



# NEWS RELEASE

## LOUISIANA HOUSE OF REPRESENTATIVES

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### **CHAIR MCFARLAND STATEMENT ON BUDGET HEARINGS**

BATON ROUGE, La. - Appropriations Chair Jack McFarland spoke pointedly about the state of the budget during an interim meeting of his committee at the state Capitol today. Indicating there is significant work to be done to address potential budget shortfalls, he stressed that the dollar figures being discussed will likely change in the months ahead.

“To put it in simple terms, the hay is not in the barn,” said Chair McFarland. Regardless of what the final figures turn out to be, it is clear we need to look for efficiencies in government and every agency I’ve spoken to has ideas for how to get that done. The responsible thing for the legislature to do is to finally address tax policy failures that are antiquated. The timing is perfect because we have an imminent problem on hand. Leadership is committed to taking a holistic approach to these budget issues that includes examining the dedication of revenues, state tax structure, and operational efficiencies and we are ready to engage in a collaborative process to find solutions to these issues working with both our colleagues in the Senate and the Executive branch.”

Currently, Louisiana is facing a projected revenue shortfall of \$340 M in fiscal year (FY) 26. This figure does not include items such as \$248 M for education initiatives like teacher and support personnel stipends, differential pay and student tutoring approved by the legislature in the spring. McFarland cautioned members saying any addition to the operating budget to include these items or other services will increase any shortfall.

Challenges facing the budget committee include the expiration of the state’s 0.45% sales tax, as well as a 2% tax on business utilities and the movement of vehicle sales taxes into the Transportation Trust Fund for road and infrastructure improvements statewide. The Appropriations Committee plans to hold a series of hearings during the interim to publicly discuss the budget process and potential solutions to be introduced during the fiscal session next year.

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