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## 2026 Session: Tighter Finances, But Little Budget Drama

*Budget and congressional map passed with days to spare; More records shielded from public*

The Louisiana Legislature completed its work on the state's multibillion-dollar budget days ahead of the deadline, in a regular session temporarily disrupted by another divisive redistricting debate and ending with uncertainty for public school teachers.

The three-month regular session finished Monday more with a whimper than the chaos that often marks the final hours, after lawmakers took their last votes on spending plans and the redesign of Louisiana's congressional map before the weekend.

The session saw the House and Senate make strides on workforce development efforts while once again chipping away at public records and ethics protections. Lawmakers continued to spend down a state savings account without replenishment, again spurned Gov. Jeff Landry's push to expand a state voucher program and started to grapple with tighter finances than seen in recent years.

Even as they came up with millions for pet projects and favored earmarks, the House and Senate left K-12 public school teachers with promises from the governor that they'll keep receiving the \$2,000 stipends they've gotten across the prior three years – but with no actual money appropriated for them yet.

They doled out pay raises to cabinet secretaries, judges and other state workers. They created new tax breaks, public records exemptions and liability limitations for aerospace companies as the Landry administration tries to attract the industry to Louisiana. They eliminated judgeships and a clerk of court position in New Orleans. They put more regulations on pharmacy benefit management businesses that negotiate drug prices. And they steered more money to a program

### THE GOOD

Budget completed in collaborative, orderly fashion

Continued payments made toward state debt

Short-term cash invested in road and bridge work

Workforce development sees new prioritization

### THE BAD

Millions of dollars earmarked for lawmakers' pet projects

More information hidden from public view on college campuses

Teachers left with uncertainty, just promises over their pay

### THE VERDICT'S STILL OUT

Despite recent rejections, more amendments headed to voters

State savings account shrinking, with more withdrawals

New lawsuits expected over congressional map

aimed at fortifying roofs and strengthening them against storms, an effort to lower property insurance rates.

They gave public colleges new authority to raise tuition and fees. They stalled a constitutional convention effort, but they agreed to send another round of constitutional amendments to voters for their consideration, despite the defeat of recent amendments.

As is often the case when a legislative session ends, the Public Affairs Research Council of Louisiana sees a mix of highs and lows from the work.

On the budget, PAR applauds lawmakers' continued work to pay off debts and use short-term cash on needed infrastructure projects but worries that lawmakers once again voted to spend at least \$180 million on questionable earmarks in individual legislative districts, chosen behind closed doors without any obvious prioritization on statewide need, even as more difficult fiscal times loom.

On government transparency, lawmakers repeated their unfortunate annual trend of hiding more documents from public disclosure, particularly as it relates to colleges, but thankfully put new guardrails on a sweeping records exemption they previously had enacted.

### Budget and Spending

Though issues like redistricting drew angry debates, budget disagreements were minor. In a welcome change, the majority-Republican House and Senate avoided the deep divides that have often marked the negotiations and approached the state's finances with a deliberate effort to work together.

#### Spending Comparison

Budget	Next Year	Current Year
State operating budget	\$46.2B	\$48.2B
Legislative agencies	\$129.6M	\$129.8M
Judicial agencies	\$233.2M	\$215.1M
Construction budget (cash)	\$2.7B	\$3.3B

Lawmakers passed a \$46 billion state operating budget for the 2026-27 year that begins July 1 that gave [Landry much of what he wanted](#), including more money for the state adult and youth prison systems and for economic development initiatives.

But the Senate again refused the Republican governor's request to expand Louisiana's education savings account program created

Source: Legislative Fiscal Office

in 2024, called LA GATOR. 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. Lawmakers kept the funding flat at about \$44 million for about 5,700 students.

Also in K-12 education, lawmakers did not include the nearly \$200 million allocated for the last three years to give \$2,000 stipends to public school teachers and \$1,000 stipends to school support workers. Voters in May rejected a constitutional amendment that would have helped finance the payments, increased them slightly and made them permanent.

The governor pledged to come up with money to continue the stipends and to finance a permanent teacher raise by finding savings in the public school funding formula.

Lawmakers came up with a way to steer additional money to an early childhood education fund that helps local governments pay for early learning programs. More money will be spent on the M.J. Foster Promise Program, a financial aid initiative that helps students earn credentials at community and technical colleges for high-demand, high-wage jobs.

Additional dollars were allocated to foster care and to Medicaid payments for home- and community-based care for people with developmental disabilities and for nursing homes. Payments will be made for retirement debt, legal judgments against the state and the state's share of storm recovery aid from the federal government.

Lawmakers and statewide elected officials besides the governor will receive \$1,000 per month for housing in Baton Rouge when the new term of office begins in 2028.

State finances are growing tighter amid federal spending cuts and state tax changes that began taking effect in 2025. Personal and business income taxes are coming in lower than expected. That will create more budgeting headaches in future sessions.

To finance infrastructure projects, favored local earmarks and other one-time investments, the House and Senate for a third year tapped into the Revenue Stabilization Trust Fund, a savings account that receives corporate and oil and gas-related taxes when collections are high. With \$850 million removed, the account balance will fall to \$1.5 billion.

### Uses of Revenue Stabilization Trust Fund

Road, bridge, other transportation work	\$387M
Economic development initiatives	\$145M
State-financed construction projects	\$85M
Lawmakers' pet projects and earmarks	\$83M
Criminal justice system, first responders	\$40M
State Emergency Response Fund	\$36M
Major events incentives	\$25M
LSU Health Sciences Center at Shreveport	\$25M
College campus projects	\$7M
Oyster resource management	\$3M
Rural infrastructure revolving loans	\$2.5M
Other initiatives	\$10M
<b>Total</b>	<b>\$850M</b>

Source: Legislative Fiscal Office/budget bills

The package of budget bills – when including financing for legislative, judicial and other ancillary agencies – tops more than \$53 billion.

### Government Transparency and Oversight

In what has developed into a disturbing trend, the Louisiana Legislature once again eroded public access to information about taxpayer-financed institutions.

The House and Senate agreed to give public colleges broad records exemptions to hide information about applicants for president, chancellor, senior vice chancellor and athletic coaching jobs until finalists are named. Information about the top three finalists for the jobs will be subject to disclosure once the higher education governing board fills the job.

Additionally, the names of donors to colleges will be shielded if they request secrecy.

*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).*

Lawmakers also gave final passage to an LSU-backed bill that keeps from the public any documents about how college athletics programs spend public money on compensation for athletes – along with details about how much money individual sports or athletic programs receive from those public funds involved in revenue sharing. The records exemptions will apply retroactively.

But bright spots also emerged on the transparency front, specifically as it relates to hundreds of public officials deemed “protected individuals.”

When session began, the law allowed those included on the list to ask anyone to take down a long list of information identified as personal from online publication. If it wasn't removed, the official could seek legal action against the person who posted the information online. Those found in violation of the law could be convicted of a misdemeanor crime that carried a penalty of up to 90 days in jail and a fine up to \$1,000.

While secrecy for some personal information makes sense, much of the most sensitive data already was covered under other laws. Meanwhile, the protected individual statute 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.

Lawmakers this session expanded the list of protected individuals. But they also exempted documents on government websites from the district clerks of court and the state ethics board from being subject to the law, preserving access to important documents online.

Importantly, the House and Senate also limited the application of the protected individuals' law to those who post the information “without any legitimate political, economic or societal interest, or with the intent to publicly intimidate or harass the protected individual.” That, hopefully, will lessen the opportunities for the law's misuse.

### *Congressional Redistricting*

After the U.S. Supreme Court declared Louisiana's congressional map an unconstitutional racial gerrymander, the [Legislature redrew the six U.S. House districts](#), removed one of two majority-Black seats and returned the map design to what largely had been in place before the current redistricting cycle began five years ago.

Landry quickly signed the bill into law, replacing the congressional map adopted in 2024. The new design favors Republican candidates in five districts and favors Democratic candidates in a majority-Black district centered in New Orleans and winding up the Mississippi River to Baton Rouge.

Louisiana's six U.S. House districts have been the subject of repeated litigation since lawmakers started the current redistricting cycle, centered on how many majority-Black districts should exist in a state where one-third of residents are Black. Another round of lawsuits is expected now that new map has passed.

Candidates for the six seats will run under Louisiana's traditional open primary system on the Nov. 3 ballot.

## *Other Issues and Next Steps*

In a renewed focus on workforce development, legislators at the urging of the Landry administration created a new office to coordinate workforce services, assist businesses in locating training resources and help companies find skilled workers for jobs. They sought to better manage federal worker training funds. And they added new requirements for schools to give students information about career options and job opportunities.

These actions won't solve the workforce development problems in Louisiana, however, unless they are combined with thoughtful, continued efforts to prioritize solutions.

Meanwhile, regardless of two prior rounds of failed constitutional amendments, lawmakers agreed to send 10 more constitutional changes to the November 2026 and April 2027 ballots. Voters will be asked to decide issues involving gubernatorial term limits, property tax breaks, bail eligibility, property expropriation, state Supreme Court jurisdiction and more.

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.