

The 2023 Legislature: Missed Opportunities

Louisiana’s economy works best when every family has the resources and opportunities they need to reach their full potential. That means having access to great schools, safe neighborhoods, affordable housing and health care, and a reliable safety net for families that fall on hard times.

Like many states, Louisiana emerged from the global Covid-19 pandemic in 2023 with an economic tailwind. The state unemployment rate hit an all-time low, and the number of people working hit a record high. This economic growth, combined with federal pandemic aid, meant that state lawmakers had unprecedented resources available to address the state’s many needs as they met for an election-year “fiscal” session.

Given such a great opportunity, the results were mixed – at best.

Legislators wisely resisted the election-year temptation to make sweeping, across-the-board tax cuts, and opted instead to put much of the money aside for state and local construction projects. They increased funding for GO Grant college scholarships for low-income students, maintained funding for safety-net services and increased funding for higher education, including pay raises for college faculty.

But the session will likely be remembered for its chaotic final minutes when legislators made hundreds of changes to the budget bills without any public debate or discussion and for harmful anti-LGBTQ+ bills that attempted to outlaw gender-affirming care for youth and discussions of gender and sexual identity in K-12 classrooms. The last-minute changes meant that classroom teachers and support workers received a one-time stipend instead of a permanent pay raise, while early care and education programs were left with less funding than Gov. John Bel Edwards had requested.



Community leaders and policy advocates gather on the Louisiana Capitol steps to support comprehensive paid family medical leave benefits for Louisiana workers.

Legislators also missed several opportunities to reduce the economic and structural barriers that keep too many Louisiana families in poverty and build a stronger safety net for those who struggle to get by. Bills to establish a minimum wage, double the state Earned Income Tax Credit and create a new tax credit for low-income families with young children all failed. Legislators also refused to pass a bill that sought to guarantee paid family and medical leave for most workers, including those with low incomes.

Louisiana’s next governor – and the new and returning legislators who voters will choose this fall – will inherit a much better financial situation than their predecessors. Louisiana will enter the next budget cycle with \$2.7 billion in reserves, a nearly tenfold increase over 2016-17. But policymakers also face the challenge of replacing hundreds of millions of dollars in tax revenue that will be lost in 2025, when a

temporary sales tax is set to expire. Failure to do so could spell a return to the structural deficits of the prior decade, which led to underinvestment in education and other services and caused Louisiana to fall farther behind its Southern neighbors.

BUDGET EXCESS MOSTLY STEERED TO ONE-TIME PROJECTS

The state budget is a moral document that reflects our collective values and priorities. In 2023 the governor and legislature had [record amounts of revenue](#) available to invest in both ongoing programs and priorities and one-time construction projects.

The biggest question facing legislators was how to distribute \$2.2 billion in surplus and “excess” revenue – money left over from the 2021-22 fiscal year and extra dollars the state expected to collect in the 2023 and 2024 fiscal years that hadn’t been included in the governor’s original budget recommendations.

The vast majority of this revenue was considered “recurring,” meaning that it could be used for ongoing programs. But legislators plugged most of it into one-time projects and priorities such as coastal protection, highway and bridge construction, prepaying debt in the state pension plans and spending on local projects at the direction of specific legislators.

Before lawmakers could spend much of this money, they needed to raise a constitutional cap on state expenditures. After weeks of negotiations between the House and Senate, [lawmakers agreed to lift the cap](#) by \$250 million for the 2023 fiscal year and by \$1.4 billion for the 2024 fiscal year starting July 1.

Lifting the cap allowed the Legislature to approve \$198 million for salary stipends for public school teachers (\$2,000) and support workers (\$1,000) and \$51.5 million in new state funding for early care and education programs, which was less than the \$60 million sought by the governor.

The budget agreement also included a \$15 million boost to the GO Grant college scholarship program, which was part of a \$180 million increase for higher education.

The spending cap increase also cleared the way for more than \$1 billion in spending on road and bridge construction, coastal restoration projects, debt repayment and other one-time investments. Legislators also added more than \$160 million for local projects and priorities at the direction of individual lawmakers.

The final hours of the session proved to be controversial, as a House-Senate compromise committee ordered a \$100 million cut to the Louisiana Department of Health without public discussion about how it would affect patients and health care providers. Health department leaders said the cut would affect safety-net hospitals, nursing homes, medical training programs and community services for children with disabilities, among other things. Edwards vetoed the cut.

MONEY AVAILABLE TO LAWMAKERS

Source	Amount
FY23 “excess” revenue	\$1.2 billion
FY24 increase	\$483 million
FY22 surplus (after constitutional dedication)	\$469 million
Total	\$2.2 billion

(green = recurring; red = non-recurring)

FEW MAJOR TAX CHANGES

Louisiana cannot deliver the programs and services people need without a fair, adequate and sustainable tax structure. Far too often, policymakers have favored wealthy people and corporations over everyday citizens and have pockmarked the state’s tax code with credits, deductions and other tax breaks that favor special interests, making it harder to afford basic services.

Lawmakers filed a long list of bills proposing major changes to Louisiana’s tax structure. These included numerous attempts to cut taxes for wealthy people and corporations, which would have reduced the resources available for essential public services. Most of those bills failed to pass, as legislators showed admirable restraint.



Rep. Matt Willard and LBP Executive Director Jan Moller testify in support of a tax credit aimed at helping low-income families with children,

The lone exception: A [bill \(Senate Bill 1\) that phases out Louisiana’s corporate franchise tax, which is mostly paid by large petrochemical corporations](#) headquartered in other states. This bill made it to Edwards’ desk, where it was vetoed. That meant a companion measure (Senate Bill 6), which reduced the scope of the Quality Jobs subsidy program for corporations, also failed to take effect, as the two bills were tied together.

Lawmakers missed opportunities to make Louisiana’s regressive tax code more equitable for working families. Legislation that would have doubled the state’s Earned Income Tax Credit (EITC) and established a Child Tax Credit for low-income parents never made it out of committee. And Louisiana remains vulnerable to automatic, across-the-board income tax cuts if certain financial conditions are met, as the Legislature refused to eliminate a “trigger” mechanism in state law.

More ominously, the Legislature also failed to address the upcoming fiscal “cliff,” which arrives in 2025 when a temporary 0.45% sales tax is set to expire and taxes from vehicle sales will fully shift to transportation projects. Combined, these tax changes will reduce annual general fund revenues by around \$800 million per year, making it much harder to balance the budget without making cuts to essential programs and services.

TAX BILLS

SB 1, SB 6 (Phase Out Franchise Tax, Reduce Quality Jobs Facility Rebate)	These two bills phase out the corporate franchise tax over four years and partially offset the lost revenue by reducing the Quality Jobs Program’s facility expense rebate. The franchise tax cut only applies in years when combined corporate income and franchise tax collections exceed \$600 million.	VETOED
HB 145, HB 241, HB 303 (Flat Personal Income Tax)	These bills would have replaced the state’s graduated income tax rates with a flat tax rate. This would have resulted in a loss of tax revenue and made our overall tax structure less equitable.	Failed
HB 162, SB 226 (Earned Income Tax Credit)	These bills would have doubled the state Earned Income Tax Credit to 10% of the federal credit. The EITC helps reduce poverty by helping low-income families keep more of what they earn.	Failed

HB 203 (Repeals Household Sales Tax Exemptions)	This legislation would have subjected groceries, household utilities and prescription drugs to the state sales tax. Eliminating these sales tax exemptions would have raised \$187 million annually in revenue but deepened the inequity of the state’s tax system.	Failed
HB 62, HB 71 (Temporary Sales Tax Cut)	Each of these bills would have gradually reduced the 0.45% temporary sales tax before its 2025 sunset, costing the state between \$490 million and \$209 million in lost revenue.	Failed
HB 146 (Flat Corporate Income Tax)	This bill would have gradually shifted the state into a flat corporate income tax system, reducing state revenue by \$424 million per year.	Failed
HB 156 (Caps Film Tax Credit)	This legislation would have cut Louisiana film and TV subsidies by half, eliminating as much as \$180 million a year in tax breaks, as studies show a poor return on investment.	Failed
HB 243 (Income Tax Credit)	This bill would have provided a one-time refundable individual income tax credit for people with incomes below \$150,000.	Failed
HB 491 (Repeal Tax Cut Triggers)	This bill would have eliminated automatic rate reductions in individual, corporate and franchise tax rates if the state meets certain revenue thresholds and economic benchmarks. The legislation would have preserved the state’s ability to provide essential services as it enters into an uncertain fiscal future.	Failed
HB 632 (Child Tax Credit)	The Next Generation Tax Credit would have provided targeted financial assistance to low- and middle-income families by providing \$250 for each child aged 5 and under in families earning less than \$40,000 per year.	Failed
HB 641 (Reassess All Tax Credits and Exemptions)	This bill would have set a sunset date of January 1, 2027, for all tax breaks, forcing lawmakers to hold an up-or-down vote on each of them. Louisiana loses more than \$7 billion a year through hundreds of tax credits, rebates, exemptions and incentive programs.	Failed
SB 39 (Community Options Waiver Fund)	This bill dedicates 12% of future “excess” revenues to a new Community Options Waiver Fund, where it would be used to provide home- and community-based services for people with adult-onset disabilities.	Passed

**Denotes LBP priority bill*

SOME EXPANDED HEALTH CARE BENEFITS AMID CONCERNS ABOUT LOSS OF MEDICAID

Louisiana cannot reach its full potential until everyone has access to timely, adequate and affordable health care and safety net programs that support people when they fall on hard times. In 2023, the Legislature grappled with the end of federal protections that helped people maintain coverage during the Covid-19 pandemic. It did not go well.

More than 2 million Louisiana residents - almost 44% - get their health coverage through the Medicaid program, either because they have a disability or don’t make enough money to afford private insurance. Starting in April, the Louisiana Department of Health (LDH) began the challenging and time-consuming task of reviewing every Medicaid enrollee to ensure they are still eligible for the program after such reviews were put on hold for three years during the Covid-19 pandemic.

This is a difficult job under the best of circumstances, as the health department has to track down people who may have moved, changed jobs or had other changing life circumstances in recent years.

On the bright side, legislators did create a new board to help oversee Community Health Workers, asked

the state Department of Health to expand Medicaid eligibility for pregnant women and required health insurers to cover doula and maternity support services.

HEALTH CARE AND SAFETY NET BILLS

HB 272 (Doula Coverage)	This bill provides health insurance coverage for doula maternity support services up to \$1,500 per pregnancy by 2025.	Passed
HB 434 (Medicaid)	This bill requires the Louisiana Department of Health to submit a quarterly “Healthy Louisiana Claims Report” to the Legislature with an independent review of claims submitted by health care providers to Medicaid HMOs.	Passed
HB 587 (Community Health Worker Board)	This bill establishes a Community Health Worker (CHW) Workforce Board that will make recommendations for employer readiness to hire CHWs, core CHW skills, rolls and competencies, CHW training programs standards and requirements and sustainable methods of financing CHWs.	Passed
SB 135 (Midwives Coverage)	This bill requires the Louisiana Department of Health to implement a Medicaid reimbursement rate for licensed and certified nurse midwives at a minimum of 95% of the amount reimbursed to physicians for the same pregnancy and childbirth services.	Passed
HR 273, SR 145 (Medicaid Pregnancy Coverage)	This resolution asks the Department of Health to extend Medicaid coverage for pregnant people from 138% of the federal poverty level - the lowest in the nation - to 185% FPL.	Passed
HCR 100 (Rural Health Care Task Force)	This resolution continues to support the Health Disparities in Rural Areas Task Force and adds one member from the Clinicians of Color Workgroup and one from the Louisiana Managed Medicaid Association.	Passed

**Denotes LBP priority bill*

FEW VICTORIES FOR LOUISIANAN FAMILIES’ ECONOMIC SECURITY

Louisiana’s economy is strongest when more people have jobs that pay a living wage and have access to benefits such as paid family and medical leave, affordable child care and adequate unemployment benefits to help them make ends meet during difficult times.



LBP Deputy Director Stacey Roussel with other paid family medical leave advocates after testimony on legislation that would have provided a maximum of 12 weeks of leave to most workers.

In 2023 the Legislature refused to establish a minimum wage for Louisiana and [failed to act on a bill](#) that would have allowed most full-time workers to take paid leave from their jobs to care for a new child or to deal with a serious illness.

Lawmakers voted down two bills to raise the minimum wage, which means the Legislature has now rejected 50 minimum wage bills since 2009. Every year that the Legislature refuses to act, the value of the minimum wage continues to erode due to the rising cost of living. Under today’s minimum wage of \$7.25 an hour, [an hour of work in 2023 is worth half what it was 55 years ago](#).

But legislators also failed to pass two bills that [would have cut unemployment insurance \(UI\) benefits](#) by as much as half by tying their duration to the state unemployment rate. Louisiana unemployment benefits are already some of the lowest in the country, so protecting unemployment duration is essential to supporting families when people lose their job due to no fault of their own.

FAMILY ECONOMIC SECURITY BILLS

HB 40 (Employment Discrimination)	This bill would prohibit intentional employment discrimination based on gender identity and sexual orientation.	Failed
HB 51 (Unemployment Compensation)	This bill would let employers report to the Louisiana Workforce Commission when someone receiving unemployment benefits fails, without good cause, to attend a scheduled interview.	Failed
HB 283, SB 148 (Wage History)	These bills would ban employers from using salary history to screen job applicants, determine salary and benefits or decide whether to offer employment.	Failed
HB 313 (Workplace Violence)	This bill would require companies to display signage stating that workplace violence will not be tolerated.	Failed
HB 340, HB 456 (Unemployment Insurance Cuts)	These bills would cut the maximum time that people could receive unemployment benefits to as little as 12 weeks (from 26 weeks), depending on the state unemployment rate.	Failed
HB 351 (Medical Marijuana)	This bill would ensure that patients who have a license to use medical marijuana will not be disqualified for unemployment compensation benefits if they lose their job for using marijuana.	Failed
HB 374, SB 149 (Minimum Wage)	These bills would establish a \$10 an-hour state minimum wage, rising to \$14 per hour by 2026.	Failed
HB 596 (Paid Family and Medical Leave)	This bill would create the Louisiana Family and Medical Leave Benefits Act, which would provide a maximum of 12 weeks of paid leave to most workers.	Failed
SB 93 (Equal Pay)	This bill would create the Equal Pay for Women Act which, would provide pay equality for women employees of any government entity in the state, and in all public government contracts.	Failed

**Denotes LBP priority bill*

A BAD SESSION FOR YOUTH, PARTICULARLY LGBTQ+

Louisiana’s economic future depends on its young people. Our state cannot fully thrive until all children have the tools they need for success: access to great schools with qualified, well-paid teachers, safe communities that are free from discrimination and services that support their mental and physical health.

By these measures, Louisiana continues to fall behind its regional and national peers.

Louisiana teachers are paid [well below the Southern regional average](#). Instead of approving the

permanent raises proposed by the governor, the budget included \$2,000 stipends for teachers and \$1,000 for support workers. The Legislature also allocated \$44 million in new state funding for early care and education programs (which grew to \$51.5 million after Edwards restored some funding using his line-item veto). While these dollars are welcome, they do not come close to replacing the loss of nearly \$200 million in federal pandemic-relief funds that supported early childhood programs.

The Legislature also turned back legislation that would have diverted dollars from public schools to new Education Savings Accounts (ESAs).

Legislators passed several bills that targeted LGBTQ+ youth, bringing the national culture wars home to Louisiana - and, in some cases, [going further than laws passed in other states](#). The bills included a ban on gender-affirming care for young Louisianans and a ban on discussions of sexual or gender identity in K-12 classrooms. Edwards vetoed both bills.

EDUCATION BILLS

HB 81 (Pronouns and Preferred Names in Schools)	This bill, called the "Given Name Act" by its author, restricts students' preferred names and pronouns to what is listed on their birth certificate unless a parent provides written permission to do otherwise.	Passed
HB 98 (Education Savings Account)	This bill would establish a universal education savings account program that would have allowed families to use state education dollars to send their children to private schools, advantaging wealthier families and potentially crippling chronically underfunded public schools.	Failed
HB 103 (Financial Literacy)	This bill requires high school students to take a course on Financial Literacy.	Passed
HB 164 (TOPS Tech Requirements)	This bill would lower the minimum ACT score necessary for initial TOPS-Tech qualification from 17 to 15.	Failed
HB 282 (Free School Meals)	This bill provides free breakfast and lunch for K-12 students who qualify for reduced-price meals, reducing hunger and improving school performance.	Passed
HB 466 (Sexuality and Gender Identity in Schools)	Modeled after Florida's "Don't Say Gay" legislation, this bill outlaws discussion of gender identity and sexual orientation in K-12 public schools.	VETOED
SB 120 , SB 204 (M.J. Foster Promise Award)	These bills make reforms to the M.J. Foster Promise Program to make community, technical and worker-training programs more affordable and accessible.	Passed

**Denotes LBP priority bill*

YOUTH WELL-BEING BILLS

HB 648 (Gender Affirming Health Care)	This bill bans gender-affirming health care, such as hormone treatments or puberty-blocking drugs, to anyone younger than 18.	VETOED
SB 137 (Child Ombudsman)	This bill creates the Office of the State Child Ombudsman as an independent agency tasked with monitoring and evaluating public and private agencies involved in the protection of children.	Passed
HR 71 (Mental Health)	This resolution creates a House subcommittee to research and make legislative recommendations to combat Louisiana's mental health crisis.	Passed
HR 262 (Adolescent Mental Health)	This resolution creates a task force to study expanding available seats for adolescents in psychiatric residential treatment facilities in Southeast Louisiana.	Passed
HCR 84 (Black Suicide Rates)	This resolution creates a task force to study the African American suicide rates and strategies to promote suicide awareness and prevention.	Passed

MIXED RESULTS ON CRIMINAL JUSTICE REFORM

Louisiana locks up more people per capita than just about anywhere else in the world. This overly punitive approach to criminal justice disproportionately harms Black and Brown Louisianans and saps precious resources that could better be used to uplift families and communities harmed by systemic racism.

In 2023, legislators tried to roll back some of the state’s recent criminal justice reforms, which have helped the state save money while reducing the prison population. [Bills passed this session](#) would allow juvenile offenders to be held in adult jail or lock-up prior to sentencing, and would extend the amount of time district attorneys have to decide if a child accused of a crime should be tried as an adult.

CRIMINAL JUSTICE BILLS

HB 54 (Juvenile Justice)	This bill doubles the time a district attorney has to file the petition or indictment to try a child as an adult from 30 to 60 days.	Passed
HB 89 (Traffic Stop Data)	This bill requires Louisiana State Police to collect and publish traffic stop data.	Passed
HB 168 (D.A.R.E. Fines)	This bill would have eliminated the unconstitutional \$100 criminal fine that funds the D.A.R.E. (Drug Abuse Resistance Education) program.	Failed
HB 180 (Housing Access)	This bill would have created more transparency about criminal background checks on rental applications.	Failed
HB 286 (Marijuana Possession)	This bill makes it easier to expunge, or remove, first-time convictions for simple marijuana possession.	Passed
HB 322 (Traffic Stop)	This bill would have downgraded several traffic violations, including expired brake tags and jaywalking, to secondary offenses, meaning that they cannot serve as a primary reason for a stop.	Failed
HB 422 (ODR Fees)	This bill would have reduced the Office of Debt Recovery (ODR) collection fee from 25% to 15%.	Failed
HB 447 (ODR Reporting)	This bill requires agencies referring delinquent debt to ODR to provide more data and transparency.	Passed
HB 568 (Auto Insurance)	This bill provides a five-day grace period after a person’s auto insurance lapses for the first time before fines start.	Passed
HB 620 (Marijuana Taxation)	This bill would have created a prospective tax on marijuana sales, levying a 15% sales tax on top of existing state/local sales taxes and would distribute the revenue with 50% to the state general fund, 30% to direct funding for the criminal justice system, and 20% to early childhood education. This bill would not legalize, regulate, or license marijuana sales.	Failed
SB 111 (Expungement)	This bill reforms criminal record expungement procedures, automating some and lowering or eliminating fees.	Passed
SB 112 (Parole and Sentencing)	This bill would have allowed for more judicial discretion in sentencing in second degree murder convictions rather than requiring life without parole.	Failed
SB 159 (Juvenile Detention)	This bill requires that 17-year-olds accused of a violent crime with prior offenses must be held in adult jail prior to custody hearing and should continue to be held in adult facilities until the time at which they are tried as an adult.	VETOED
HR 174 (Correctional Education Programs)	This resolution creates a task force to study academic and vocational education programs within Louisiana prisons and jails.	Passed

SR 98 (Medicaid, Juvenile Detention)	This resolution asks the Department of Health to allow for Medicaid reimbursement for individuals, including juveniles, in detention.	Passed
SCR 45 (Parole and Sentencing)	This resolution creates a Task Force on Sentencing for Second Degree Murder to study life without parole sentencing for accessory to second degree murder.	Passed

**Denotes LBP priority bill*

LOOKING AHEAD

Louisiana has taken important steps in recent years to rebuild its infrastructure, expand access to health care and make higher education more affordable. These gains were made possible because legislators were willing to raise adequate revenues and (mostly) avoid the short-term elixir of tax cuts and corporate subsidies.

But our state still has a long way to go in addressing the chronic income and wealth gaps that have held Louisiana back for generations. Far too many people - especially in Black and Brown communities - struggle to provide for their basic, day-to-day needs. They work in jobs that pay too little and offer too few benefits and raise their kids in communities that often lack access to reliable broadband, quality schools, public transportation or even water. They struggle to pay the rent and put nutritious food on the table each day, and experience the weight of historic, structural racism that has held Louisiana back since its inception.



LBP Executive Director Jan Moller speaking to the Baton Rouge Press Club about the 2023 Louisiana Legislative session.

These struggling families and communities should be at the center of policy decisions at the state Capitol. But far too often their needs are ignored as policymakers prioritize corporations and the wealthy.

In 2023, Louisiana voters can choose the direction our state should head over the next four years, as they elect a new governor and all 144 seats in the Legislature are up for grabs. Elections are an opportunity to ask questions of candidates, and to demand details about which policies they will pursue if elected.

Will they work to ensure that Louisiana raises enough revenue to invest in the things that have proven long-term benefits, such as high-quality public schools and early learning centers? Or will they double down on the trickle-down policies that have failed us? Will they work to build a stronger safety net - or to undermine the public programs that help families when they need it most? Will they strive to knock down racial barriers, or work to maintain them?

The choice is ours to make.

ACKNOWLEDGMENTS

This report was researched and written by the Louisiana Budget Project, with key contributions from Paul Braun, Courtney Foster, Christina LeBlanc, Stacey Roussel and Jan Moller. Editing by Christina LeBlanc and Jan Moller. Page design by Jamie Carson.

The work of the Louisiana Budget Project is made possible by generous support from the Annie E. Casey Foundation, the W.K. Kellogg Foundation, the Ford Foundation, the Mary Reynolds Babcock Foundation, the Huey and Angelina Wilson Foundation, the Center on Budget and Policy Priorities, and by individual donors.