

HOUSE COMMITTEE PASSES LA GRAD ACT

House Bill 1171 by Speaker of the House Jim Tucker (R-Terrytown) will allow Louisiana colleges and universities more autonomy in raising their tuition (up to 10%) in return for meeting 16 specific performance measures, beginning in 2012. The legislation is considered "permissive" and allows those institutions who meet the criteria to increase tuition, it doesn't "require" them to. The Board of Regents would measure whether institutions meet the new criteria.

Speaker Tucker explained to the House Appropriations Committee that the fiscal impact is a net gain to the state. He stated that the costs included staff at the Board of Regents to manage the new program and possible increases to the TOPS program. The increased tuition will offset the costs.

With the increased articulation agreements in place that allow students to transfer credits moving to other Louisiana higher education institutions, the LA GRAD Act is designed to reform the entire system by sending more students to the Louisiana Community and Technical Colleges for their first two years to obtain core curriculum. The Governor's staff testified that the new program will do a better job in matching the needs of the workforce with Louisiana graduates.

The bill has passed two House committees (Education and Appropriations) and must now go before the full House of Representatives, before requiring Senate approval as well.

BUDGETS STALLED AT THE CAPITOL

The state operating budget, House Bill 1 by House Appropriations Committee Chairman Jim Fanin (D-Jonesboro), and the construction budget, House Bill 2 by Ways & Means Committee Chairman Hunter Greene (R-Baton Rouge) were abruptly stopped from moving further in the process last week. The legislature must adjourn, by law, on Monday, June 21st and the new fiscal year begins July 1st; therefore, budget bills must be passed before final adjournment to continue funding state government and government funded projects. The intention was to have passed the budget bills on to the Senate last week, or earlier, for their consideration. House committee members have had the budget since the session began March 29th.

Committee meetings were suddenly cancelled last week and announcements made that they would not be passing the bills as anticipated. After having announced the day before that the Capital Outlay bill (HB 2) would be heard by the Ways & Means Committee on Thursday, the committee chairman entered the committee late and told those present that there had been a "material misrepresentation" of the bill and it would not be heard that day. They DID pass HB 2 today; however the Chairman mentioned they still had a long way to go because of disagreements with the administration on what should be included in the bill. Greene stated that he wanted those in the bill to have some assurance that their project would be funded by the Bond Commission versus loading up the bill with projects that have no chance of being funded.

The spending bills have been delayed due to disagreement between the leadership in the House, the Senate and the administration in how to solve the budget deficit. Senate President Joel Chaisson passed Senate Concurrent Resolution (SCR) 42 which constitutionally allows the legislature to use up to 1/3 of the "Rainy Day" fund which would provide \$198 million. The House leadership wants to pay back those funds right away by using the money received from the tax amnesty program. The Senate does not believe that they should pay the money back immediately and are looking at using the revenue that the state will receive next year from increased oil & gas revenue. Legislators believe that the increase in mineral revenue is the reason why the state will not have a deficit situation next year.

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