

Regular Session, 2001

HOUSE CONCURRENT RESOLUTION NO. 148

BY REPRESENTATIVES LEBLANC, DEWITT, AND WINSTON

A CONCURRENT RESOLUTION

To provide that the Louisiana Advisory Commission on Intergovernmental Relations shall conduct a systematic and thorough study of the responsibilities of state and local government to furnish services to citizens and shall recommend those services that government should provide and the respective responsibilities of state and local government to fund such services and to provide them.

WHEREAS, the Select Committee on Fiscal Affairs (SCOFA) has conducted a broad study of issues affecting the fiscal affairs of the state and has included in its final report a finding that in Louisiana there is no clear delineation of the respective fiscal responsibilities of state and local government; and

WHEREAS, SCOFA reported that Louisiana state spending on local functions totals more than two and one-half billion dollars annually or the equivalent of nearly twenty-eight percent of the state's own source revenue, that over ninety percent of this funding of local functions comes directly out of the state general fund, that some two billion two hundred thousand dollars of this two and one-half billion dollars goes to elementary and secondary education, paying for over half the cost of local K-12 education through the Minimum Foundation Program (MFP), and that the state has very little control of how these funds are spent since the constitution authorizes the Board of

Elementary and Secondary Education to present the MFP formula to the legislature on what amounts to a take it or leave it basis; and

WHEREAS, SCOFA also found that the state pays a significant portion of the salaries of parish and municipal law enforcement and fire protection officers who are employed by local government, at a cost of some sixty-five million dollars a year, and also pays a portion of the monthly salaries of constables, justices of the peace, and parish and municipal judges and other costs of certain local courts, provides for revenue sharing, provides parish road funds, and pays for mass transit, but here again the state has little control of these costs since, for example, if a local government hires additional firemen or policemen the state portion of their compensation is paid virtually automatically; and

WHEREAS, SCOFA found that this level of state funding of local functions presents problems of accountability, engenders questions about the adequacy of state and local government revenue bases, and creates barriers to efficient delivery of services at both the state and the local level; and

WHEREAS, as SCOFA has pointed out, given the foregoing facts it is clear that in order to address the fundamental state fiscal issue of determining an appropriate revenue base to meet state needs, it is first necessary to decide what services should be provided by government and, looking at those services government should provide, which level of government should provide each of such services and which level of government should fund them; and

WHEREAS, SCOFA has recommended that the state implement the suggestion of the National Conference of State Legislatures for a "Sorting Out" process to determine whether each of the services being provided by state and local government is in fact a government responsibility and, if so, whether state or local government should fund the services and whether state or local

government should deliver them, such Sorting Out process to be guided by the following principles:

(1) Provide the clearest possible separation or responsibility between state and local governments.

(2) Assign program responsibility to the lowest possible level of government unless there is an important reason to do otherwise.

(3) Consider the fiscal effects of state mandates on local governments, and either assume financing responsibility, allow local discretion implementation, or repeal them.

(4) Assume state responsibility for programs where uniformity or statewide benefits will result.

(5) Provide state financial assistance to local governments that have the lowest capacity to raise their own revenue; and

WHEREAS, the Louisiana Advisory Commission on Intergovernmental Relations, which includes representatives from state and local government, is charged with the responsibility of conducting studies of the existing, necessary, and desirable relationship between and among local governments and the state and the existing, necessary, and desirable allocation of state and local fiscal resources, and also has been assigned by law the tasks of analyzing the structure, functions, revenue requirements, and fiscal policies of Louisiana and its political subdivisions, conducting studies of economic, administrative tax, and revenue matters for all levels of state government, and making recommendations for improvement, and, therefore, it would be appropriate for the commission to undertake the important study recommended by SCOFA.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby provide that the Louisiana Advisory Commission on Intergovernmental Relations shall conduct a systematic and thorough study of the responsibilities of state and local government to furnish services to citizens

and, based on such study, shall recommend those services which government should provide and the level of government that should provide such services and the level of government that should fund them.

BE IT FURTHER RESOLVED that such study shall be conducted in accordance with the suggestions of the National Conference of State Legislatures for a Sorting Out process and that the commission shall report its findings to the legislature not later than sixty days prior to the 2002 Regular Session of the Legislature.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to each member of the Louisiana Advisory Commission on Intergovernmental Relations as such commission is composed pursuant to legislation enacted by the legislature during this 2001 Regular Session.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE