

# LOUISIANA MATTERS



What will Louisiana look like in 20 years? Obviously, it's something no one really knows. What should it look like? That's hard to answer, too, because as a state we have no articulated vision of where we want to be in the decades ahead and, consequently, no plan for getting there.

To that end, *Louisiana Matters* is a CABL initiative to help drive the vision and change to move Louisiana forward.

**Vision:** For Louisiana to be a growing state outpacing the south and nation with a diversified, globally engaged economy; a skilled and well-educated citizenry; and an improving quality of life that values our cultural and natural resources and is attractive to people of all ages.

## Economy & Innovation

### Goals:

1. Build upon Louisiana's existing resources, diversify our economy and enhance our infrastructure and competitiveness to create a sustained period of economic growth over the next 25 years.
2. Position postsecondary education institutions and appropriate state agencies to produce a highly-skilled, globally competitive workforce with a strong focus on the technology-based new-market jobs of the future.
3. Develop existing talent in Louisiana and attract new talent from outside to grow our population at rates exceeding southern regional levels.

## Education

### Goals:

1. Create a diverse, modern education system that produces sustained and equitable improvement in student outcomes at a rate that outpaces that of the nation.
2. Expand access to high-quality early childhood education so that every child in Louisiana has the opportunity to begin school ready to learn.
3. Increase the education attainment and credential levels of our citizens at all levels to meet the job demands of a growing, diverse and modern economy.

## Livability & Quality of Life

### Goals:

1. Create a period of sustained improvement in key indicators such as health, public safety and poverty so that Louisiana is in the top quartile nationally on recognized quality of life indicators.
2. Establish Louisiana as a national leader in governmental ethics and transparency policies.
3. Sustain Louisiana's coast and wetlands as a vibrant place for culture, recreation, and commercial interests to thrive and extend that work to make the state a nationally recognized leader in all aspects of water system management and research.

# Louisiana Matters

## CABL 2016-19 Policy Agenda



### Economy & Innovation

- 1. Reform Louisiana's spending and tax structures to provide budget stability, fairness for taxpayers and support for priority investments in ways that maintain Louisiana's economic competitiveness.**
- 2. Target state investments in tax credits and incentives by establishing strategic state priorities that will fuel economic and job growth in sectors where Louisiana has the greatest growth potential.**
- 3. Prioritize investments in high-quality, university-based research that show high potential for commercialization and bringing new companies and high-quality jobs to Louisiana.**
- 4. Place a greater focus on efforts involving career pathways for high school students, particularly in high-demand fields, so they can transition smoothly into postsecondary education and job training for less cost and in a shorter time.**
- 5. Significantly increase the investment in Louisiana's highway infrastructure with a particular focus on economic growth regions and areas of high congestion.**

### Education

- 1. Expand access to early care and education programs for all at-risk children in Louisiana from birth through age four.**
- 2. Protect the Louisiana School and District Accountability System and other recent school and teacher-quality practices to ensure that parents and taxpayers have a clear picture of how our public schools are performing.**
- 3. Protect and continue to build upon a wide and dynamic array of education choices for students and parents.**
- 4. Maintain the course on instituting higher academic standards and new assessments that raise the level of expectations for our students and allow Louisiana to compare our student outcomes to students in other states.**

5. **Provide stable funding and long-term autonomies to higher education while assuring that institutions are accountable for performance and quality.**
6. **Restructure TOPS to ensure it is sustainable for the future and place a greater emphasis on needs-based aid to ensure that every student has access to postsecondary education.**

### **Livability & Quality of Life**

1. **Support Medicaid expansion in Louisiana to provide more health care coverage for Louisiana citizens and strengthen medical education and health care delivery for the indigent.**
2. **Support the Coastal Protection and Restoration Authority's Comprehensive Master Plan for a Sustainable Coast and ensure that funds intended for its implementation are not diverted to other areas of the budget.**
3. **Develop and support a strategic statewide water management plan for Louisiana that will help sustain our water resources for the future and encourage the growth of a recognized water research and management sector in our state.**

## Economy & Innovation

- 1. Reform Louisiana's spending and tax structures to provide budget stability, fairness for taxpayers and support for priority investments in ways that maintain Louisiana's economic competitiveness.**

**Comment:** According to the Tax Foundation, Louisiana has one of the lowest tax burdens in the country, but our business tax climate ranks only 35<sup>th</sup>. That coupled with the clear gap between our recurring revenues and expenditures indicates significant problems with our overall fiscal structure. We protect spending in huge areas of our budget through constitutional and statutory dedications while we have a tax structure that is unnecessarily complicated and makes us appear non-competitive with other states.

Therefore, it is imperative that we: a) undertake a thorough review of our entire fiscal house, b) determine our spending priorities so that we are not constantly cutting areas of the budget that are among the most important, and c) repair our tax structure so that it is aligned to our spending needs, allows for some degree of appropriate growth and ensures that we are competitive with other states.

- 2. Target state investments in tax credits and incentives by establishing strategic state priorities that will fuel economic and job growth in sectors where Louisiana has the greatest growth potential.**

**Comment:** This year the Legislature raised a significant amount of additional revenues by reducing a long list of tax credits, exemptions and exclusions. That did provide a temporary fix to the state's most immediate budget problems, but it said nothing about what our strategic priorities are for any of the tax incentives. Instead of what was essentially an across-the-board cut to most of these credits, Louisiana needs to review them individually to determine which ones are accomplishing the goals we have established for them and what the relative value of each tax break is to the state.

Theoretically, if we are providing businesses or individuals with a tax break it is because we want that break to accomplish something that is in the overall interest of the state. If we find that its value to the state is less than the cost of providing it, it should be eliminated or reduced. If it is providing dividends to the state as intended, it should be preserved. But the bottom line is that tax breaks and incentives should be used to help the state reach strategic goals and should be eliminated, adjusted or preserved based on that criteria.

- 3. Prioritize investments in high-quality, university-based research that show high potential for commercialization and bringing new companies and high-quality jobs to Louisiana.**

**Comment:** Louisiana still needs a greater sense of urgency in developing a true innovation strategy for the state targeted toward economic development and the

creation of well-paying, technology-based jobs. Clearly, we have made progress in this area over the last several years both through the work of Louisiana Economic Development and the Louisiana Innovation Council. What remains lacking is a truly targeted focus on this area and an entity shielded from politics that can identify resources and prioritize state investments in university research that stands the best chance of creating jobs and providing a return on that investment.

At the same time, it is interesting to note that we actually rank significantly higher in our R&D investments at universities than we do in industry-funded research. That seems to be an area with potential greater than we have realized and we should ensure that our strategies also include ways to grow that particular aspect of research through partnerships with industries that have technology needs in areas where we already have existing strengths.

Finally, CABL has talked in the past about the need for a high-level state position charged with developing and implementing an innovation strategy for the state, as well as an entity like the Georgia Research Alliance that can target appropriate investments. We still need both. The governor and Legislature should institutionalize them and vest them with the authority and sense of urgency they need to significantly accelerate our competitiveness in the area of innovation.

**4. Place a greater focus on efforts involving career pathways for high school students, particularly in high-demand fields, so they can transition smoothly into postsecondary education and job training for less cost and in a shorter time.**

**Comment:** Louisiana is fortunate to be going through a period of tremendous business growth thanks to new investments of perhaps \$100 billion or more in our manufacturing and energy sectors. The tens of thousands of new jobs that are being created will provide a boom to the state, and while the vast majority of them will not require a four-year degree, they will require some form of postsecondary education. Louisiana lags the rest of the country in educational attainment after high school and unless we address that issue many of our citizens will miss out on the opportunities these jobs provide because they do not have the skills and credentials today's workforce demands.

In response Louisiana has begun to do several things to better prepare high school students for their next steps toward career or college. Jump Start is a program that provides career and college courses and workplace experiences for students while they are still in high school. Course choice gives students access to higher-level or specialized course offerings that might not otherwise be available in their local school districts and can be of particular benefit to students interested in STEM studies.

Together these are examples of the rethinking of the high school experience that can expose students to career options while they're still in school and give them a head start on whatever they choose to do after high school. These approaches can also save students both time and money. Louisiana has made good first steps in this direction, but we need to ensure that these types of programs are expanded in our schools and

that all students will have access to these kinds of opportunities. That will take strong collaboration between state education leaders, local school districts, higher education and the business community. But it has the opportunity to be a transformative change that would strengthen our workforce and improve the prosperity of countless Louisiana citizens.

**5. Significantly increase the investment in Louisiana's highway infrastructure with a particular focus on economic growth regions and areas of high congestion.**

**Comment:** There are areas where simply putting more money into something will not solve the problem and then there's the area of infrastructure. Our roads, bridges and ports are facing serious issues that threaten our safety and hurt our economic competitiveness. Any way you look at it, Louisiana's infrastructure needs are significant and, quite simply, we have no choice but to find new ways to increase our investment in it.

Basically, there are two things we have to figure out. One is preservation – how do we invest in road quality improvements, driver safety and a degree of congestion relief that is the most immediately attainable? The other is how do we finance the much larger, long-term projects that every region of the state feels like it needs?

There are no easy answers for either one of them, but there are some first steps we can take. Recognizing that the gasoline taxes we pay today are worth significantly less than they were 20 years ago and that enhanced fuel efficiency is making those taxes a diminishing source of revenue, we need to make sure that all of our motor fuels tax dollars are spent on transportation.

Today, close to \$100 million of state gasoline taxes are being diverted to other areas of the budget including group benefits, retirement costs, state police and parish roads. While lawmakers took some steps during the 2015 legislative session to diminish some of the leakage from the state Transportation Trust Fund, it's still occurring. It is imperative that we begin to wean the State General Fund and others from their reliance on these dollars and ensure that they are directed to transportation.

However, making a significant improvement in our transportation system will still require additional revenues. Louisiana's 20-cent gasoline tax is 11 cents below the national average. A 10-cent increase, as some have discussed, could raise close to \$300 million in new revenues. There has also been talk of allowing local governments the flexibility to raise local taxes, with voter approval, to leverage with state dollars to fund specifically agreed upon local projects. In some cases these local revenues could also be mixed with appropriate tolling.

All of these approaches are difficult to undertake, but it should also be pointed out that the cost of bad roads is a hidden cost that impacts every driver in Louisiana. Our infrastructure issues are such that it's not likely they will all be addressed by the next governor or Legislature in their next term in office. But we do need all of them to begin

at least mitigating our problems with a well-thought-out strategy that we can start to implement over the next four years.

## Education

### **1. Expand access to early care and education programs for all at-risk children in Louisiana from birth through age four.**

**Comment:** It is well documented that Louisiana ranks near the bottom when it comes to the educational achievement levels of public school students. Much has been done to try to address that issue by raising academic standards, providing for greater accountability, offering additional education choices for parents and focusing on the quality of teachers and school leaders. All of those things are critically important but focusing on the development of children before they reach school age is also fundamental.

Many school districts offer high-quality pre-k programs for four-year-olds, but in many cases there are not enough slots available to meet the needs of the state's many at-risk children. In addition, we are just beginning to wade into the bigger issue of quality care and education for children from birth to age four. That's critical because the research clearly shows that developmental experiences in those early years are a strong determinant of a child's future learning and behavior.

High-quality learning experiences enhance a child's brain development in positive ways while the lack of those experiences can weaken development with life-long consequences. In Louisiana, 60% of mothers with infants are in the labor force, and almost 70% of children birth through age five have both parents, or their only available parent, working. The quality of the care these young children receive can have a profound effect on their future success in school and in life.

In 2012 Louisiana passed Act 3 which made major reforms in early care and childhood education with the goal of improving school-readiness for at-risk children. While it did establish higher program standards to help ensure improved early learning experiences, it has yet to be adequately funded. Full funding comes with a hefty price tag, but as the U.S. Chamber of Commerce notes, high-quality early childhood programs can yield an 8-1 return on investment for every dollar spent and also brings widespread societal benefits. Louisiana must develop an implementation strategy in collaboration with local school districts, Head Start and child care providers that will expand access to high-quality early learning and care for the state's significant population of at-risk children.

### **2. Protect the Louisiana School and District Accountability System and other recent school and teacher-quality practices to ensure that parents and taxpayers have a clear picture of how our public schools are performing.**

**Comment:** The only way we can know how our schools and students are performing is through an accountability system that accurately and transparently measures students' achievement. For years, Louisiana has had one of the top-rated school accountability systems in the country, yet every year it comes under constant attack from special interests who don't want the public to know how our students are doing.

Right now we are entering into the third year of a three-year pause in some aspects of accountability to help teachers and students transition to new, higher academic standards. There are some groups working to make what is supposed to be a temporary "pause" permanent. We cannot let that happen. We need to return to where we were and appropriately reinstate key accountability measures, such as school and district letter grades, that will accurately and forthrightly tell us how public education in Louisiana is performing with regard to student academic achievement.

Our accountability system has made clear over the years that we haven't yet reached the achievement levels we desire, but it has validated the areas where we have seen improvement and given us a good picture of how our schools and districts stand in relation to one another. We must resist the continuing attempts by some to water it down and hide from parents and the public what they need to know about school performance.

Finally, one area our state leaders need to pay particular attention to is the very future of the teaching profession. If we are going to succeed in improving student performance at an accelerated rate there are two areas that need a sharper focus. One is the pipeline of future teachers and the other is the need to both attract and retain high-quality professionals in education.

One way to do that is to elevate teaching as a true profession by recognizing and rewarding excellent teachers and school leaders. In recent years we have done a good job of enacting policies at the state level that focus on performance and give districts more flexibility to reward great teachers based on the job they do rather than simply looking at longevity. Unfortunately, as is often the case, many districts are slow to utilize these new tools and we end up not far removed from the status quo. Our state leaders need to find new ways, perhaps through the MFP or some other mechanism, to incentivize districts to reward quality teaching.

### **3. Protect and continue to build upon a wide and dynamic array of education choices for students and parents.**

**Comment:** During the 2014-15 academic year, Louisiana had 134 charter schools enrolling more than 70,000 students. Compared to other states, that represents a fairly high number of students attending public charter schools. The ongoing expansion of charter school enrollment indicates very clearly that there is an ongoing demand for such options by parents. While most charter schools currently in operation are showing real successes, strict accountability requirements ensure that those that that



are not achieving results are closed. The lessons we have learned in recent years have helped strengthen public education and the results are positive.

Perhaps the easiest way to understand the promise of charter schools is by looking at the post-Katrina experience of New Orleans. In the aftermath of the storm, the state's Recovery School District took operational control over the 107 lowest-performing schools in the city. Today every school in the RSD is a charter school and over the last decade the RSD in New Orleans has gone from one of the state's lowest performing and chronically failing school districts to a district that earns a grade of C. In 2006, for instance, only 25-percent of students in the district were performing at "Basic" or above on the state's LEAP tests. Now the number is 57-percent and the district has closed its performance gap with the state from a 35-point differential to just 12-points.

Louisiana should continue its efforts to innovate and offer diverse school choice opportunities as alternatives and additions to traditional public schools. Examples of these new choices include the school scholarship program, Jump Start, dual enrollment, more STEM and Advanced Placement courses, language immersion, special needs schools and more. The growing enrollment in many of these programs attests to their popularity as well as the need for more of them in Louisiana's diverse economy. We sometimes forget our first concern should be the well-being of students and the desires of their families – not the interests of politicians or an education establishment that is slow to change.

**4. Maintain the course on instituting higher academic standards and new assessments that raise the level of expectations for our students and allow Louisiana to compare our student outcomes to students in other states.**

**Comment:** Louisiana has been through more than two years of bruising political battles over higher academic standards at a time when the evidence clearly shows our old expectations for students were set too low and not preparing them well for future careers and professions. Consider two points: 1) By 2020 53-percent of jobs in Louisiana will require some sort of postsecondary education degree or certificate. Today, only 28-percent of Louisiana adults meet that requirement. We are far behind. 2) There is a huge gap between the performance of Louisiana students on our older state tests and their performance based on more rigorous standards on national tests. Our student expectations and academic standards were set too low for our students to compete and succeed.

Louisiana adopted new higher standards in 2010 and began full-statewide implementation of those standards in 2013. Since then there have been politically-fueled efforts to fall back to our old standards and change our end-of-the-year standardized tests to ensure that it is impossible to compare the performance of Louisiana students with that of students in other states.

We are now in an extensive process of reviewing and building upon our current standards, making adjustments or additions as appropriate. We should continue that process, but our ultimate goal should not be to go back to standards that have failed us,

but move forward with higher expectations that will give every Louisiana student a real opportunity to succeed in college or a career. We are now seeing real progress in terms of ACT scores, graduation rates and success rates in Advanced Placement courses. We should do nothing to impede that progress.

**5. Provide stable funding and long-term autonomies to higher education while assuring that institutions are accountable for performance and quality.**

**Comment:** Over the last seven years, Louisiana support for higher education declined by the largest percentage in the nation – 34-percent compared to an average annual reduction of 6-percent nationwide. Yes, tuition rates did increase during that period, but they didn't come close to making up for the cut and even today average tuition in Louisiana remains about \$800 per semester less than the southern average.

Louisiana is the only state that requires a two-thirds vote of the Legislature to change tuition rates. This has hurt some of our institutions significantly, particularly those that compete based on quality for some of the top students in the country. Mediocrity is not a good recruiting tool. At the same time, colleges have also been hamstrung by state rules that actually constrain them from implementing efficiencies, particularly with regard to purchasing and other services, that would actually help save millions of dollars for higher education. This year, the Legislature did approve some relief in the area of both fee adjustments and operational autonomies, but the fee relief is temporary and the other new flexibilities can still be thwarted by the state's administrative bureaucracy.

Tuition and operational autonomies, with appropriate oversight and accountability, are structural changes that need to be made to unshackle our colleges and allow them to become more market-driven institutions that compete based on quality.

**6. Restructure TOPS to ensure it is sustainable for the future and place a greater emphasis on needs-based aid to ensure that every student has access to postsecondary education.**

**Comment:** Since its inception in 1998, TOPS has been a tremendous program that has rewarded thousands of students for their high school performance through free college tuition to Louisiana colleges. Its success, in many respects, can be seen in a variety of areas. More high school students are now enrolling in the TOPS core course work and data show that has improved student performance on the ACT. Since 2003 about 90-percent of TOPS recipients have accepted the award and enrolled in Louisiana colleges and they have stayed in school and graduated at a faster pace than non-TOPS students.

Without question, TOPS has also been a benefit to families through significant savings in the cost of tuition. At the same time, though, it has also come with a cost to the state. In its first full year of implementation the price tag of the program was about \$104 million. By 2019 that amount is projected to approach \$300 million. Given its relatively modest academic requirements and its promise to cover the full cost of tuition for eight semesters in school it is clearly among the most generous programs of its kind in the

country. That also threatens the state's ability to sustain it, particularly as state support for higher education dwindles and tuition costs increase.

The TOPS program should be preserved, but it should also be restructured in ways that control its costs for the future. Legislation to begin that process was passed during the 2015 legislative session, but was vetoed by the governor. That approach should be revisited. At the same time we should note that needs-based financial aid in Louisiana remains low compared to other southern states. Though funding has remained relatively steady, the demand for needs-based aid has generally increased over the years. Louisiana is a state that must increase its postsecondary education attainment while also ensuring that there is equity so that individuals of all income levels have the opportunity to participate. To reach our higher education goals we must address both of these issues.

## **Livability & Quality of Life**

### **1. Support Medicaid expansion in Louisiana to provide more health care coverage for Louisiana citizens and strengthen medical education and health care delivery for the indigent.**

**Comment:** In recent years, the debate about Medicaid expansion, which was an outgrowth of the federal Affordable Care Act was largely about politics. Given the realities of the state's budget issues and the tenuous finances of some of the public/private partnerships at hospitals that provide health care to the indigent, that is likely to change.

While there is no question that there is a moral argument to be made about expanding access to quality health care to many of Louisiana's impoverished citizens, there is also a growing practical and financial one that is getting harder and harder to ignore.

By all accounts, without some change, health care costs to the state are expected to increase even if we do nothing. Because of the ACA, beginning in 2017 the federal disproportionate share dollars (DSH) we now use to pay for the uninsured are slated to go down. We access that funding through a roughly 60-40 federal/state match, meaning we pay for 40-percent of those costs while the federal government pays for the rest.

The exact amount DSH will be reduced is uncertain, but it is pretty clear that the federal payments to Louisiana won't remain at the current levels. That would likely have a huge impact on Louisiana which uses those dollars to pay the health care costs of a large indigent population. If those payments are reduced, that will in turn put greater pressure on the already financially-stressed hospitals that provide significant amounts of uncompensated care.

If, however, the state expands Medicaid in January, many things change. The federal government will pay the full cost of that expansion for the remainder of our current

fiscal year and into the first six months of the next fiscal year. After that, the state will have to begin to pay a phased-in match to access those dollars, but it tops off at 10-percent in 2020 – significantly lower than our current DSH match rate.

What this means, according to the Legislative Fiscal Office, is that even with conservative estimates, if Medicaid is expanded when the new governor takes office, it is certain that the state will save money beginning in the current fiscal year. The amount of that savings decreases over the five-year phase-in of the match, but even with that, the five-year net savings is still expected to be in the range of \$100 million or more.

It is true that after five years, there begins to be a net cost increase to the State General Fund, however, that doesn't take into account the provisions of a recently passed constitutional amendment that could take effect as early as 2017 which would save the state additional revenues.

Louisiana hospitals developed a plan which voters approved in 2014 that essentially levies a provider fee on themselves. That fee raises new revenues that can then be used as the state's match to cover those increased Medicaid costs, so if that works as anticipated and other factors are taken into account the state should have the revenues to sustain the expansion of Medicaid into the future without the need for new State General Fund Revenues.

There are a number of other impacts of all of this that should be considered, as well:

- Health clinics that currently treat many of our indigent patients are not eligible to receive DSH dollars. They can be reimbursed through the Medicaid program which would provide a savings to the state while also greatly expanding access to primary care.
- Currently inpatient prisoner care is paid totally from state dollars. If the state expands Medicaid, inpatient care for prisoners in both state and local jails would be covered by the plan so at most the state would have to pay only at the 10-percent match rate instead of picking up the full bill.
- Medicaid expansion is expected to pump as much as \$1.2 billion in new dollars on an annual basis into the state health care economy which will also flow directly into the state economy and local communities.
- At the same time, that would mean most citizens in the state would have expanded access to health care, particularly primary care, which should also result in better health outcomes and long-term savings to the state.
- This new population would not be going into the traditional fee-for-service Medicaid program that Louisiana operated in the past, but the reformed managed-care Bayou Health plan that should help keep costs down.
- If Louisiana wanted to develop a newer model of health care delivery or transition to more of an insurance model as some other states have done, that option would remain open.

Finally, Medicaid expansion would likely help solve two pressing problems that need immediate attention: the distressed funding situation faced by the public/private hospital partnerships that replaced our old charity hospital system and the medical education component at our teaching hospitals.

It was a good idea to move away from our old charity hospital model. It was costly for the state to run an entire system of public hospitals and the capital costs of staying even reasonably up to date were enormous. But the agreements we reached to get many of the public/private partnerships operational need additional financing if they are to become viable and sustainable.

At the same time, most physicians who practice medicine in Louisiana are trained in Louisiana. We need our teaching hospitals to be in a stronger more sustainable posture to produce the medical professionals we need for the future health of our state. Expansion of Medicaid with the new stream of health care funding that would come with it would play a major role in helping address both of those increasingly concerning situations.

Finally, it must be stated that there are certainly many unknowns out there and anything that involves health care funding at the federal level will always include uncertainties. There's no question that we must proceed with some degree of caution utilizing the best data and fiscal impacts we can have.

But for a state that ranks 49<sup>th</sup> in most health rankings and faces continued budget issues stemming in no small part from health care costs, we have an imperative to seek practical new solutions that benefit all of our citizens. Other states have figured out ways to expand Medicaid coverage in ways that work for them. We should be able to do the same thing for Louisiana.

## **2. Support the Coastal Protection and Restoration Authority's Comprehensive Master Plan for a Sustainable Coast and ensure that funds intended for its implementation are not diverted to other areas of the budget.**

**Comment:** The BP Deepwater Horizon oil spill was a catastrophe of monumental proportions for much of the Gulf Coast and particularly Louisiana. More than 3 million barrels of oil spilled into the Gulf over nearly three months in 2010 causing harm to Louisiana's coast, fisheries, wildlife and economy. The \$6.8 billion dollars Louisiana is expected to receive as part of the BP settlement is intended to try to mitigate some of that damage and help us restore our coast as best we can. It should not be used to help balance the state budget. While it is appropriate to use payments for economic damages to shore up various funds in state government that have shrunk because of budget cuts, it is not appropriate for penalties and other payments dealing with environmental damage to be diverted for other uses.

It is true that at this moment the bulk of the settlement is being targeted to coastal restoration and protection. But it is also true that state leaders and the Legislature can

find creative ways to get around that. We have done those types of things in the past and we can do it again – but not this time. It is imperative that we support the CPRA’s comprehensive master plan for the coast with the revenues from the settlement that were intended to help restore it.

**3. Develop and support a strategic statewide water management plan for Louisiana that will help sustain our water resources for the future and encourage the growth of a recognized water research and management sector in our state.**

**Comment:** More so than even oil and gas, water has been the defining natural resource in Louisiana. It provides us sustenance, fuels a diverse set of industries, serves as a means of vital transportation and offers countless recreational opportunities. Indeed, our experience with water throughout most of our history has been more about trying to manage its excesses than trying to preserve or sustain it. But today the world is different. Both climate change and severe water shortages have made water an asset that some have dubbed the “new gold” of the 21st century.

While that may be an overstatement, it does suggest that Louisiana, with its abundance of water, is well positioned for a future where water will be a more and more valuable asset. But we need to be mindful of the issues we face, too. Some of our aquifers are being depleted faster than they are being recharged, some face issues with salt-water intrusion and statewide our industrial use of water is among the highest in the nation.

Our water resources can be a tremendous asset for the future economic growth of the state, but we need to plan for that future now and strategically consider the opportunities it can provide. Louisiana needs both a strategic long-term plan for water management, as well as a strategy to capitalize economically on the growing water “industry” and the new technology and research it will demand.