

June 13, 2025

## 2025 Session: Loosening Ethics Laws

*Recent tax changes tweaked without lessening rates, ethics enforcements and records access undermined in legislative session*

Louisiana lawmakers shut down their two-month regular session after finishing work on a budget that includes record levels of spending and takes sizable sums of money out of a state savings account for infrastructure projects.

The House and Senate spurned Gov. Jeff Landry's key budget proposal to grow a new voucher program for K-12 students, and they jettisoned efforts to significantly cut taxes amid [state and federal fiscal uncertainty](#).

Beyond finances, the session that ended Thursday saw the erosion of ethics and public records laws, continuing an unfortunate trend this term of diminishing statutes that promote accountability and transparency in government.

### THE GOOD

Budget balanced with teacher stipends continued

Ethics complaint confidentiality maintained

More money invested in roads, bridges, infrastructure

New Orleans-area levee board nominating process maintained

### THE BAD

Ethics code damaged, undermined

Information on public officials shielded without debate

Staggering sums spent on pet projects

### THE VERDICT'S STILL OUT

Government agencies heavily reorganized

Laws changed to try to lessen insurance rates

More amendments head to voters

Efforts to shrink Louisiana's soaring auto insurance rates by lessening lucrative potential payouts for car accidents reached the governor's desk. Several government agencies were reorganized at Landry's request. The TOPS college tuition program was expanded to more generously reward high-performing students. Plans to transfer the University of New Orleans from the University of Louisiana System to the LSU System were approved.

As the final hours of the session wound down, senators rebuffed Landry's last-minute push to prohibit pharmacy owners from also owning pharmacy benefit management businesses that negotiate drug prices. But they did pass a constitutional amendment in which voters will be asked to give lawmakers authority to sidestep the civil service system and create government jobs without those protections aimed at lessening political interference.

The Public Affairs Research Council of Louisiana applauds lawmakers’ passage of billions of dollars in budget bills without the frantic, last-minute rush of some years that left the public and lawmakers unable to determine what was included. A new constitutionally required 48-hour waiting period forced the slowdown of the process, but legislative leaders also negotiated the final financial terms in advance, making passage smoother.

PAR is disappointed, however, in the continued attack on the state’s sunshine laws and the massive amount of money earmarked to legislators’ favored local projects without any obvious prioritization and vetting process.

*Budget and Taxes*

The House and Senate enacted a \$46 billion state operating budget for the 2025-26 financial year that begins July 1 and spent billions more in short-term cash and money diverted from a state savings account.

Lawmakers continued for a third year the \$2,000 stipends that public school teachers and the \$1,000 stipends that school support workers have been receiving, a nearly \$200 million expense that Landry didn’t include in his original budget proposal.

They also agreed to keep funding a \$30 million intensive tutoring program for young students in public schools and a separate \$17 million allocation to provide targeted stipends to teachers in high-need areas.

The budget left out \$50 million Landry sought for the voucher program he and lawmakers created last year, an [education savings account program](#) called LA GATOR. It will allow parents to use state tax dollars to pay for private school tuition, homeschool materials or other education expenses outside of the public school system. Instead, legislators shifted \$44 million from a prior voucher program that has been eliminated to continue paying for those 6,000 students to attend private schools, without adding any new students.

Lawmakers set aside \$20 million to help UNO, which is struggling with steep enrollment declines, to pay off some of its debts. They also created and financed a new award level in the TOPS program for students who score a 31 or higher on the ACT college entrance exam to receive more money to help cover their costs.

**Spending Comparison**

Budget	Next Year	Current Year
State operating budget	\$46B	\$42.9B
Legislative agencies	\$129.3M	\$133.7M
Judicial agencies	\$215.1M	\$208.5M
Construction budget (cash)	\$3.8B	\$3.4B

The budget will increase the per-day rate paid to parish sheriffs to house state inmates in local jails, for an annual increase of \$17 million. Legislators set aside more dollars for a program that provides grants to buy fortified roofs that harden homes against possible storm damage.

Source: Legislative Fiscal Office, budget bills

The Medicaid program will grow by \$3 billion, increasing payments to hospitals, doctors and nursing homes that care for Medicaid patients, with much of the increase financed by federal dollars, even as Congress debates cutting the program.

The total state budget when including separate spending bills to finance legislative, judicial and other ancillary agencies tops \$53 billion, according to the nonpartisan Legislative Fiscal Office.

Beyond crafting next year's budget, the House and Senate allocated \$1.1 billion in short-term cash on infrastructure projects, debt payments, a required savings account deposit and other agency requests. The dollars come from a surplus left over from last year, previous forecast adjustments and state money that agencies didn't need because they found other funding sources or had fewer expenses than expected.

Unfortunately, lawmakers used \$130 million of the money on legislative pet projects in individual districts – earmarks selected behind closed doors and without any prioritization based on statewide need.

For a second year, the Legislature took money out of the Revenue Stabilization Trust Fund, a savings account that receives corporate and oil and gas-related taxes when collections are high.

This time, lawmakers removed \$1.2 billion, using more than \$700 million to pay for road, bridge and other infrastructure projects. Other dollars will go to economic development initiatives, water system upgrades, college campus maintenance, computer improvements for the Office of Motor Vehicles and additional items.

#### Uses of Revenue Stabilization Trust Fund

\$709M	Road, bridge, other infrastructure work
\$273M	Economic development projects
\$75M	Water and sewer system improvements
\$43M	Deferred maintenance, projects on college campuses
\$43M	Technology modernization and security upgrades
\$24M	Office of Motor Vehicles technology improvements
\$23M	Equipment, projects for justice system, first responders
\$10M	Voting system replacement fund
<b>\$1.2B</b>	<b>Total</b>

Source: Legislative Fiscal Office, budget bills

The trust fund will contain \$2.6 billion after the withdrawal.

Since the Legislature [rewrote the state's tax structure](#) only a few months earlier, senators rejected House-backed efforts to cut the personal income tax and state sales tax rates each by 0.25%. They also rebuffed most new tax breaks, at least any with large price tags.

They refused to extend a state tax credit for businesses who pay property taxes on their inventory. But voters will get another shot at deciding if parishes can choose to abolish their inventory tax or lessen the tax charged.

Senate leaders urged fiscal caution because economists have warned it could take a year or longer to determine how the package of tax changes adopted in a November special session will affect the state treasury. Plus, the uncertainty increases with questions about White House and congressional efforts to shrink federal financing to states.

PAR appreciates that lawmakers largely acted with prudence in their approach to taxes amid the extensive unpredictability.

Some financial decisions will go before voters in April 2026.

After voters in March rejected a sweeping rewrite of the budget and tax section of the Louisiana Constitution, lawmakers proposed to break up key pieces of that constitutional amendment and run them individually on the ballot. Only two proposals won support.

If approved by voters next year, one amendment would dissolve three education trust funds, use the money to pay down retirement debt and funnel the savings into K-12 teacher pay. The other would try to move parish governments away from inventory taxes by offering them one-time financial payments to end the tax or giving them the ability to lessen the tax.

### *Government Transparency and Oversight*

The legislative session continued to whittle away at sunshine in government, an unfortunate recent trend that is the wrong message to send in a state with as problematic a reputation for political shenanigans and corruption as Louisiana.

Lawmakers, backed by Landry, enacted wholesale rewrites of the ethics code and campaign finance laws that will make it harder for the Louisiana Board of Ethics to investigate and prosecute violations and will lessen transparency. They also undermined Louisiana's public records laws, shielding more information from public view.

The ethics rewrite will add new hurdles for many parts of the investigation process and give someone accused of a violation multiple ways to try to stymie a case to run out the clock on when charges can be filed. The bill also narrows the financial disclosures required of public officials, adds new exceptions on conflict-of-interest rules and eases other ethics restrictions on elected officials and state workers.

Supporters said the Board of Ethics often pursues public officials accused of the most minor infractions with an outsized intensity and without the acknowledgment that even the hint of an ethics charge can damage a political reputation.

PAR understands the concerns and agrees that some ethics code adjustments were in order. But the bill skews the law too far in favor of public officials accused of misconduct.

The extensive restructuring of laws governing the spending and disclosure of the money candidates, political parties and others raise for politicking adds similar hurdles for the ethics board to investigate campaign finance violations. It also changes disclosure rules in a way that may make it easier for candidates and their political committees – but that will make it harder for the public to know how dollars are being spent on political activity. Fewer expenses will have to be publicly reported.

These overhauls to ethics and campaign finance laws come after lawmakers enacted changes last year that now allow the governor and legislators to appoint members to the Board of Ethics directly, removing a process that required board appointees to be vetted and recommended through Louisiana's private colleges.

Meanwhile, the Senate slipped in a last-minute amendment to a bill that will add all statewide elected officials, state lawmakers and members of the state's utility regulatory agency, the Public Service Commission, to a list of "protected individuals" who can shield a long list of information from the public.

The provision has the potential for unnecessary secrecy, misuse and political retribution.

The information that could be hidden includes an official's home address, home telephone number, cellphone number, personal email address, social security number, driver's license number, federal tax ID, bank account and credit card information, license plate number, marital records, birth date, church or other place of worship, children's school or daycare center and workplace for a spouse or child.

The law allows those included in the protected individual list to ask anyone to take down such information from publication. If it isn't removed, the official can seek legal action against the person who posted the information. Those found in violation of the law could be convicted of a misdemeanor crime that carries a penalty of up to 90 days in jail and a fine up to \$1,000.

While secrecy for some personal information makes sense, the list is overly broad, and the possibilities for misuse are significant. The law could easily be exploited to silence an elected official's critics and hide unsavory information – such as conflicts of interest if officials steer tax dollars or contracts to their churches, their spouse's company or their child's workplace, for example.

The law originally was crafted because of security concerns for judges, court officials and district attorneys. It was not intended for the dozens of other elected officials now included.

The proposal got no debate in the Senate or House. Because it was added on the Senate floor in one of the last steps before final passage of the bill, the public couldn't testify on this far-reaching measure, and lawmakers were unable to vet the real-world implications. It was not a shining moment for transparency in government.

Still, things could have been even worse.

The ethics and campaign finance bills, written with heavy input from an attorney representing Landry in an ethics dispute, were reworked throughout the session to mitigate some of the worst parts of the early proposals.

A bid to give the governor more direct control over appointees to a New Orleans-area levee board and undo hard-fought reforms enacted after Hurricane Katrina was defeated. Instead, only minor board changes were made. Requirements that most board members have hydrological, engineering or other professional experience were maintained. But efforts failed to reverse last year's law that politicized the levee board by giving the governor power to choose the chair.

The Senate also stalled an ill-conceived proposal that could have greatly discouraged the filing of complaints about potential ethics violations across government.

*Research provided by the Public Affairs Research Council of Louisiana. For more information, please call 225-926-8414 or visit [www.parlouisiana.org](http://www.parlouisiana.org).*

The failed bill would have removed confidentiality and required the name of the person who filed an ethics complaint to be released to the person accused of the violation. In other words, a worker trying to reveal wrongdoing by a boss or public official would have been outed, chilling the likelihood that person would want to come forward at all. The bill additionally would have unnecessarily limited the types of investigations the ethics board could conduct. Ethics board members and PAR successfully urged defeat of the measure.

In a positive moment for transparency, lawmakers backed a bill requiring the ethics board to broadcast its public meetings and archive them online, so more people can view them.

### *Government Operations*

The Landry administration and lawmakers continued efforts to reshape state government, across more than a half-dozen departments.

The House and Senate agreed to continue an ongoing restructuring of Louisiana's economic development department. They moved the Governor's Office of Homeland Security and Emergency Preparedness from a standalone agency to one overseen by the Military Department and the state's adjutant general. They reorganized and renamed the Department of Energy and Natural Resources, which will become known as the Department of Conservation and Energy.

Meanwhile, the Department of Children and Family Services will shrink, with many of its current social services programs transferred to the state's labor department.

The Louisiana Workforce Commission, which will be renamed Louisiana Works, will take over management of the Supplemental Nutrition Assistance Program (formerly known as food stamps) and of the Temporary Assistance for Needy Families program, which provides direct financial aid to families in poverty and pays for an array of assistance programs.

The changes were designed to support a "one door" approach to streamline assistance for those in need. When the transition is complete in October 2027, the Department of Children and Family Services will only retain its child welfare programs, such as child protective services, oversight of foster children and adoption placement services.

One of the governor's stated priorities heading into the legislative session was an overhaul of Louisiana's Department of Transportation and Development to try to speed road and bridge projects that currently take years, sometimes decades, to complete.

The package of bills will create a new Office of Louisiana Highway Construction to manage maintenance and construction projects for highways that aren't eligible for federal aid, largely rural roads. The office will be placed in the governor's Division of Administration, rather than DOTD. It's unclear what cost the added agency will carry for the state.

The transportation department will face other internal restructuring, will be encouraged to search for innovative ways to do projects and will be pushed to maximize the use of privatized services performed by contractors. Lawmakers also required the department to establish an online searchable database for residents to monitor the status of road, bridge and other infrastructure projects around Louisiana.

Senators, however, scrapped efforts to forbid the use of gasoline and other fuel tax money to pay department salaries, citing the hefty cost to the state's general fund if enacted.

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PAR hopes the extensive reorganization efforts modernize the way Louisiana delivers services to taxpayers and yield improvements to government programs.

### *Other Issues and Next Steps*

In one of the more contentious early issues of the session, lawmakers took steps they said could lower Louisiana's skyrocketing automobile insurance rates.

They banned handheld cellphone use while driving, with exceptions, and required a premium discount for commercial vehicles that use dashboard cameras. They enacted new limits on how much drivers without car insurance or responsible for a crash can recover in lawsuits involving accidents; what jurors can review and know in deciding accident lawsuits; and other so-called "tort reform" measures.

At the urging of Landry, the House and Senate gave Louisiana's insurance commissioner more authority to reject rate increases in a bill that provoked sharp disagreement between the governor and Insurance Commissioner Tim Temple.

Landry said the bill, which he has signed into law, will give the commissioner more authority to hold insurance companies accountable for rate hikes. Temple said the change gives a commissioner the ability to arbitrarily reject justified rate increases in a way that could discourage companies from doing business in Louisiana.

On elections, lawmakers agreed to adjust the procurement process to get a new voting system and replace machines that are decades-old, hoping the changes will ensure work to get a new system stays on track. The legislation will allow the secretary of state's office to receive sealed proposals from vendors or invite specific companies to negotiate for the possible contract. It also shortens the time for vendors who aren't selected for the contract to challenge the decision.

Lawmakers also agreed to expand the authority of the attorney general, giving the office explicit authority to intervene in any lawsuit if the attorney general believes that will protect the state's sovereign interests. They also prohibited any state or local government agency from entering into a federal consent decree without the approval of both the governor and attorney general if the settlement terms have long-term binding obligations.

Voters will decide six constitutional amendments proposed by lawmakers for the April and November 2026 ballots.

In addition to the inventory tax and education trust fund proposals, voters will be asked to raise the mandatory retirement age for judges; create a new breakaway school district in East Baton Rouge Parish; tweak the eligibility rules for those who can freeze the value of their homes for property tax payments; and give lawmakers ability to sidestep the civil service system for jobs.

For most bills passed this session, lawmakers are awaiting decisions from Landry, who can use his veto pen to reject bills or strike out individual spending items from the budget.

And they're waiting to hear when and if Landry will call a special session to revisit the pharmacy benefit management bill that the governor unexpectedly pushed in the last two days of the regular session but that was shelved by the Senate.