

Office of the Governor
State of Louisiana

JOHN BEL EDWARDS
GOVERNOR



P.O. Box 94004
BATON ROUGE, LOUISIANA 70804-9004
(225) 342-7015
GOV.LA.GOV

July 20, 2017

VIA EMAIL

The Honorable Taylor Barras
Speaker of the House
900 North Third Street
Baton Rouge, LA 70804

Dear Speaker Barras:

As you are aware, on July 1, 2018, more than \$1 billion in revenue will fall off the state's books and will not be available to provide services to our constituents. This "fiscal cliff" is due in large part to temporary revenue measures that will expire at the end of the current fiscal year. Despite repeated attempts, the legislature, particularly the House of Representatives, has been unwilling to discuss solutions to this looming problem or offer a viable alternative to plans I have proposed. The good news is that rather than raising new revenue, our goal will be to replace the existing revenue that is rolling off.

The recently concluded regular session was the last "fiscal session" available to address this problem before the cliff hits. A special session will be needed if we are to pass legislation to replace the revenue the state will lose. However, given the legislature's past inability to move any legislation to replace this revenue, I am hesitant to convene another special session without meaningful input from, and a concerted effort by, House leadership to help identify a viable path forward. Specifically, I need a good faith commitment to remove the partisan barriers and solve this problem. Accordingly, at this point, I do not intend to call the legislature back for a special session prior to next year's regular session. At a cost of roughly \$60,000 per day, it would be irresponsible to make Louisiana's taxpayers foot the bill for another special session without a firm commitment to act from the House.

Since taking office, I have outlined numerous options, as well as a comprehensive plan to provide long-term predictability, stability, and fairness for our state. Additionally, the bipartisan task force the legislature created to make recommendations on the best approach long ago

Speaker Barras

July 20, 2017

Page 2

concluded its study. Its recommendations are not significantly different than the options I have supported, and in fact, I am supportive of the bipartisan approach they have outlined. If the legislature were to convene in another special session, the options to stabilize Louisiana's budget would be no different than the options we have seen in the past. Further, to provide the long-term reform that we all acknowledge is necessary will take a bold, bipartisan effort that combines both budget and tax reform.

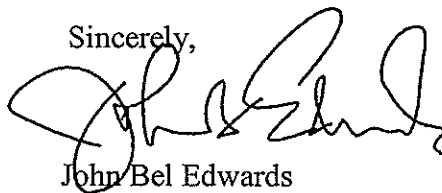
Early this year, I traveled the state meeting with legislators to discuss options, offer ideas, and solicit theirs. Unfortunately, many of the same legislators who opposed both the recommendations of the task force and my options refused to offer any plan of their own.

For that reason, I am asking you to re-examine the comprehensive plans that have been laid before the legislature and identify what, if any, you will support. If you remain unwilling to undertake comprehensive budget and tax reform, please identify your plan to solve the looming fiscal cliff. It would be in our best interest to meet as soon as possible to discuss a path forward. I would also ask that you consider the formation of a working group to include Republicans and Democrats who can sit down with us to discuss ideas and options. It is time for constructive dialogue.

Over the next few months, I will be convening meetings with legislators, community leaders, stakeholders and the business community all across our state to discuss our next steps, and I would appreciate your participation as well. With everyone engaged, we should be able to quickly determine if a special session would be productive. Let me remind you, however, that absent bold changes, we will be forced to make more than \$1 billion in spending cuts in state general fund alone in next year's budget. As you know, such cuts would be catastrophic.

I look forward to your feedback, and as always, do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "John Bel Edwards". The signature is fluid and cursive, with a large initial "J" and "B".

John Bel Edwards

Governor

cc: The Honorable John Alario, President of the Louisiana Senate