



Chamber SWLA 2011 LEGISLATIVE SESSION POLICY AGENDA

2011 Redistricting/Reapportionment Process

A top priority of the legislative session for the Chamber is to advocate for a Congressional district that leaves the lines of the current Seventh Congressional District in tact w/ Lafayette as it has been for the last 40yrs. A district stretching from the Arkansas state line to Cameron with over 30 parishes would not be in the best interest of the regions' culture, economy, coastal or agriculture interests. As it relates to the State Legislature, Public Service Commission and BESE, the Chamber would like to see lines that also favor the common interests listed above and take in to consideration the needs of the region reflective of all ethnicities and public comments offered at Legislative hearings around the state.

A Special Session convened March 20th. BESE and the Courts were not completed. Congress, PSC, Senate and House were finalized and sent to the US Dept of Justice for approval. If not approved, another Special will convene after the regular session to complete the process and submit the information again for pre clearance approval to U.S. Dept of Justice.

Louisiana's "Financial Cliff"

Louisiana's state budget has reached the purported "financial cliff" – a year when anticipated state expenditures are significantly higher than revenue forecasts. The Chamber is a member of Blueprint Louisiana's commitment to state government reform. Blueprint presented an array of research-driven recommendations provide real reforms to address long-standing problems in state government. Budget reductions are necessary but how those cuts are made is the key. Blueprint's goal is a state government that operates more efficiently and sustainable in the future.

SB 147 (Chaisson): Constitutional amendment regarding the Budget Stabilization Fund.

Blueprint believes this year's budget challenges offer an opportunity to move toward that goal. Consideration should be made for supporting the Budget Stabilization bill addressing the flexibility of funding during years of economic budget shortfall's in Louisiana. This bill provides for deposits into the Budget Stabilization Fund and would require a vote of LA citizens for final approval.

HB 545 (Burns): LA Private Corrections Management Act

The Chamber SWLA board unanimously opposes this bill. The main concern was that while this proposal would provide short term relief to the state, the ultimate impact of the sale to private companies with the cost based on this years dollar for the next 20 years, possible loss of jobs at the state institutions (such as the one in Allen Parish), if there really were private companies interested who they were and there would be know way of knowing how they would run the facilities or the relationship to the communities involved or economic impact to those parishes. There was a consensus was that it would not result in real savings over long term.





BILD Coalition Policy Principles

Businesses for Improving Louisiana's Development (BILD) is a statewide coalition of civic, business and economic development organizations supporting strategic reforms in higher education that will increase the educational attainment of our citizens, improve institutional performance, and drive economic and workforce development in Louisiana. Due to the geographical location of Southwest Louisiana, it is in the region's best interest to ensure the viability of McNeese State University, SOWELA and the host of other technical colleges for the several thousand students currently enrolled at these institutions.

Higher Education Bills – BILD

SB183 (Appel), HB537 (Tucker): SUNO-UNO merger bill (MONITOR)

SB241 (Chaisson), HB549 (Tucker): GRAD Act 2.0

Re-imagining relationship between state and higher education:

- Performance-based contract focused on ends not means
- Holding institutions to high standard—and giving them the flexibility to meet it

Strengthening GRAD Act contracts:

- Student Success metrics prioritized and required for satisfactory performance
- Annual renewal and reevaluation of targets

Improving data and transparency:

- Cost-performance analysis of resources and outcomes

Standardized and coordinated student tracking system to facilitate on-time graduation, articulation, and transfer

Intermediate autonomies: satisfactory performance; actionable streamlining of programs & courses and raising admission standards

- Authority to purchase through non-profit co-ops
- Authority to administer minor facilities projects
- Authority to piggyback on existing purchasing contracts
- Authority to use reverse auctions
- Authority to use RFPs without DOA approval

High level autonomies: satisfactory performance; 150% IPEDS graduation rate within 5% pts of SREB peers

- Participation in three-year pilot procurement code geared towards higher ed
- Authority to administer risk management insurance except medical malpractice
- Authority to administer self-generated revenue, federal, grant, donation and revenue-bond funded facilities projects

HB97 (Hoffman): Operational fees

Updating existing revenue stream to meet today's increased costs

- Remove August 15, 2004 date from 4% Operational Fee
- Operational Fee 4% of current tuition and mandated fees

HB526 (Robideaux): LCTCS standardized tuition

Ensuring equal access to community college in every parish

- Cost based on services provided not location
- Standardized to highest rate as of July 1, 2011

Supporting services at technical colleges





- Standardized to maximize federal dollars
- Three-year phased in standardization to \$2,000
- Standard tuition and fee schedule
- Standard cost per credit hour
- Standard fee schedule

Taxes

HB 597 (Jackson): Angel Investor Tax Rebate Program

The bill as written converts the prior tax credit program into a rebate and authorizes a 35% rebate to angel investors with a 24 month delay in receiving the rebates. Several regional organizations have been advocating for this legislation including previously with the Dept of Economic Development.

SB 71 (Michot): Extend the Quality Jobs Program

Encourages businesses to locate or expand operations in LA by providing tax incentives for job creation and capital investment. In 2010, the Quality jobs program helped to secure several key business development wins including an anticipated \$175 million capital expenditure of Sasol in Lake Charles creating 36 new jobs with an average salary of \$62,000 and retain 350 jobs.

Currently, a business qualifying for Quality Jobs incentives may receive rebates equal to 5 to 6% of payroll for net new jobs meeting specific wage and health care benefit levels. A qualifying business may receive annual payroll rebates over five years, or over ten years total with renewal, and may also receive a 4% sales and use tax rebate or a 1.5% investment tax credit on capital investments if it meets the hiring requirements under the Enterprise Zone program.

SB 135 (Claitor): Extend and Enhance Innovation Tax Incentives The Research and Development Tax Credit is set to sunset at the end of calendar year 2013. This legislation will work to extend it by six years to the end of calendar year 2019. Louisiana cannot afford to let this R&D Tax Credit expire. Most Southern states including Texas, Arkansas, and Mississippi offer some form of R&D incentive. Louisiana must be able to compete for economic investment.

The R&D tax credit program provides up to a 40% refundable tax credit for Louisiana businesses - based on employment levels that conduct research and development activities in state. Companies ranging in size from less than five employees to thousands of employees, across a variety of sectors, have taken advantage of the program as well as early-stage entrepreneurial businesses.

SB 135 (Claitor): Extend and Enhance the Technology Commercialization Credit/Jobs Program An extension of the Technology Commercialization Credit and Jobs Program thru the end of 2017. It is currently set to sunset at the end of calendar year 2011. This credit provides incentives to Louisiana companies that invest in the commercialization of technology resulting from research performed by a Louisiana university. The program currently provides a 40 percent refundable tax credit on business investments related to commercialization activity as well as a six percent refundable tax credit on annual payroll for new jobs created. Qualifying research centers that develop Louisiana technology may be granted a refundable tax credit based on new jobs created due to development. The legislation to be introduced will also shift the program structure from a refundable tax credit program to a rebate program, which will enable businesses to benefit from the credit sooner.





SB 123 (Martiny): Enhance the Digital Interactive Media Tax Credit A program for video game and software development and digital media projects. It's one of the most competitive incentives in the U.S. for development activities among roughly twenty such programs including several in southern states. The Digital Media Tax Credit is a key component of our state's efforts to develop a high-wage, knowledge-based industry around digital interactive media and software development. This sector has the potential to generate 11,000 to 23,000 direct jobs and 25,000 to 55,000 total jobs in Louisiana over the next 20 years.

The Digital Media Tax Credit program provides a 25% tax credit on qualified production expenditures for state-certified digital interactive productions in Louisiana, and a 35% tax credit on payroll expenditures for Louisiana residents.

LED Tier One Program

Louisiana now has a competitive advantage because of our current economic performance. As competing states are cutting back in marketing and advertising because of their economic conditions, Louisiana is in a fortunate position with the strength of our economy. It is the right time to advance ourselves through continued aggressive marketing activity nationally and globally.

LED requires specific deliverables be completed by Tier One grantees, where the economic development activities are "closest to the ground" which are closely monitored by LED. Tier One is especially critical for the smaller parishes without substantial economic development efforts. These dollars provide a critical tool to communicating the strengths of each region to prospects. This is the only program that touches every parish in the state, through the regional organizations.

Recognizing that regional cooperation is desired as the key to sustainable growth for Louisiana, the eight established regional economic development organizations requested continued funding under the Tier One program of Louisiana Economic Development (LED) at the FY-2011. The total investment to administer Tier One for all eight regional organizations is \$1.7 million dollars.

