

# A Recovery Agenda for Louisiana

By Jackson Voss, Economic Opportunity Policy Analyst

Louisiana works best when all of us have access to safe and affordable housing, a job that can support a family and a safety net that is there for people when they fall on hard times. This year, Louisiana has a once-in-a-generation opportunity to emerge from the pandemic stronger than ever. But that will only be possible if we don't conduct business as usual.

Thanks to billions in federal disaster and Covid relief as well as better-than-expected tax collections, Louisiana has more than \$3 billion in surplus dollars available to spend with few limitations. After years of scarcity, when legislators haggled over which programs to cut, Louisiana now has a chance to make critical new investments in families and communities and fund a true recovery for all Louisianans.

Much of this money comes from the federal government through the American Rescue Plan Act, and the Treasury Department's guidance is clear on how states should use these dollars: "Treasury encourages funding uses that foster a strong, inclusive and equitable recovery."

This can include support for frontline workers who risked their lives to keep our economy going during the pandemic. It can mean addressing our mounting housing crisis, which has worsened due to the hurricanes and floods that struck South Louisiana in recent years. We can even lay the foundations for a state paid sick leave program and universal pre-kindergarten, while also expanding critical services that help low-income families and at-risk youth.

We can do all this while also making Louisiana more competitive for additional federal funds included in the Bipartisan Infrastructure Law in coming years. But these are not opportunities we can afford to waste - as we are unlikely to see this level of federal and state funding again anytime soon.

The last time that Louisiana policymakers had this much money to spend was in the years following Hurricane Katrina. Instead of investing in families and public goods, they squandered the money with giveaways to big business and tax cuts for the rich. These poor choices led to years of budget cuts that left Louisiana workers and families even further behind.

Legislators cannot afford to waste this opportunity. We need this money to go to where it's needed the most - to the people and communities that have suffered the most from the Covid pandemic and natural disasters.

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This Recovery Agenda is centered on some key priorities as Louisiana comes out of the pandemic and continues to rebuild from Hurricanes Laura and Ida: supporting workers; addressing housing needs; investing in families and poverty reduction; helping children; and making our government and communities more resilient. It was developed in partnership with advocates and community leaders across Louisiana, with the goal of building a more inclusive and equitable recovery.

BREAKING DOWN LOUISIANA'S BUDGET SURPLUS	
2021 - 2022 Surplus	\$700 million
2022 - 2023 Projected Excess	\$1.269 billion
Total Surplus	\$1.969 billion
Remaining ARPA	\$1.384 billion
Total Surplus + ARPA	\$3.353 billion

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The proposals that make up the Recovery Agenda include:

### HELPING WORKERS

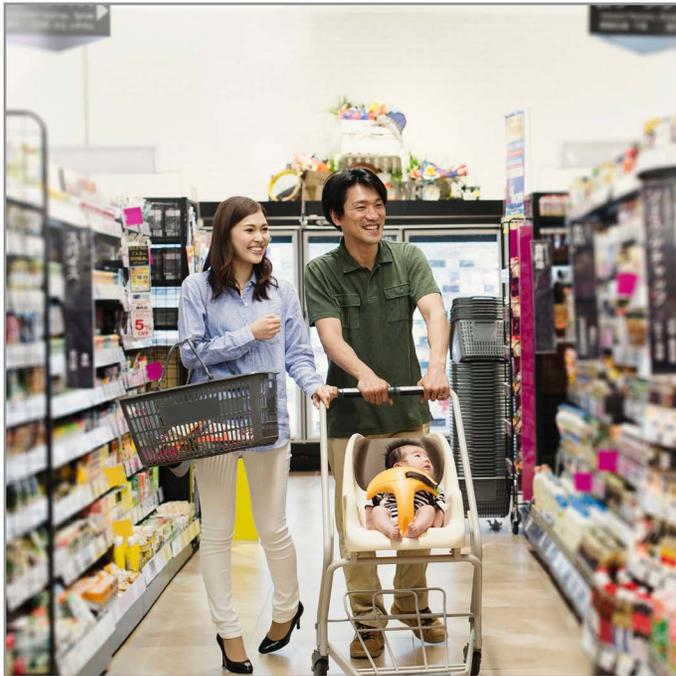
- Louisiana Frontline Worker Rebate Program:** Early in the pandemic, Louisiana used CARES Act funds to pay bonuses to lower-wage frontline workers. While treatments and vaccines have helped us turn a corner, frontline workers take greater risks and generally earn less than workers who have the option to work from home or remotely. The state should replenish the Frontline Worker Rebate Program and provide another round of bonuses to the people who have now worked through two more waves of Covid variants.
- New Career Transition Fund:** The M.J. Foster Promise program provides tuition-free technical and community college for adults who are seeking a degree or career certification in five of the state's fastest growing economic sectors. But there are many other costs besides tuition that hold people back from pursuing higher education, such as rising rents and other costs of living. Louisiana could use surplus dollars to provide living stipends to Pell Grant and M.J. Foster Promise recipients to help low-income workers support themselves and their families while training for a new career.
- Paid Family and Medical Leave:** The United States is the only industrialized nation in the world that does not provide paid family and medical leave. Without access to paid leave, too many workers are forced to choose between their health, the health of a family member, or keeping a job. Even with a modest paid leave program in place, Louisiana would become a much more attractive place to live and work. To that end, Louisiana could use surplus dollars to lay the foundation for paid family and medical leave programs for state workers and participating employers with a small, one-time investment.
- State Student Loan Forgiveness:** About 637,000 Louisianans hold \$22.1 billion in student loan debts, with an average debt load of about \$35,000. But nearly 16% of Louisiana's student debt holders owe \$5,000 or less. The Legislature could establish a state student loan forgiveness program aimed at people who attended or graduated from a Louisiana public college or university, live and work in Louisiana and are on Income-Driven Repayment plans. This would help retain talented workers who might otherwise relocate while also helping to address the student debt crisis burdening so many young people.

## ADDRESSING THE HOUSING CRISIS

- **Weatherization and Restoration Assistance:** Providing grants that people with low incomes could use to weatherize their homes and repair damages from recent hurricane seasons would not only reduce costs to homeowners, but also make Louisiana families more resilient when future natural disasters strike. These investments would also make Louisiana more competitive for federal grants made available through the new federal infrastructure law.
- **Emergency Housing and Shelter Fund:** One-time funding could be used to build deeply affordable housing and emergency shelters that can meet both immediate and long-term housing needs. Funding could also be used to provide legal services for low-income people facing wrongful eviction or foreclosure, or supportive services for people with disabilities and other special needs.

## SUPPORTING FAMILIES

- **Empowering Families to Live Well Louisiana Council:** In 2019 the Louisiana Legislature created a new entity within the Department of Children and Family Services, made up of leaders in politics, academia and the nonprofit sector, whose goal is to come up with a coordinated plan to



reduce Louisiana's endemic poverty. Fortunately, policymakers have learned a great deal about what anti-poverty policies do and do not work thanks to the CARES and American Rescue Plan Acts - and other states have found successful ways to alleviate suffering that Louisiana could emulate. The Legislature should provide the council with funding to fulfill its research mission and to support anti-poverty pilot programs across the state.

- **United Way Prosperity Centers:** The United Way of Southeast Louisiana (UWSELA) has established Prosperity Centers in Orleans and St. Tammany parishes, which have helped thousands of families achieve greater levels of financial security. These Prosperity Centers offer “financial stability resources that empower low- to moderate-income families to achieve financial stability today and prosperity tomorrow, leading to more vibrant communities for us all.” One-time financial support

from the state could help the United Way replicate these centers across the state and help people become financially independent through financial education and coaching, credit building and counseling, benefits screening, income tax assistance and other programs.

- **Civil Legal Aid:** For many low-income families, people with disabilities and seniors, civil legal aid is an essential life-line when facing an unlawful eviction, foreclosure, domestic violence, or wrongful denial of government assistance. According to the Louisiana Bar Foundation, for every \$1 in Louisiana's civil legal aid services, programs deliver \$9.18 in immediate and long-term consequential financial benefits. Using ARPA or surplus funds, we can do more to ensure that Louisianans of all backgrounds and abilities have access to the legal assistance they need and save the families from considerable financial pain.

## HELPING CHILDREN

- **Funding Children and Youth Planning Boards:** In 2004, the state Legislature passed a law that requires every parish to create a Children and Youth Planning Board to coordinate services and programs that support children. But legislators never provided funding for these boards, and today they only exist in a few parishes. A one-time infusion of funds could ensure that these boards exist in every parish to help young people with the education and economic opportunities they need to reach their full potential.
- **Early Childhood Education Fund:** More than 80% of a child's brain development happens by age 3, and research shows that high-quality early care and education programs can have lifelong benefits. Yet Louisiana provides few resources to help low-income parents afford such programming. The Legislature created the Early Childhood Education Fund to provide matching dollars for parishes that provide such programming, but it has not been fully funded. A one-time grant to this fund would provide some assurance to local governments that prioritize young children that the state will honor its commitment.

## RE-INVESTING IN COMMUNITIES

- **Justice System Information Technology Fund:** Louisiana's "user pays" criminal legal system is financed mostly with fees and fines paid by people accused and convicted of crimes and civil offenses. The state can't move away from this unjust financing system until local law enforcement agencies make certain information technology upgrades. A one-time grant for such expenses could pay long-term dividends.
- **Solar and Storage Rebate Program:** The recent hurricanes have exposed the vulnerabilities of Louisiana's rickety power grid, leaving hundreds of thousands of people stranded without electricity for days, weeks and sometimes months. One way to protect against such outages is to support the installation of solar power and battery storage systems with state incentives. Most households, business owners and community organizations cannot afford the upfront costs of these systems. Louisiana could set aside a portion of its surplus dollars for a rebate program that subsidizes solar and battery storage system installation. The program should be structured to provide higher incentives levels for vulnerable single-family residences, affordable and supportive housing and churches and civic centers that could serve as resilience hubs for whole communities after natural disasters.
- **Hospital Service District Support:** Hospital Service Districts are an important tool to combat lack of healthcare access, which allow parishes to contract with a management company and reimburse for healthcare services using patient fees, insurance reimbursements, Medicare, Medicaid, or dedicated local tax revenues. These funds would be used to offset the start-up costs of health clinics in parishes seeking to utilize a Hospital Service District in communities with insufficient healthcare access to fill public health gaps and localize healthcare infrastructure.



- **Community Composting:** Compost improves soil, reduces the effects of drought and flooding and diverts organic waste from landfills. All of this can save parishes, municipalities and farmers substantial money while also preventing the release of greenhouse gas emissions. Additionally, compost has commercial value, so it can be sold to help offset the costs of operation and maintenance. All of this makes community compost an initiative that Louisiana should incentivize, by offering communities and farmers interested in constructing compost facilities support through a state grant program.

The last two years have been challenging ones for Louisiana - and the hardships from Covid-19 and natural disasters have fallen disproportionately on low-income, Black and Brown communities. But the historic revenue surplus that sprung from these tragedies has given Louisiana a once-in-a-generation opportunity to craft an economic recovery that lifts every community, and makes us more resilient the next time disaster strikes.

Louisiana has a history of squandering similar opportunities by focusing on tax breaks and giveaways to corporations. This Recovery Agenda was crafted with people and communities as the central focus. By using these temporary resources to lift up those who've been left behind, we can create a more equitable economy that works for all Louisianans.

<b>RECOVERY AGENDA PROPOSALS</b>	
<b>Louisiana Frontline Worker Rebate Program</b>	<b>\$250 million</b>
<b>New Career Transition Fund</b>	<b>\$50 million</b>
<b>Paid Family and Medical Leave</b>	<b>\$30 million</b>
<b>State Student Loan Forgiveness</b>	<b>\$50 million</b>
<b>Community Weatherization Assistance</b>	<b>\$50 million</b>
<b>Community Restoration Assistance</b>	<b>\$250 million</b>
<b>Emergency Housing and Shelter Fund</b>	<b>\$300 million</b>
<b>Empowering Families to Live Well Louisiana Council</b>	<b>\$30 million</b>
<b>United Way Prosperity Centers</b>	<b>\$60 million</b>
<b>Civil Legal Aid</b>	<b>\$20 million</b>
<b>Funding Children and Youth Planning Boards</b>	<b>\$16 million</b>
<b>Early Childhood Education Fund</b>	<b>\$100 million</b>
<b>Justice System Information Technology Fund</b>	<b>\$50 million</b>
<b>Solar and Storage Rebate Program</b>	<b>\$30 million</b>
<b>Hospital Service District Support</b>	<b>\$30 million</b>
<b>Community Composting</b>	<b>\$30 million</b>
<b>Total Available</b>	<b>\$3.353 billion</b>
<b>Total Proposed</b>	<b>\$1.346 billion</b>
<b>Total Remaining</b>	<b>\$2.007 billion</b>

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## A RECOVERY AGENDA FOR LOUISIANA PARTNER ORGANIZATIONS



Louisiana Budget Project

Together Louisiana

United Way of Southeast Louisiana

Healthy Gulf

Louisiana Appleseed

Alliance for Affordable Energy

Louisiana Fair Housing Action Center

Gulf Coast Center for Law and Policy

Acadiana Regional Coalition on Homelessness & Housing

Foundation for Louisiana

Power Coalition for Equity and Justice

Louisiana Progress