COMMIT A SIGNIFICANT LEVEL OF STATE FUNDING TO EARLY CHILDHOOD EDUCATION

The state should make funding for early education a budget priority and resume the process of appropriating a meaningful level of State General Fund revenue to expand access to quality early care and education programs. This investment will allow Louisiana to continue to support low-to-moderate income workers by allowing them to place their children in high-quality childcare settings while also supporting the businesses where those workers are employed.

PRIORITIZE NEW REVENUES TO FURTHER EXPAND ACCESS TO EARLY EDUCATION

The Legislature should make a long-term commitment to early education by prioritizing money from any new revenue sources for the Louisiana Early Childhood Education Fund. This fund provides matching grants to local entities to support expanded access to early education opportunities.

STABILIZE THE EARLY CARE AND EDUCATION SECTOR

State leaders should continue to target federal pandemic stimulus funds to the early care and education sector to help Louisiana citizens return to work. The childcare sector is a critical component in the business recovery of the state and requires appropriate access to financial support to meet the needs of a reopening economy.
NEW ACCOUNTABILITY COMPONENT IN GRADES K-2

Support efforts at BESE to create a new accountability component in grades K-2 to improve student achievement and increase teacher effectiveness. Age-appropriate assessments and observations will allow for earlier and more effective interventions to ensure more students are performing at grade-level upon entering third grade.

STRENGTHEN FOCUS ON EARLY LITERACY

Advocate for policies at BESE that promote effective teaching methods to boost early literacy and address sagging reading scores in grades K-3. These grades represent the foundational years in teaching children how to read. Evidence shows that students who lack strong reading skills by the end of third grade frequently struggle throughout school.

MAINTAIN END-OF-YEAR ASSESSMENTS

Protect end-of-year assessments from efforts to suspend the state’s testing program because of the pandemic. It is critical, particularly at this time, to have an accurate picture of student and school performance even if certain “consequences” of the accountability program are temporarily suspended.

ENSURE EVERY STUDENT HAS ACCESS TO OPPORTUNITIES TO EARN MEANINGFUL POSTSECONDARY CREDITS WHILE STILL IN HIGH SCHOOL

More students than ever are earning college credits and credentials while still in high school, but too often they do not lead to a quality degree or job. RESET supports efforts to create a coordinated framework for dual enrollment and other postsecondary opportunities to ensure more students graduate high school with apprenticeships, associate degrees, credits, and credentials that lead to quality jobs tied to workforce needs.
RESET is a targeted, nonpartisan effort led by the Committee of 100 (C100), the Council for A Better Louisiana (CABL), and the Public Affairs Research Council (PAR) focused on four state policy issues: education, state finance, criminal justice, and transportation infrastructure.

2021 REGULAR SESSION POLICY PRIORITY: Raise Education Attainment and Build Workforce

Raise education attainment in Louisiana and strengthen the state’s workforce by increasing the number of citizens with a high-quality postsecondary credential – building the talent pool Louisiana needs for today’s economy.

01 SUPPORT EFFORTS TO EXPAND OPPORTUNITIES FOR ADULT WORKERS

At a time when more than a million Louisiana working-aged adults have a high school diploma or less and the cost of education and training programs have seen significant increases, Louisiana must find new ways to enhance workforce training opportunities for its citizens. RESET supports efforts to expand financial aid for adult learners in credit and non-credit programs leading to high-quality jobs in targeted industry sectors.

02 SUPPORT EFFORTS TO MAKE COLLEGE MORE AFFORDABLE

Louisiana has set an ambitious goal to increase the number of citizens with postsecondary education credentials to 60% by 2030. But it comes as the cost of earning those credentials is increasingly out of reach for many Louisiana families. RESET supports efforts to address affordability including increased resources for GO Grants, expanded financial aid options, open resource textbooks, and new education delivery models.

03 SUPPORT DEVELOPMENT OF A STREAMLINED, LONGITUDINAL DATA SYSTEM THAT WILL ALLOW K-12 AND POSTSECONDARY EDUCATION TO BETTER EVALUATE STUDENT SUCCESS, MAKE INFORMED POLICY DECISIONS, AND MEET WORKFORCE NEEDS

Louisiana is doing much to help students prepare for meaningful careers, but because of data gaps it is difficult to determine how effective these efforts are in ensuring that students end up with good jobs that strengthen our economy. Louisiana should follow the lead of other states by establishing a uniform system that more efficiently uses data to drive decision making, while strongly protecting student privacy.

Nothing Changes When We Wait.
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2021 REGULAR SESSION POLICY PRIORITY: State Tax System Redesigns

Guided by the principle of low tax rates and broad tax bases, provide a fairer, simpler, and more competitive tax environment for individuals and businesses that also produces stable, sufficient state revenue for essential government operations and services.

01 INCREASE STABILITY AND LOWER RATES FOR THE INDIVIDUAL INCOME TAX

Eliminate the deduction of federal taxes for Louisiana individual income tax filers to allow lower tax rates and a more stable and predictable source of revenue with a neutral net impact. The deduction ties the tax liability of Louisiana taxpayers, and ultimately the state’s revenue outlook, to changes in the federal tax code. Louisiana’s 6% top rate is an outlier. Only two other states have a full federal deduction; only Louisiana has it in its constitution.

02 REDUCE THE CORPORATE FRANCHISE TAX BURDEN AND COMPLIANCE CONCERNS

Phase-out, eliminate, or restructure the corporate franchise tax. Louisiana is among a small and declining number of states with this complex and antiquated type of tax. Raising the floor of the taxable base, as one reform option, would relieve the regulatory problems and litigation expenses for the majority of corporations, with minimal revenue impact.

03 LOWER RATES FOR THE CORPORATE INCOME TAX

Eliminate the deduction of federal taxes for corporate income tax filers to allow adjusted tax rates with neutral net impact or as an offset for reducing the franchise tax. Either the top rate, which is among the highest in the nation, or lower bracket rates could be adjusted.

04 SIMPLIFY THE ITEP PROCESS

The approval process for the Industrial Tax Exemption Program should be simplified to be competitive with other states seeking capital investments.

Nothing Changes When We Wait.

2021 REGULAR SESSION POLICY PRIORITY: STATE TAX SYSTEM REDESIGNS
2021 REGULAR SESSION POLICY PRIORITY:

Sales Tax Administration & Exemptions

Centralized tax collection and audit that respects and protects local revenue streams and businesses and ensures the collection of tax from online and shipped sales are consistent with federal law and court rulings.

01 CENTRALIZE AND SIMPLIFY SALES TAX COLLECTIONS

Louisiana is one of the few states where local governments collect the sales tax, a system that places businesses at a disadvantage because of multiple audits, different rules, varied rates from place to place, and a lack of uniformity. A more centralized system – involving and protecting local governments – would enhance business compliance and possibly collections. Louisiana’s current system is vulnerable to constitutional and court challenges.

02 REDUCE THE NUMBER OF SALES TAX EXEMPTIONS

Louisiana has about 200 exemptions to the sales tax, an extraordinary number that adds complexity and narrows the base. The state should permanently eliminate the 100 sales tax exemptions the Legislature has temporarily suspended and stop creating new ones. Exceptions to the sales tax tend to place upward pressure on rates.

03 ESTABLISH A MORE FAIR AND EFFICIENT AUDIT SYSTEM

Under the current sales tax enforcement system, businesses face an onerous situation that can bring multiple audits simultaneously from various jurisdictions. The system is punitive even when operating normally with companies in compliance.

04 ENSURE ONLINE SALES ARE TAXED FAIRLY

To meet constitutional standards and assure fairness, the state must ensure that local businesses and online vendors are given a streamlined and level playing field for tax collection, rates, remittance, regulation, and enforcement.

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MODERNIZE STATE RETIREMENT PLANS
The current plans punish employees or teachers who work only a few years in government service before changing jobs, leaving them with no employer-funded retirement benefits or Social Security benefits. Louisiana’s state and local governments should modernize to stay competitive in the job market and be fair to workers and teachers.

ADOPT REALISTIC ASSUMPTIONS ABOUT INVESTMENTS
Overly optimistic assumptions make it easier for the state budget in the short-term but harder in the long-term, setting up a cycle of permanent heavy indebtedness.

FIX THE COLA SYSTEM
The state’s “experience account” method for Cost-of-Living Adjustments (COLAs) is a broken methodology rarely used elsewhere. It is widely criticized by pension analysts because it induces long-term, debt-driven payments toward COLAs. A predictable, reasonable system for COLAs would allow them to be funded in advance. This could be combined with a new retirement plan as the state employee system proposed in 2018.

CREATE A MORE PORTABLE HYBRID SYSTEM FOR NEW EMPLOYEES
Louisiana should consider a hybrid system for new employees combining a traditional defined benefit plan with a defined contribution plan, plus moving to a better cost-of-living adjustment process and a higher retirement age.
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2021 REGULAR SESSION POLICY PRIORITY:  
Increasing Transportation Investment

INVEST IN OUR STATE AND ECONOMY
Louisiana should make investments that are substantial enough to make a difference in the state’s $14.2 billion backlog of safety, maintenance, and capacity-building projects, as well as the $15 billion of identified needs, including Priority A and B megaprojects. The investment should enhance the state’s economic recovery and long-term competitiveness.

ENSURE FEDERAL MATCHING FUNDS
Louisiana must put up resources as a match to receive its share of federal funding for infrastructure projects. A patchwork of special dollars and funding shifts has averted a serious failure in recent years, but the current regular revenue system is insufficient for the future.

PURSUE ALTERNATIVES WHERE POSSIBLE
While massive tolling systems and public-private partnerships have helped spur infrastructure in other states, these options have not been as readily applicable to Louisiana. Wherever workable, the state should pursue these opportunities, as well as hybrid and electric car fees and other funding alternatives, to supplement fuel tax revenue.

CONTINUE EFFICIENCY MEASURES AT THE TRANSPORTATION DEPARTMENT
According to the state constitution, any new fuel taxes must be placed in a special fund to ensure expenditure on roads, bridges, and other infrastructure, and not on the regular operations of the state transportation department. We must continue to improve efficiencies at the department and apply new resources to real infrastructure.