

KEEPING OUR
PROMISE OF
ACCOUNTABILITY

www.blueprintlouisiana.org

It's time to create the state we deserve.

**BLUEPRINT
LOUISIANA**

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When Blueprint Louisiana's reform agenda was introduced in July 2007, we put forth a simple one-sentence slogan that summarized our mission: "It's time to create the state we deserve." The slogan was the outgrowth of a thought expressed by several of our founding Board members — how can we build a state that will make all of our citizens proud to say, "I live in Louisiana."

Since its inception, our organization, a nonpartisan effort made up of community and business leaders and citizens from across the state, has focused on identifying and implementing essential changes to fundamentally improve Louisiana. We also committed to grade ourselves and legislators who agreed to support our initiatives and to make that information readily available.

Much has changed since our launch in the summer of 2007. Hurricane rebuilding, while still ongoing, is not today the focal point it has been in recent years. The honeymoon of a new Governor and a new Legislature shaped by term limits is over. And the financial condition of our state (and most other states) has changed dramatically, with budget surpluses giving way to significant budget shortfalls. To be sure, it is a challenging time for our state government, but also perhaps another transformational opportunity for Louisiana.

With that as the backdrop, welcome to Blueprint Louisiana's second Accountability Report in which we recap our involvement in the 2009 legislative cycle. In a legislative session dominated by lack of money, Blueprint was still able to accomplish both of its "New Economy" agenda items — the pursuit of a strategic research alliance model for Louisiana and the initial implementation of a performance-based formula to fund higher education in the state. We continue to make progress, but there is still important work to be done.

And we cannot stress enough the need for citizen interest and participation to accomplish this work. Like other advocacy organizations, we are effective when our members and other Louisiana citizens are interested and engaged. The next round of statewide elections is two years away, yet the next two years could be some of the most challenging fiscal times faced by the state. Your input is vital to the future of the state. Please get involved or stay involved with Blueprint Louisiana as we continue to pursue the state we deserve.

THE LEGISLATIVE SESSION

The 2009 regular legislative session was dominated by the \$1.3 billion shortfall between expected state revenues and expenditures for the new fiscal year that began July 1, 2009. As a result, the state's higher education and health care enterprises — the two primary areas of the state budget where funding is not constitutionally protected — were under much pressure to accept large budget reductions that have historically been administered in an across-the-board fashion.

Blueprint's concern with such significant cuts to higher education and health care was the damage they would do to on-going reform efforts (supported by Blueprint and other reform groups) designed to improve the long-term efficiency and effectiveness of Louisiana's higher education and health care systems. Throughout the session, Blueprint Louisiana, along with other organizations, consistently implored the Legislature to do what it could to lessen the financial impact on higher education and health care.

A strong showing of Blueprint representatives testified before the Senate Finance Committee in late May, and then-Blueprint Chairman Sean Reilly had two guest op-eds published in the Monroe News-Star (April 26 and June 7). Our message was simple: Give the reforms proposed in higher education and health care a chance.

The final budget agreement restored about \$100 million of the proposed \$219 million state general fund reduction for higher education. About \$45 million (or, \$233 million when the federal match is calculated) of the proposed state general fund reduction for health care was also restored. We are grateful the cuts weren't as large as originally proposed, and we applaud the Jindal Administration's willingness to respond to calls for a moderate approach.

Strategic Research Alliance Model for Louisiana

Blueprint Louisiana was successful in passing its only stand-alone piece of legislation in the 2009 session, Senate Bill 211 by Senator Dan Claitor of Baton Rouge. Blueprint representatives worked extensively with the governor's staff and Louisiana Economic Development on the legislation, which puts the details of the Louisiana Innovation Council into statute. (On March 25, 2009, Governor Bobby Jindal issued an Executive Order creating the Louisiana Innovation Council. Its mission is to establish a comprehensive economic strategy and innovation agenda that will grow the state's economy as well as enhance competitiveness.)

The bill ensures that key topics such as technology transfer, high-growth industry segments and a strategic research alliance model for Louisiana will be evaluated by the council within the first year. The bill also requires the council to report back to the Legislature in the first quarter of 2010.

The bill passed 35 to 0 in the Senate and 94 to 0 in the House. (Special thanks to Representative Franklin Foil for handling the bill on the House side.) Governor Jindal signed the bill into law on June 19, and Act. No. 82 became effective on August 15.

Performance-Based Formula to Fund Higher Education

In all of our higher education discussions with lawmakers and the administration, we also advocated for the implementation of a performance-based formula to fund our higher education institutions. The performance-based formula is a departure from funding based simply on enrollment, which Blueprint believes failed to incentivize growth in alignment with workforce needs, research in alignment with economic development potential, or achievement of overall state education priorities. Fifteen (15) other states have a similar formula that links higher education funding to outcomes.

We commend the Louisiana Board of Regents, Higher Education Commissioner Sally Clausen, and our higher education system presidents for developing and finalizing the performance-based funding formula and allowing the four systems (Louisiana State University, Southern University, University of Louisiana and the Louisiana Community and Technical College System) three years to phase in this new funding formula. This achievement required much work and “buy-in,” but we believe it will prove worth the effort. Performance-based funding will play a key role in producing a “right-sized” higher education system that’s smarter, more efficient, and better at turning out qualified graduates that can compete and succeed in today’s global, knowledge-based economy.

THE REMAINDER OF THE BLUEPRINT AGENDA

Blueprint Louisiana is committed to pursuing the remaining unaccomplished items on its reform agenda. We recognize the difficulty of these remaining issues in a deficit budget situation, but we also know that large budget deficits often mean significant change is inevitable. We must continue our quest to create the state we deserve.

HEALTH CARE REFORM

Health care reform has widely been regarded as the most challenging component of the Blueprint Agenda. Louisiana has wrestled with the idea of fundamental health care reform for the better part of two decades. Throughout this period, a multitude of studies and assessments have been conducted, reports written, study groups commissioned, and proposals developed. Yet, national studies still rate Louisiana as the least healthy state, and more than 20 percent of our citizens remain uninsured.

While we should not ignore the prospect of potential reform at the federal level impacting state health care delivery systems, Blueprint Louisiana has consistently been on record for the need to reform Louisiana's current Medicaid program. We have supported the administration's move toward health reform with its Louisiana Health First proposal, given our belief that Medicaid reform is necessary to support a sustainable expansion of coverage for Louisiana's uninsured.

Blueprint Louisiana traveled around the state in 2007 and again in 2008. We listened to real-world stories about the need to expand Louisiana's health care safety net provider system to offer the uninsured better access to care that is delivered closer to home by a mix of public and willing private health care providers. There is near universal agreement that we must expand coverage for the uninsured and strengthen medical education in the state. These fundamental concepts have driven Blueprint's health care recommendations. We believe health care issues will be a central issue in the 2010 legislative cycle.

ADDITIONAL FUNDING FOR LA 4

The Administration and the Legislature in 2009 failed to expand funding for LA 4 as called for in Act No. 876 of the 2008 regular legislative session. Act No. 876 increases income eligibility for Louisiana's acclaimed LA 4 pre-kindergarten program in incremental steps until the 2013-14 school year, when, pending the appropriation of necessary funding, LA 4 will be available for all four-year-olds regardless of income. This monumental achievement makes Louisiana only the ninth state to commit to provide Pre-K for all four-year-olds.

However, the approximately \$10.5 million needed in FY 09-10 was not provided to achieve the first expansion of income eligibility for LA 4, from 185 percent of federal poverty level to 300 percent of federal poverty level. Blueprint believes that few families with incomes below 300 percent of the federal poverty level can afford the cost (approximately \$5,000) of a high-quality

Pre-K program like LA 4. Most importantly, Blueprint believes that early childhood education funding produces a significant return on investment as has been shown in the proven performance of our LA 4 students:

- Four-year-old at-risk children who participate in the LA 4 program continue to show significant gains in the academic areas of Language, Print and Math year after year.
- Participation in the LA 4 program increases student performance on Louisiana's iLEAP and LEAP achievement tests, sustaining continued benefits through the fourth grade.
- Participation in the LA 4 program significantly reduces the number of students placed in special education and significantly reduces grade retention in the elementary grades.

TRANSPORTATION ISSUES

While there has been considerable progress on allocating one-time surplus funds and federal stimulus funds to many transportation projects over the last two years, sustainable, predictable funding for transportation remains elusive.

Without sustained, predictable funding, it will be difficult for Louisiana to substantially improve transportation infrastructure and mobility — an important contributor to our overall quality of life and the ability to retain and attract businesses to our state. Our transportation grid is an important economic development driver for our state. However, our overall budget situation makes the push for sustained, predictable funding very hard. We acknowledge the difficult choices that lawmakers face.

But perhaps there is one area where we can make some additional progress — exploring public-private partnerships that are allowed to experiment with alternative funding models. If the private sector is interested and capital can be obtained, PPPs have shown the potential to reduce costs and speed up project delivery.

COASTAL ISSUES

We will continue to monitor and encourage full implementation of Louisiana's Comprehensive Master Plan for a Sustainable Coast.

OUR GUIDING PRINCIPLES

As we stated in July 2007, Blueprint Louisiana is guided by these simple, but powerful principles:

Maintain a process of the highest integrity. Focus on what is best for the state. Don't avoid the tough stuff. No hidden agendas.

Be a catalyst for civic engagement. Change happens when you build a decisive level of public support that is visible and clear.

Establish excellence as the target. Big problems require bold and daring solutions. Small steps are not enough. We can be the best.

Recognize government as part of the solution. Our elected leaders are our partners. They need our support to make the hard decisions that real progress requires.

Focus on a few vital issues. Reform efforts are most successful when resources are focused on a few breakthrough improvements.

We cannot hope to accomplish the unfinished agenda items without the support and help of Louisiana citizens. To those of you who've engaged with us, we again say "thank you" and ask you to continue the push. To the many others, we ask you to consider the remaining task ahead, the current challenges facing the state and to make your voice heard. This is indeed your chance to help reform Louisiana.

As we stated in this document's introduction, we are effective when our members and other Louisiana citizens are interested and engaged. The next two years could be some of the most challenging fiscal times faced by the state. Your input is vital to the future of Louisiana.

Visit our website at www.blueprintlouisiana.org to see how you can get involved or make a financial contribution. Your support is appreciated.

Together, we will succeed. Let's continue creating the state we deserve.

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