
Jan. 27, 2025

Another Budget Cycle, Same Education Fight

Governor again seeks to boost spending on education vouchers and faces resistance

With his latest budget proposal, Gov. Jeff Landry is restarting what appears likely to be an annual debate of whether and how to expand Louisiana's education voucher program.

Again, he's hitting resistance.

The governor's \$46.9 billion spending plan, released to lawmakers Friday, would keep most state programs and services operating at their current levels – with some notable exceptions.

Landry seeks to grow staff for and spending on the state adult and youth prison systems, to add more money for economic development efforts and to double the money allocated to the new voucher program that lawmakers created in 2024, called LA GATOR.

At the initial hearing outlining the budget proposal, only the LA GATOR money saw pushback, previewing a return to the debate that stalled a similar growth proposal last year.

The multibillion-dollar spending plan for the 2026-27 budget year that begins July 1 shows the first significant costs for Louisiana's treasury from the One Big Beautiful Bill Act, the massive federal tax and spending bill passed last year by Congress.

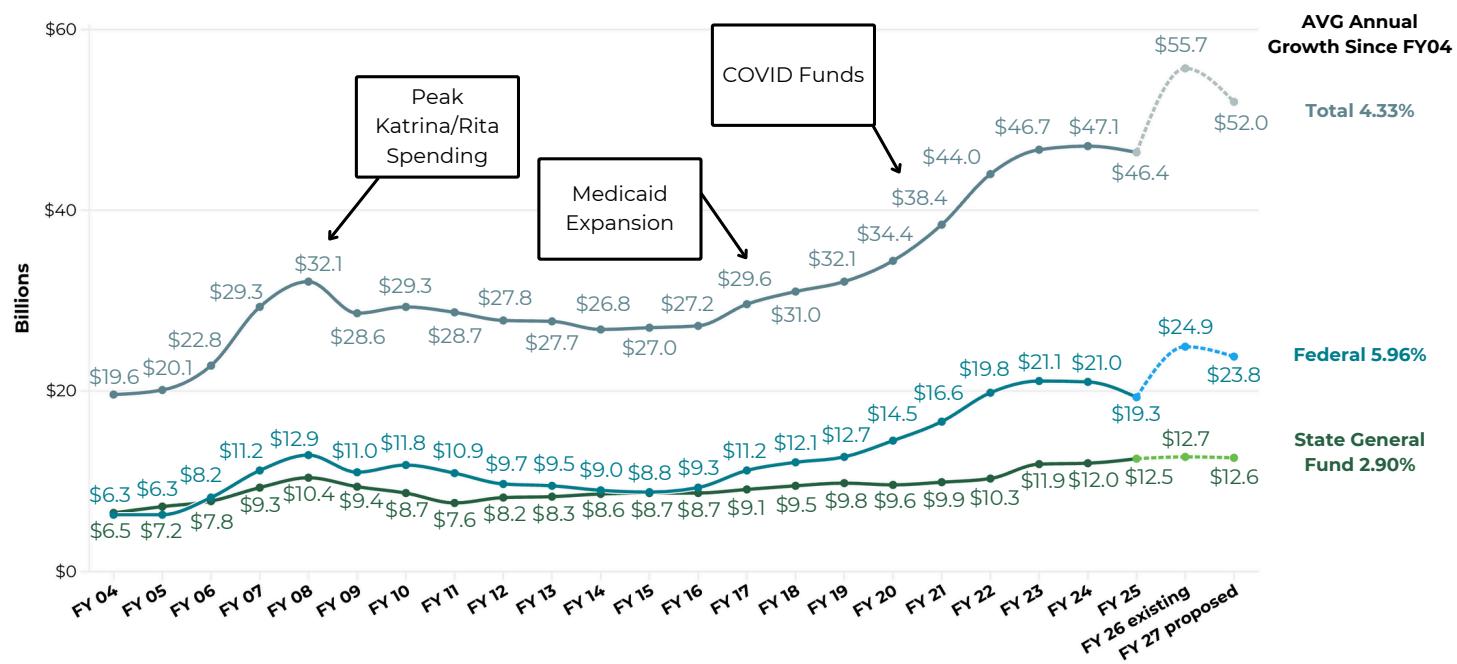
While the upcoming budget year offers few financial difficulties for the governor and lawmakers, unpredictability continues for the future amid national economic headwinds, planned federal spending cuts and state tax changes that continue to roll out in phases.

As always, the Public Affairs Research Council of Louisiana recommends the administration and Legislature use caution when growing expenses or creating new programs. Such an approach is even more urgent as the potential state costs tied to the One Big Beautiful Bill Act are expected to increase in the future while the flexible state general fund dollars available to lawmakers are forecast to decline at the same time.

The Republican governor's budget recommendations would shrink spending from \$50 billion in the current year.

The \$3 billion decline is largely tied to the disappearance of one-time state dollars that lawmakers removed from a savings account to spend on infrastructure projects, maintenance work, debt payments and other earmarks. In addition, some federal dollars are disappearing from the budget.

Historical Spending



Source: Louisiana Division of Administration
(Spending totals include double counting of some dollars that flow through multiple agencies.)

Education Spending

Once again, Landry's push to increase spending on the education voucher program appears likely to become the most contentious part of the budget debate. He's proposing to add another \$44 million to LA GATOR, doubling its cost to nearly \$88 million.

The education savings account program allows parents to use state tax dollars to pay for private school tuition, homeschool materials and other education expenses outside of the public school system.

The governor sought similar funding levels for the program last year, but lawmakers only agreed to shift \$44 million from a prior voucher program that paid for students to attend private schools. About 5,700 students are receiving assistance through the LA GATOR program, according to data from the Louisiana Department of Education, and about 90% of those students were in the prior voucher program that has since been eliminated.

Legislative leaders, particularly in the Senate, have raised concerns about the ability to afford rapid program expansion, the guidelines for how parents can use the money and the possibility they'd be paying for children who already were attending private schools.

Meanwhile, Landry did not include nearly \$200 million that lawmakers have allocated for the last three years to give \$2,000 stipends to public school teachers and \$1,000 stipends to school support workers. Instead, the administration is hoping voters in May will approve a constitutional amendment that would dissolve three education trust funds, use the money to pay down retirement debt and funnel the savings into K-12 public school pay.

The TOPS college tuition program would be fully funded at \$286 million to cover all eligible students, including those high-performing students who are receiving the new Excellence Award level lawmakers created last year.

The budget plan would add \$14.5 million to the M.J. Foster Promise Program, boosting annual funding to \$25 million for the financial aid initiative that helps students earn credentials at community and technical colleges for high-demand, high-wage jobs.

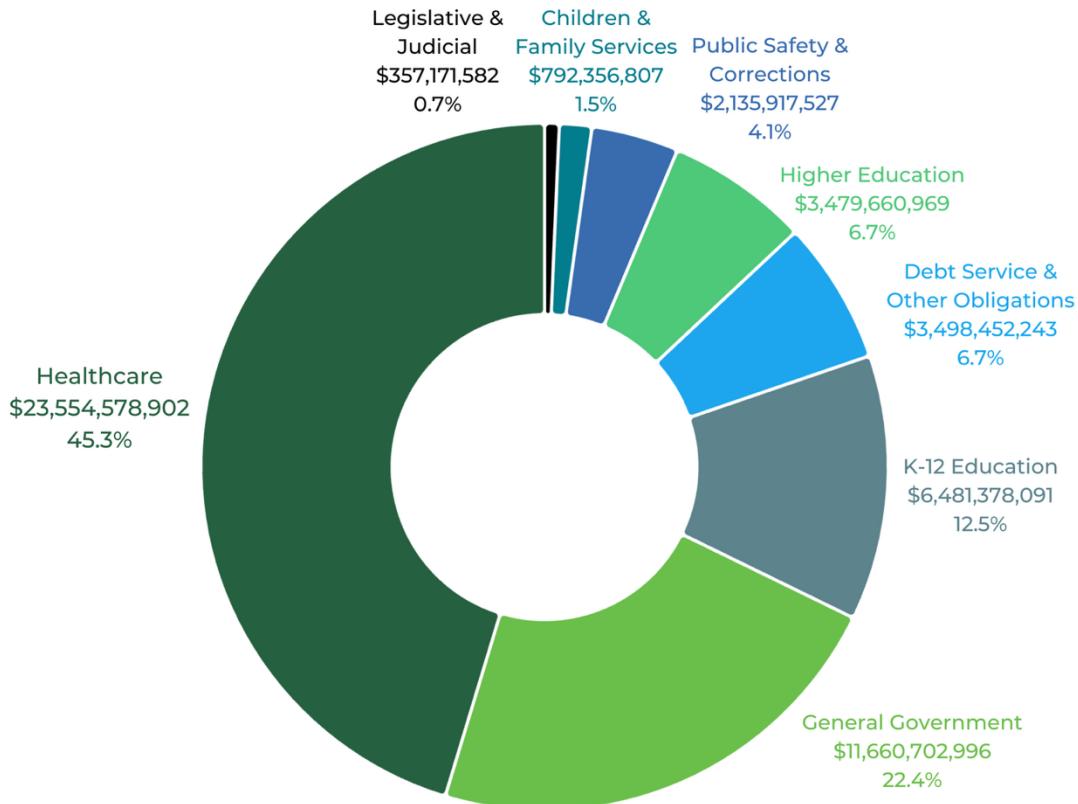
Other Spending Increases

Landry's spending plan seeks sizable increases for the Department of Corrections and the Office of Juvenile Justice and 300 new jobs across the two agencies. Costs are rising in part because the governor urged lawmakers to pass a series of tough-on-crime laws that increased the length of sentences and enacted harsher penalties for certain criminal activity.

The budget would add \$28 million in state funding for the Office of Juvenile Justice, including money to fully operate the Jetson Center for Youth in Baker that is scheduled to open in April and money to add a new youth lockup facility through a lease with the Vernon Parish Sheriff's Office.

The Department of Corrections would receive an \$82 million state funding hike, with multimillion-dollar increases across nearly all adult prisons, including a more than \$17 million boost so the Louisiana State Penitentiary can house more inmates.

Total Budget Breakdown



Source: Louisiana Division of Administration

New dollars would be spent on nursing homes that care for Medicaid patients, improvements to the computer system in the child welfare department and new equipment and vehicles for the Louisiana State Police.

Temporary pay stipends that judges received over the last two years would become permanent, and the judicial system would get more money to pay for them.

The economic development department would receive \$75 million for its new High Impact Jobs Program, to provide grants to companies that create jobs paying above the parish average wage. The grant program replaces other tax incentives that were eliminated.

The budget proposal also includes a \$42 million increase in state spending to administer the Supplemental Nutrition Assistance Program, or SNAP, commonly known as the food stamp program.

Under the federal One Big Beautiful Bill Act, states will have to pay 75% of the administrative costs for SNAP beginning Oct. 1, while the federal government will pay 25%. Previously, the costs had been split evenly between the state and federal governments.

The Louisiana Department of Health must begin enacting federally mandated work requirements for some Medicaid recipients in the upcoming budget year, but the agency said it would absorb the software, staffing and other related costs.

What's Next

The Landry administration didn't offer detailed ideas for spending a \$577 million surplus left over from the prior fiscal year, beyond the required \$144 million deposit in Louisiana's "rainy day" fund and the required \$144 million payment of retirement debt. Lawmakers also have an extra \$292 million in unspent cash from the current budget year available.

The presentation of the governor's proposal to the Joint Legislative Committee on the Budget kicks off months of negotiation before lawmakers complete the final package of spending bills. The regular legislative session begins March 9 and must end in early June.