

1 WHEREAS, the structure of the state budget continues to limit the ability of the
2 legislature and the governor to prioritize critical statewide services, and the brunt of annual
3 and mid-year deficits continue to fall on higher education and healthcare; and

4 WHEREAS, the state government of Louisiana is facing a \$960 million projected
5 budget deficit in Fiscal Year 2015-2016 and a \$2.1 billion projected budget deficit in Fiscal
6 Year 2016-2017; and

7 WHEREAS, the state general fund expenditures of state government are projected
8 to continue to grow in the five-year continuation baseline projection and state revenues are
9 not projected to meet those expenditures; and

10 WHEREAS, solving the budget deficits in the coming years and setting the state on
11 a path of continued fiscal responsibility requires a through review of all areas of state
12 operations and spending; and

13 WHEREAS, there are numerous areas within state government in which reforming
14 the current policies and practices will produce savings or additional revenues for the state;
15 and

16 WHEREAS, in 2015, the legislature commissioned a tax study to provide the
17 legislature with alternatives for a tax structure with predictable and stable revenues, that
18 promotes competitiveness, and is fair and simple; and

19 WHEREAS, the legislature began deliberating the long term recommendations
20 included in the tax study during the interim and 2016 First Extraordinary Session of the
21 Legislature; and

22 WHEREAS, tax policy initiated in the 2016 First Extraordinary Session of the
23 Legislature brings short term relief for the projected budget deficits; and

24 WHEREAS, the short term relief serves to bridge the time needed for the legislature
25 and stakeholders to continue to work on better budgeting practices and tax policy that can
26 be introduced no later than the 2017 Regular Session of the Legislature providing long term
27 structural relief from recurring budget deficits; and

28 WHEREAS, the governor is the chief executive officer of the state and in that
29 position is responsible for overseeing the operations of the executive branch of government;
30 and

1 WHEREAS, the legislature has the authority to make and change the laws of the state
2 and to establish a more stable, fair, and simple tax code and to enact policies that will
3 improve the efficiency and effectiveness of state government in order to stabilize the budget
4 for future years; and

5 WHEREAS, it will take cooperative action on the part of the governor and legislature
6 to ensure that such policies are achieved that can bring about long term structural
7 improvements to the tax code and the operations of state government; and

8 WHEREAS, the executive branch, led by the governor, and the legislative branch
9 must coordinate on structural changes to avoid the need for unnecessary additional revenues
10 or potentially harmful cuts to required state services.

11 THEREFORE, BE IT RESOLVED that the Louisiana Legislature does hereby create
12 the Task Force on Structural Changes in Budget and Tax Policy to continue the budget and
13 tax reform evaluations begun during the 2016 First Extraordinary Session of the Legislature,
14 to make recommendations of changes to the state's tax laws in an effort to modernize and
15 enhance the efficiency and fairness of the state's tax policies for individuals and businesses,
16 to examine the structure and design of the state budget and make recommendations for long
17 term budgeting reforms, to report to the legislature by September 1, 2016, and to urge and
18 request the governor to support and implement initiatives for structural change introduced
19 in the upcoming sessions of the legislature intended to bring about long term improvements
20 to the programs and services of state government as well as cost savings through more
21 efficient and effective state operations.

22 BE IT FURTHER RESOLVED that the Task Force on Structural Changes in Budget
23 and Tax Policy is directed to consider all options and alternatives available.

24 BE IT FURTHER RESOLVED that the Task Force on Structural Changes in Budget
25 and Tax Policy shall begin meeting during the first week of the 2016 Regular Session of the
26 Legislature, and shall report to the legislature no later than September 1, 2016

27 BE IT FURTHER RESOLVED that such report shall contain a specific plan for long
28 term tax policy that may be used to introduce legislation no later than the 2017 Regular
29 Session of the Legislature.

1 BE IT FURTHER RESOLVED that the Task Force on Structural Changes in Budget
2 and Tax Policy shall evaluate and recommend changes to state budget practices including,
3 but not limited to:

- 4 (1) Best-practice budgeting methods such as budgeting for outcomes, zero-based
5 budgeting and performance-based budgeting practices used in other states.
- 6 (2) Cost-benefit analysis of dedicated sources of funding that require state
7 general fund to be used for particular functions.
- 8 (3) A means to review all state spending, regardless of revenue source, to ensure
9 taxpayer dollars and user fees are used appropriately and effectively.
- 10 (4) The appropriate balance and requirements on the use of state tax dollars for
11 services and operations of local government.
- 12 (5) Best-practice mechanisms to estimate expenditures and forecast revenues.
- 13 (6) Improved tools to display the details of state and local spending to the public.

14 BE IT FURTHER RESOLVED that the Task Force on Structural Changes in Budget
15 and Tax Policy shall evaluate and recommend changes to tax policy including, but not
16 limited to:

- 17 (1) Personal income tax.
- 18 (2) Corporate income tax.
- 19 (3) Property tax.
- 20 (4) Sales tax.
- 21 (5) Severance tax.
- 22 (6) Tax expenditures, including deductions, credits, exemptions, and rebates.

23 BE IT FURTHER RESOLVED that the Task Force for Structural Changes in Budget
24 and Tax Policy shall be composed of the following members:

- 25 (1) The principal on the Revenue Estimating Conference that is a faculty
26 member with revenue forecasting expertise from a public or private
27 university in the state.
- 28 (2) The secretary of the Department of Revenue, or her designee.
- 29 (3) A member appointed by the Society of Louisiana Certified Public
30 Accountants.

- 1 (4) A member appointed by the Governor.
- 2 (5) The commissioner of administration, or his designee.
- 3 (6) One economist or tax specialist appointed by the Speaker of the House of
4 Representatives from a list of nominees submitted by public or private
5 universities in the state.
- 6 (7) One economist or tax specialist appointed the President of the Senate from
7 a list of nominees submitted by public or private universities in the state.
- 8 (8) One member of the business community appointed by the Speaker of the
9 House from a list of nominees submitted from Blueprint Louisiana,
10 Committee of 100 for Economic Development, and the Louisiana
11 Association of Business and Industry.
- 12 (9) One member of the business community appointed by the President of the
13 Senate from a list of nominees submitted from Blueprint Louisiana,
14 Committee of 100 for Economic Development, and the Louisiana
15 Association of Business and Industry.
- 16 (10) A member appointed by the Public Affairs Research Council of Louisiana.
- 17 (11) A member appointed by the Council for a Better Louisiana.
- 18 (12) A member appointed by the Speaker of the House of Representatives from
19 a list submitted by the Louisiana Sheriffs' Association, the Louisiana
20 Assessors' Association, and the Louisiana Municipal Association.
- 21 (13) A member appointed by the President of the Senate from a list submitted by
22 the Louisiana School Boards Association, the Louisiana Budget Project, and
23 the Louisiana AFL-CIO.

24 BE IT FURTHER RESOLVED that the chair of the Task Force on Structural
25 Changes in Budget and Tax Policy shall be elected by a favorable majority of the members
26 of the task force.

27 BE IT FURTHER RESOLVED that the Task Force on Structural Changes in Budget
28 and Tax Policy, for the purposes of conducting its meetings and accomplishing its goals,
29 shall be staffed by staff of the Department of Revenue.

1 BE IT FURTHER RESOLVED that the governor is urged and requested to support
2 initiatives introduced in the upcoming sessions of the legislature intended to bring about long
3 term improvements in the programs and services of state government as well as cost savings
4 through more efficient and effective state operations.

5 BE IT FURTHER RESOLVED that the governor is urged and requested to
6 implement as soon as possible any such initiatives passed by the legislature.

7 BE IT FURTHER RESOLVED that the long term structural change that may be
8 introduced by the legislature, with support requested of the governor, include, but is not
9 limited to, the following:

- 10 (1) Amend the expenditure limit to ensure government does not grow beyond the
11 revenues from short term tax policies as the long term tax policy is
12 considered.
- 13 (2) Give the governor and legislature more authority to use dedications when a
14 deficit is projected to cure the budget imbalance.
- 15 (3) Continued collaboration between the executive and legislative branches to
16 improve the capital outlay process.
- 17 (4) Institute measures to ensure that agencies are continuing to work towards the
18 most efficient and effective operations possible, including but not limited to
19 an examination of departmental structures, processes, civil service
20 procedures, procurement, and the use of technology.
- 21 (5) Create a comprehensive plan to improve health outcomes and control costs
22 in the Department of Health and Hospitals, including but not limited to
23 efficiencies and oversight in the administration of programs, enrollment, and
24 enrollee cost sharing, with a focus on the Medicaid program.
- 25 (6) Higher Education reforms to better prepare Louisiana's students for today's
26 workforce and ensure that the state has the most efficient and effective
27 structure to accomplish that goal.
- 28 (7) Pension system improvements that will lower Louisiana's unfunded accrued
29 liability and create a more modern system that benefits workers and
30 taxpayers.

- 1 (8) Smart-on-crime legislation to save costs while improving public safety that
2 focuses on rehabilitation, re-entry, and workforce training, especially for
3 nonviolent offenders.
- 4 (9) A review of state boards and commissions to eliminate duplication of
5 functions and services, streamlining operations, and reducing red tape for
6 businesses and citizens alike.
- 7 (10) Measures to ensure the efficiency and effectiveness of all tax expenditures,
8 including reporting and appropriating.
- 9 (11) Continue efforts to evaluate contracts in terms of transparency, cost,
10 duplication of work, and effectiveness.
- 11 BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted
12 to the governor.
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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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2016 First Extraordinary Session

Schroder

create the Task Force on Structural Changes in Budget and Tax Policy to continue the budget and tax reform evaluations begun during the 2016 First Extraordinary Session, to make recommendations of changes to the state's tax laws in an effort to modernize and enhance the efficiency and fairness of the state's tax policies for individuals and businesses, to examine the structure and design of the state budget and make recommendations for long-term budgeting changes, and to report to the legislature by September 1, 2016, and to urge and request the governor to support and implement initiatives for structural change introduced in upcoming sessions of the legislature intended to bring about long term improvements to the programs and services of state government as well as cost savings through more efficient and effective state operations.