7 million in state spending required to draw down more than \$70 million in summer food aid for children. But it's unclear if the money will arrive in the summer or later in the year because of administrative delays.

A program to help Louisiana residents harden their roofs against storms would get a new influx of cash for grants. Short-term money would pay off some outstanding hurricane and storm response debts. The agriculture department would get money to pay for its expenses for battling last year's wildfires.

The budget heading to the Senate continues the unfortunate trend of lawmakers earmarking millions for favored projects back home. The \$50 million added for those projects is significantly less than the \$191 million lawmakers allocated last year, but that may be more a function of the amount of money available to the Legislature than anything else. Lawmakers selected the projects behind closed doors in a political process with no semblance of transparency and no obvious prioritization based on statewide need.

As the Senate begins its work on the budget, PAR hopes lawmakers will continue to be mindful of the budget shortfalls looming in future years, reverse the cut to early childhood education and think of statewide needs rather than parochial ones.

Current Year Add-Ons

State road and bridge program	\$84M
Legislative pet projects	\$50M
Corrections expenses	\$48M
Disaster closeout expenses	\$40M
Higher education programs	\$28M
Agriculture dept. wildfire response	\$15M
Fortify Homes Program	\$15M
Juvenile justice security	\$11M
Voting system replacement	\$10M
Economic development projects	\$10M
Crime labs	\$7M
Domestic violence shelters	\$7M
State park repairs	\$7M
Other items	\$66M

Source: Legislative Fiscal Office/budget bills