

April 16, 2026

Backing the Governor's Budget

Spending proposal wins House approval with small tweaks, heads to Senate

The Louisiana House supported Gov. Jeff Landry's [multibillion-dollar roadmap for spending](#) next year, making only modest changes and keeping intact the governor's push to allocate more money for economic development, prisons and an education voucher program.

The 2026-27 budget approved unanimously Thursday and sent to the Senate would shrink from current-year spending levels as one-time state and federal dollars disappear. Despite those losses, agencies largely would receive standstill financing to continue their current services, while some areas sought by the governor would see boosted spending.

Still uncertain is whether teachers will get a permanent pay raise next year, a continuing stipend or a reduction in pay. Voters in the May 16 election will decide the fate of a [constitutional amendment](#) that could provide dollars for a permanent raise. If the amendment is rejected, lawmakers will decide how to respond.

Spending Comparison

Budget	Current Year	Next Year
State operating budget	\$48.2B	\$45B
Legislative agencies	\$129.3M	\$129.6M
Judicial agencies	\$209.1M	\$227.4M
Construction budget (cash)	\$3.3B	\$2B

The state operating budget for the financial year that begins July 1 would total more than \$45 billion, according to the nonpartisan Legislative Fiscal Office. The total package of budget bills – including legislative and judicial agencies, construction spending and other ancillary agencies – would top \$51 billion.

Source: Legislative Fiscal Office/budget bills

The Public Affairs Research Council of Louisiana appreciates the continued efforts to pay down state debts, steer short-term cash to infrastructure improvements and invest in economic development. But the addition of pet projects in lawmakers' districts without public discussion about the decision-making process [remains troubling](#).

PAR also continues to caution about spending expansions and new program creation as Louisiana faces significant financial uncertainty from national economic shifts, looming cuts to federal spending and [changes made to state tax laws](#).

Spending Growth Areas

New dollars would be spent on the Department of Corrections and the Office of Juvenile Justice to hire more employees, add a youth prison facility, expand the number of inmates housed at the Louisiana State Penitentiary and cover rising costs. The House also agreed to steer \$27 million more this budget year to the corrections agency for supplies, overtime costs linked to worker shortages and prisoner health expenses.

The prison population has grown, at least partly tied to toughened criminal sentencing laws enacted by the governor and lawmakers. Meanwhile, inmate medical costs are growing.

Major Current Year Add-Ons

Legislative pet projects	\$77.5M
State emergency fund	\$50M
La. Economic Development projects	\$50M
State road and bridge work	\$36.5M
Corrections dept. overtime, supplies	\$27M
Computer upgrades, IT modernization	\$15.8M
School safety initiatives	\$15M
Voting system replacement fund	\$12.8M
Forestry firefighting equipment	\$10.7M
State Police Crime Lab	\$9.6M

Source: Legislative Fiscal Office/budget bills

The budget also would boost spending on Louisiana Economic Development, with \$75 million set aside for a program that provides grants to companies that create jobs above average parish wages and \$50 million earmarked for initiatives to attract business.

The Louisiana State Police would get additional money for its crime lab, equipment, vehicles and upgrades at its headquarters facility. Nursing homes that care for Medicaid patients would get an increase in their payments. Judges would receive pay raises, as would firefighters in the agriculture department.

The spending plan includes a \$42 million increase in state financing to administer the Supplemental Nutrition Assistance

Program, or SNAP, commonly known as food stamps. Under the federal One Big Beautiful Bill Act, the state's share of program administrative costs are growing larger while the federal government will pay less.

In K-12 education, public schools would see an increase in the per-student money they receive, even as the school financing formula shrinks because fewer students are enrolled.

House leaders maintained Landry's request to double spending to \$87 million for the LA GATOR [education savings account program](#) created in 2024. The 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 wants to grow the program but has run into concerns, particularly in the Senate, about the state's ability to afford long-term expansion. He's expected to face similar Senate resistance this year. About 5,700 students are in the program. The additional funding would increase that to 11,800 students, according to the Legislative Fiscal Office.

Meanwhile, the budget proposal doesn't contain the \$200 million needed to continue the \$2,000 and \$1,000 stipends public school teachers and school support workers have received for the last three years.

Research provided by the Public Affairs Research Council of Louisiana. For more information, please call 225-926-8414 or visit www.parlouisiana.org.

Landry and lawmakers hope voters in May will support a constitutional amendment to convert those stipends into \$2,250 permanent pay raises for teachers and \$1,125 for support workers. The amendment would eliminate three education trust funds, use the proceeds to pay retirement debt and steer the savings to the salary adjustments.

In higher education, more dollars would flow to the M.J. Foster Promise Program that provides financial aid to students earning credentials at community and technical colleges. House lawmakers also added nearly \$20 million for research programs, graduate assistantships and other items across public college campuses and research institutions.

To make the math work, the House budget proposal gives the governor’s commissioner of administration the ability to reduce state spending by \$30 million.

State Surplus and Excess Cash

Lawmakers also have a \$577 million surplus from the prior budget year and \$294 million in unused cash from the current year available for spending.

The Louisiana Constitution places constraints on surplus dollar uses, requiring a \$144 million deposit in the state “rainy day” fund and a \$144 million retirement debt payment that House leaders said will create savings across agencies to finance other items. The remaining surplus dollars would pay for coastal protection projects, road and bridge work and other construction items.

In addition to filling gaps in the corrections agency, House lawmakers propose using extra money available in the current year for IT system upgrades, roadwork, school security improvements and equipment to fight wildfires. They would replenish an emergency response account and set aside money for a planned voting system replacement.

Lawmakers also continued the unfortunate trend of earmarking millions for favored projects back home. The House added more than \$77 million of those projects, decided without any obvious prioritization of state needs.

Next up, the Senate will take its turn with the package of budget bills after getting updated state income projections from the Revenue Estimating Conference forecasting panel. A final version of the spending plans isn’t expected to be complete until near the end of the regular legislative session in June.

Proposed Surplus Uses

“Rainy day” fund	\$144.3M
Retirement debt	\$144.3M
State road and bridge work	\$122.4M
Local government projects	\$36.3M
Higher education projects	\$30.1M
La. Economic Development projects	\$22.7M
Coastal and flood protection	\$20M
Department of Military Affairs projects	\$18.6M
State museums and parks	\$5.9M
Community water systems	\$5M
State building repairs	\$5M
Levee districts and ports	\$3.8M

Source: Legislative Fiscal Office