

# **Task Force on Structural Changes in Budget and Tax Policy**

## **Meeting Minutes**

April 1, 2016

### **I. Call to order**

The meeting of the Task Force on Structural Changes in Budget and Tax Policy was called to order at 9:11a.m. on April 1, 2016 in the House Committee Room 1 located on the ground floor of the Louisiana State Capitol Building, 900 North Third Street, Baton Rouge, LA 70802.

### **II. Roll call**

A) The following Task Force Members were confirmed as present:

- Dr. James A. Richardson
- Kimberly L. Robinson
- William C. Potter
- Jay Dardenne
- Dr. James Alm
- Dr. Steven M. Sheffrin
- Jason DeCuir
- Sean Reilly
- Robert Travis Scott
- Barry Erwin
- Randy Roach
- Louis Reine

B) The minutes from the meetings on March 18, 2016 and March 24, 2016 were approved as written.

C) Approval of Agenda:

The agenda was unanimously approved as distributed.

### **III. Agenda Topics**

- A) Presentation on Louisiana Budgetary Practices
- i. Greg Albrecht, Chief Economist, Legislative Fiscal Office
  - ii. Sherry Phillips-Hymel, Director, Fiscal Services

An overview of the Revenue Estimating Conference was given by Mr. Albrecht and Ms. Phillips-Hymel provided an overview of the budget with emphasis on the following:

- Forecasting and Estimates
- Appropriations
- Fees and self-generated revenue
- Tax Expenditure programs
- State Tax Revenue composition and history
- FY16 and FY17 Budget

REC funding, member composition, traditional state tax revenue sources and dedications were outlined. Members discussed alternatives to identify new revenue sources and dedication allocation options. How funds become available for appropriation and parameters for funds being swept were topics of discussion. Past environmental and economic effects on state tax revenue were outlined.

Means of finance for FY16 and FY17 in addition to State budget composition were discussed in detail. A departmental breakdown and a breakdown of fees and self-generated revenues was demonstrated. During the discussion of causes of mid-year deficits, advantages and disadvantages of changing the fiscal year calendar were discussed.

The members agreed that future recommendations from Mr. Albrecht and Ms. Phillips-Hymel on best practices for revenue estimating would be beneficial as legislative recommendations are being created.

B) Dr. Richardson's presentation on State and Local Tax Structure was deferred to the April 8<sup>th</sup> meeting due to time constraints

#### **IV. New Business**

A) Timing of Recommendations to the Legislature

After discussion of the need to set a timeline on addressing "Short-Term" issues, the consensus was that there is a need to give the process of making recommendations more structure. The steps on taking action will need to be identified and outlined. In keeping with the goals of HCR11's author, the structure and process that it created needs to address immediate budget and financing issues as well as establishing the framework for budgetary practices for future years. Members agreed that information needs to be gathered about different income tax proposals, areas of revenue potential and distribution analysis which will affect a 2016 special session and beyond.

## **V. Possible Agenda Items for Future Meetings**

- Discussion on Exclusions vs. Exemptions
- Senate Bill 55 by Ronnie Johns (Refiled from 2006)
- Review of Best Budgeting Practices across the country
- Distribution Analysis: Special Session and beyond
- LABI Revenue Forecasting Presentation
- Quality Jobs and Competitive Projects Incentives Programs
- Framework discussion on where money will come from in new tax structure

## **VI. Adjournment**

Secretary Robinson adjourned the meeting at 12:06 p.m.

Minutes submitted by: Marisha Patterson