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BATON ROUGE, LOUISIANA --- With the announcement today by the Revenue Estimating Conference of a \$192.1 million increase in the 05 fiscal year forecast and a \$168.6 million increase in the official 06 forecast, Republican leaders are again calling on Governor Blanco to fund teacher pay raises from existing sources without raising taxes.

“Prior to the Session’s beginning, we went to see the Governor regarding rapidly growing revenues,” said Rep. Tucker. “We suggested at that time that \$75 million be used for a \$1,000 per year teacher raise.” Her position at the time was that there would not be any additional funds available from current sources given the redemption of outstanding film tax credits.

“Today, given the incredible increase in the official forecast (far exceeding anything we expected), we are now calling on the Governor to use \$150 million of the annual increase for teacher pay increases. This, coupled with a \$500 increase already in the MFP formula for 05-06, will give teachers a \$2,500 raise, the largest single increase in almost 10 years.” Tucker said.

Furthermore, today, we are calling on the Governor to use \$150 million of the 05 money to match Medicaid three to one to eliminate the 06 shortfall in the program without raising taxes. The remaining \$42.1 million in 05 available funds we suggest be used as transitional funding to begin the process of reforming our Charity Hospital System.

“Prior to the beginning of the legislative session, we sat down with the Governor and her staff to discuss the Republican plan for a long term solution to the Charity Hospital funding problem. Our goal is to provide quality patient care, a top-notch physical plant and outstanding medical education opportunities all within a reasonable cost to the taxpayer. Through the decentralization of management by local control, an overhaul of the existing physical plant and the shifting of care to the private sector, the Republican plan accomplishes all three objectives, while controlling costs and saving the taxpayers,” Sen. Schedler said.

We again call on Governor Blanco to act this year on both initiatives. It is crystal clear after today that Louisiana has a spending problem not a revenue problem, and there is absolutely no justification for new taxes at this time.

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