

LOUISIANA

ECONOMIC RECOVERY

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ROY

#lockdownlife @chrisroytaylor

Crude Oil & Lease Condensate Production in U.S.: 10/2017

(1,000 Barrels per Day)

*Includes Federal offshore production

<u>Area</u>	<u>Production</u>	<u>Percent U.S.</u>
United States	9,637	100.0%
Texas	3,767	40.7%
<i>Louisiana*</i>	<i>1,576</i>	<i>16.1%</i>
North Dakota	1,164	11.3%
Alaska	507	5.4%
Oklahoma	491	5.1%

Table 2
Gross Withdrawals & Production of
Natural Gas in U.S.: 10/2017
(Billions of Cubic Feet)

<u>Area</u>	<u>Production</u>	<u>Percent U.S.</u>
United States	2,886,216	100.0%
Texas	694,012	21.3%
Pennsylvania	449,363	13.8%
Alaska	283,185	8.7%
<i>Louisiana*</i>	<i>279,919</i>	<i>8.6%</i>
Oklahoma	224,740	6.9%

**Employment and Annual Wages Paid
in Petroleum-Related Industries: Louisiana
2017-II**

<u>Sector</u>	<u>Employment</u> ^a	<u>Annual Wages Paid</u> ^b
Oil & Gas Extraction	6,136	\$747,391,508
Support Activities for Mining	24,595	1,949,190,032
Petroleum Refining ^c	11,257	1,380,891,076
Pipelines	2,592	225,558,528
<u>TOTAL</u>	<u>44,580</u>	<u>\$4,303,031,144</u>

Average Weekly Wage: Top 5 2017-II

• O&G Extraction	\$2,343
• Refining	\$2,259
• Chemicals	\$1,940
• Pipelines	\$1,673
• Support Activities Mining	\$1,524
• Average: manufacturing	\$1,332
• Average: All LA	\$ 869

Factoring in Multiplier Effect

- Total of **160,792** jobs in Louisiana tied to oil and gas extraction
- Job multiplier = **3.7**
- **\$12.7 billion** in household earnings created
- Big winner sectors:

• Healthcare & Social Assistance:	12,320
• Retail Trade:	11,823
• Professional/Technical/Scientific :	9,879
• Real Estate/Rentals	8,658
• Manufacturing:	8,055
• Construction:	7,206
• Food services:	6,392
• Administrative/Waste Management:	6,355
• 10 others @ 1,000+	

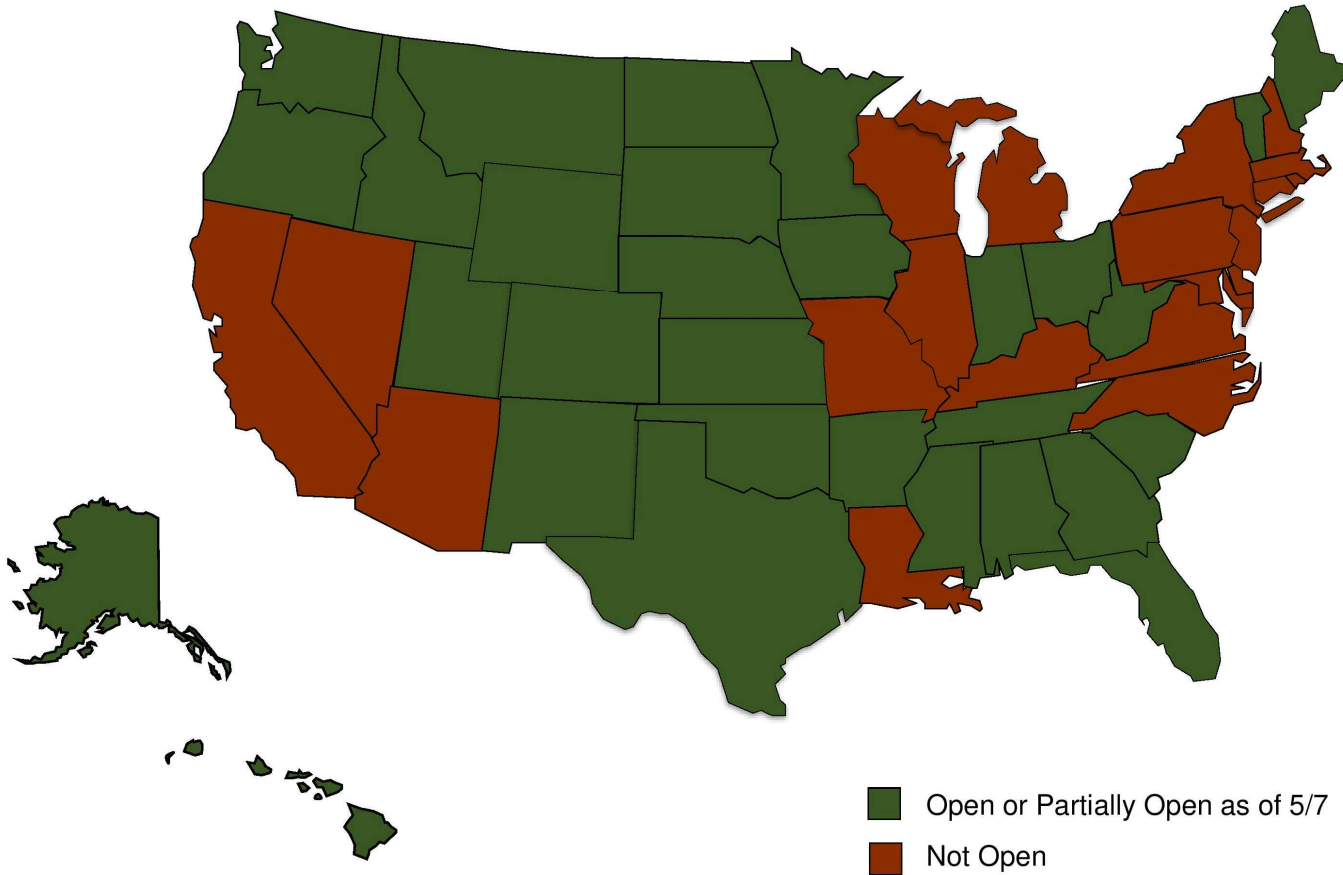
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1. Ensuring Public Health and Safety at Work

Final Phase I Draft Recommendations

Chair: Dr. Craig Greene

Membership: Scott Ballard, Jeff Drozda, David Ellis, Friday Ellis, John Finan, Stan Harris, Quentin Messer, Pete November, Dr. Catherine O'Neal, Allyson Pharr, Doug Shipley

Special Advisor: Beverly Haydel

Policy Goals

- **TESTING, TRACING, TRACKING**
 - Coordinated, testing, tracing and tracking that is recommended, but not mandated, for individuals.
- **NO UNFUNDED MANDATES**
 - No unfunded mandates on business seeking to safely re-open and operate.
- **EXPANDED ACCESS TO CARE**
 - Permanently expand access to telehealth services.
- **ROLL BACK REDTAPE**
 - Rolling back of regulations that prevent businesses from hiring and growing.
- **PROTECTIONS FROM LIABILITY**
 - Limited liability for healthcare providers and businesses who are assisting in COVID-19 response and recovery and who are acting in good faith to protect employees and consumers.
- **IMPROVE ACCESS TO CAPITAL**
 - Greater access to capital and financial assistance for small businesses and low-income residents in areas hard hit by COVID-19.

Testing, Tracing, Tracking

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Request that LDH and DOA provide an immediate update to the Legislature on efforts to establish an application or system to track COVID-19 incidence and spread	Concurrent Resolution	All Louisiana citizens	Ensure Louisiana is acting quickly to set up systems and processes to immediately identify and contain future spread	Resolution	None
Require that participation in any tracing system established by the State or local governments to protect the public health in response to COVID-19 be <u>recommended but not mandated</u> for all individuals	Title 40 (Public Health)	All Louisiana citizens	Protects personal privacy and data <i>*Bill would track the COVID-19 Consumer Data Protection Act being introduced in the U.S. Senate</i>	TBD	None

Testing, Tracing, Tracking

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
<p>Request that CARES Act funding made available to the State and LDH for testing (including CDC funding) be distributed to healthcare systems (and potentially employers for antibody testing)</p> <p>*Work Group recommends that private providers, <i>not</i> the State, should be administering testing. The State's role should be limited to funding, coordinating, and reporting.</p>	Concurrent Resolution	Healthcare providers, Louisiana residents, insurers	Expanded access to testing	Resolution	Zero (CARES Act funding should be used)

No Unfunded Mandates

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
<p>Prohibit state agencies and licensing boards from imposing any unfunded mandates on businesses, including non-profits, related to PPE and/or social precautions related to COVID-19 response</p> <p>*Work Group strongly recommends that the State issue only <i>recommended guidelines</i> based on industry best-practices, <i>not mandates</i> regarding PPE and social distancing</p>	Title 40 (Public Health and Safety)	All business owners	Minimize financial burden on businesses that are already struggling financially to safely re-open and may have trouble accessing and paying for PPE or physical space adaptations	TBD	Zero

Federal Funding

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
<p>Concurrent resolution supporting the federal State and Municipal Aid for Recovery and Transition (SMART) Act introduced by Sen. Bill Cassidy and Sen. Robert Menendez (D-NJ). The bill would create a \$500 billion fund to help states and local governments plug revenue losses and target additional funding toward COVID hot zones to combat the pandemic.</p>	Concurrent Resolution	The State, all Louisiana residents, U.S. Congress	<p>Increased federal funding for Louisiana to help fund critical Louisiana services and programs</p> <p><i>*distribution formula would = 1/3 based on population size, 1/3 on the number of Covid-19 cases, and 1/3 on revenue losses relative to pre-covid-19 projections to target the urgent economic challenge</i></p>	Resolution	Zero

Expand Access to Care

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Expand access to and coverage of telehealth services	Title 22 (Insurance)	LDH (Medicaid), Commercial Payors, Self-insured plans, Healthcare Providers, Physicians, Patients	Expands access to care; health equity	HB 530 (Rep. Echols, M.); HB 553 Crews, R.)	Long-term cost savings from increased access to preventative care
Align Medicaid and Medicare reimbursement for telehealth	Title 40 (Public Health & Safety)	LDH (Medicaid), Commercial Payors, Healthcare Providers, Physicians, Patients	Expands access to care; health equity	HB 589 (Rep. Echols, M.)	Long-term cost savings from increased access to preventative care

Roll Back Red Tape

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Temporarily suspend all license and other fees imposed on businesses by state agencies, their divisions, and state licensing boards, including LDH, DPS, State Fire Marshall, and others	Suspension Resolution	Business owners, licensing boards	Provides businesses with greater liquidity to address immediate needs, including rehiring of workers, PPE, safety measures	Resolution	Undetermined
Require regulating entities to grant occupational and professional licenses when certain requirements are met	Title 37 (Professions and Occupations)	Licensing boards, employers, workers	Makes it easier for employers to hire qualified workers by granting reciprocal licenses for licenses earned out of state and requires regulating entities to issue an occupational license to workers based on work experience in another state if certain requirements are met	HB 622 (Rep. Emerson, J.)	Zero

Roll Back Red Tape

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Expand the number and type of entities who are able to administer competency evaluations for nurse aides	Title 37 (Professions and Occupations); LAC 48:1-XXV	Nurses, Healthcare Providers, LA State Board of Nursing	Make it easier and quicker for nurse aides to access the competency exam and begin providing care	HB 242 (Rep. Johnson, M.); HB 237 (Rep. Carter, W.)	Zero
Expand the type of facilities that are able to hire nurse aides who have completed their coursework and training but have not passed the competency exam (provided certain requirements are met)	Title 37 (Professions and Occupations); LAC 48:1-XXV	Nurses, Healthcare Providers, LA State Board of Nursing	Provide a larger pipeline of nurse aides, especially to facilities and care centers that are who are willing to provide on-the-job training; provide a solution to increased demand for nurse aides due to social distancing rules	HB 242 (Rep. Johnson, M.); HB 237 (Rep. Carter, W.)	Zero

Roll Back Red Tape

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Sign onto the Interstate Medical Licensure Compact and EMS Personnel Licensure Interstate Compact	Title 37 (Professions and Occupations)	Physicians, LSBME, Healthcare Providers, EMS, Emergency Response Personnel	Streamlines licensing process for physicians and emergency medical responders who want to practice and provide services in multiple states	SB 464 (Rep. Peacock, B.); SB 46 (Rep. Peacock, B.)	Zero

Protect Businesses and Healthcare Providers from Liability



Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Limited liability for healthcare providers and businesses during COVID-19 emergency, including as a result of alleged exposure	Civil Code (Title 9)	Business Owners, Healthcare Providers, Attorneys	Greater certainty and protection from frivolous litigation for healthcare providers and business owners seeking to safely re-open and grow	HB 826 (Rep. Pressly, T.)	Zero
Limited liability for individuals and businesses providing food, shelter, equipment and supplies during the COVID-19 emergency	Title 9 (Civil Code; Professions and Occupations (Title 37)	Business Owners, Healthcare Providers, Attorneys	Protection from frivolous litigation for those who have stepped in to help others during COVID-19 emergency	HB 856 (Edmonds), SB 491 (Hewitt), SB 508 (McMath)	Zero

Improve Access to Capital/Financial Assistance

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Use funding made available through the CARES Act to establish a Small Business Assistance Fund	Title 51 (Trade and Commerce)	Small business owners	Provide immediate liquidity to small businesses within certain industries (authorized uses should include costs for PPE, new technology, physical space adaptations)	HB 862 (Rep. Garofalo, R.)	Zero SGF (only utilizing CARES Act funding)
Use CARES Act funding sent to Louisiana to provide temporary (2-month) public transportation subsidies for eligible workers	N/A	Public transit systems; workers	Increase access to public transit for workers in certain industries (e.g., food service, hospitality, healthcare) and certain geographical areas with heavy reliance on public transit (NOLA, BR, Shreveport)	HB 105	Zero SGF (only utilizing CARES Act funding)



2. Promoting Jobs and Opportunity for Louisiana

Final Phase I Draft Recommendations

Chair: Nathalie Simon

Membership: Dr. Stephen Barnes, Tommy Faucheux, Cody Gielen, Vic Lafont, Nanette Noland, Deborah Randolph, Erich Schouest, George Swift

Special Advisor: Jim Bourgeois

Scope and Goals

Scope: Resolve barriers to restarting the Louisiana economy and positioning Louisiana for long-term prosperity

Policy Goals:

- Healthy and prosperous workforce
- Safe and efficient return to work for employers and employees
- Flexibility to facilitate, cultivate, and unleash innovative solutions and job growth
- Targeted, strategic alignment of workforce training needs with new covid-related market realities while capitalizing on potential growth opportunities
- Clear, predictable, and transparent laws and regulations to retain, grow, and attract talent and business in a changing economic environment

Process

- Working group met on 04/28, 05/04, and 05/05
- 5 presenters at meetings included economic development practitioners, public policy experts, and business representatives across a diverse range of industry and geographical presence
- Direct outreach to industry and policy experts to provide additional insights to potential policy recommendations
- Cross-collaboration and due diligence with other working groups and task force leadership

Unemployment Insurance

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Encourage clear, consistent, and easily accessed explanations of unemployment benefits and potential ramifications (e.g. tax liability, SNAP eligibility)	Concurrent Resolution; Urge & Request resolution of LWC	All Louisiana citizens	Ensure UI recipients are aware of the implications of continued claims when economy restarts	N/A	None, repurposing of existing staff and budget
Postpone employer unemployment compensation contributions by two months for the second and third quarters	Amends R.S. 23:1552(C)(7) and 1553(C); adds R.S. 23:1531(D) and 1533(A)(5))	Employers	Delay tax burden of employers during time when cashflow is low, especially for small businesses	SB 461	None, the unemployment trust fund will receive all the contributions just later

Childcare

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Prioritize childcare industry workers for COVID testing and limiting liability	Civil Code (Title 9)	Childcare providers, their teachers and parents, employers, Chambers, United Ways, child advocacy community	Keeping childcare workers and children safe; Providing additional level of assurance to parents that returning to work will not place children in danger at a childcare center	HB 826 (amendment to add early care and education providers to limited liability)	N/A
Use CARES Act funds to support the bulk acquisition of PPE and sanitation equipment to offset costs to childcare centers	Urge & Request resolution of Department of Education to use CARES Act funds assist childcare centers	Childcare Center business owners and employees	Access to PPE will be essential for childcare centers to reopen; PPE cost can increase tuition cost unless DOE uses available Federal funds	N/A	None

Workforce Training and Job Growth

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Create a new process for the Workforce Investment Council and Occupational Forecasting Conference to identify near-term workforce training / education needs following a declared emergency such as COVID-19	RS 23:76	Louisiana workforce and education system; employers; workers	Reprioritize most immediate training and education needs and ensure available funding can be used to support those programs	Amendments to existing statutes can establish an alternate process for calling meetings and developing short-term plans to deal with a declared emergency	Minimal
Immediately compel an assessment of short- and long-term workforce implications and opportunities resulting from COVID-19, with targeted, proactive engagement of the private sector experts to better understand trends/shifts/work pipeline	Concurrent Resolution	Louisiana workforce and education system; Employers; Workers	Provide information to training and education providers on those industries most impacted by disaster and identify/capture/prepare for emerging opportunities	N/A	None

Workforce Training and Job Growth

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Resist efforts to reduce budgets of education and workforce training providers, with an emphasis on programs that can mobilize quickly to meet market demands and best maximize technology	N/A	Louisiana workforce and education Providers; Employers; Workers	Maintaining funding will enable and facilitate quick implementation of plans/needs, ensure ability to recover more quickly, and better position LA for growth after COVID	N/A	None
Consider broadening the scope and inclusion of Quality Jobs and/or Enterprise Zones to industries currently omitted (e.g. hotels restaurants, retail) on a temporary or short-term basis	TITLE 51 - Trade and Commerce	All Louisiana citizens	Provide tax rebates to employers expanding their workforce		None, incentive for additional hiring will result in additional spending (i.e. sales tax receipts, property tax)

Broadband Access and Adoption

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Remove public and private sector barriers to accelerate the expansion broadband in Louisiana	Title 12 of Revised Statutes; Urge & Request Resolution of DOTD; Title 45 of Revised Statutes; Title 33 of Revised Statutes	All Louisiana citizens; Local governments	Continue effective employment, enhanced TeleHealth programs and online educational opportunities; Utilization of FCC RDOF Program funds	SB 406; SCR 35; HB 651; HB 666; LPSC orders	None
Create a Louisiana Broadband Maps to identify access and activation gaps	Resolution; Executive Order; Creation of Executive Task Force	All Louisiana citizens, especially in rural areas; ISPs, State Agencies, FCC	Information provided in a map can identify gaps in broadband coverage and better focus expansion efforts	N/A	None, repurposing of existing staff and budget



3. Supporting Diverse Industries Across the Louisiana Economy to Grow and Prosper

Final Phase I Draft Recommendations

Chair: Stephen Waguespack

Membership: Jim Bernhard, Chett Chaisson, Blake Chatelain, Hank Danos, Lavelle Edmonson, Meryl Kennedy Farr, Adam Knapp, Scott Martinez, Matt McKay, Richard Neal, Dave Roberts, Ruffin Rodrigue

Special Advisor: Ileana Ledet

Membership

- Stephen Waguespack (Chair), Louisiana Association of Business & Industry
- Jim Bernhard, Bernhard Capital Partners
- Chett Chiasson, Greater Lafourche Port Commission
- Blake Chatelain, Red River Bank
- Hank Danos, Danos
- Lavelle Edmonson, Marathon Petroleum Company
- Meryl Kennedy, Kennedy Rice Mill, LLC
- Adam Knapp, Baton Rouge Area Chamber
- Scott Martinez, North Louisiana Economic Partnership
- Matt McKay, AllStar Automotive Group
- Richard Neal, Golden Nugget Lake Charles
- Dave Roberts, Excel
- Ruffin Rodrigue, Ruffino's Restaurants and Catering
- Ileana Ledet (Special Advisor), Greater New Orleans, Inc.

Scope & Process

Scope

The scope of the Growth & Prosperity Work Group was to seek ways to help businesses solve liquidity problems, and outline the challenges and needs of major industries. The Work Group sought ways to address short and long-term challenges for specific industries and the overall economy and considered targeted policies to promote growth across the state.

Process

The 12-member Work Group, along with its Chair and Special Advisor, convened online three times over a two-week period. Prior to the first meeting, members were asked to consider three questions – *what type of behavior can the state incentivize to stimulate business recovery; what type of financial assistance would help businesses most effectively recover from the shutdown; and what steps can be taken immediately to mitigate challenges*. Members discussed the challenges faced by their industries due to COVID-19 and policies that would address them. The Work Group had 85-100% attendance over its three meetings which each ran between 60-90 minutes.

Policy Goals

To Jumpstart Commerce by:

- Giving businesses and consumers confidence to get back to work
- Providing employers liability protection
- Implementing tools to be more competitive, in the form of tax incentives and reducing regulatory burdens

Top 5 Priorities

- Provide legal liability protection for employers
- Enact legal reform measures that discourage frivolous lawsuits and lead to lower costs
- Address changes to Industrial Tax Exemption Program
- Implement temporary incentive to spark immediate investment
- Enact pension reform

Jumpstart Commerce – Liability Protection

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Provide legal liability protection for employers	Title 9 (Civil Code)	Overall market, businesses, consumers benefitting from open commerce	Businesses reopen and operate with confidence	HB 826 (Pressly), HB 856 (Edmonds), SB 435 (Abraham), SB 491 (Hewitt), SB 508 (McMath)	None
Enact legal reform measures that discourage frivolous lawsuits and lead to lower costs	Title 22 (Insurance)	Louisiana citizens who see reduced auto insurance rates; businesses suffering from frivolous lawsuits	Louisiana’s personal and commercial auto insurance markets become more competitive, driving down auto insurance rates	HB 9 (Garofalo), SB 418 (Talbot)	None

Jumpstart Commerce – Incentivize Investment

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Address changes to Industrial Tax Exemption Program	Title 13 (Economic Development)	Overall market, businesses, consumers benefitting from open commerce	Make Louisiana the obvious place to do business by better incentivizing manufacturers	HB 347 (Ivey), HCR 4 (Beaulieu), SB 187 (White)	Depends on type of change to program
Implement temporary incentive that will spark immediate (next 18 months-3 years) investment in Louisiana	Title 13 (Economic Development)	Overall market, state and local governments, workers, businesses	Spurs immediate investments that have extensive impact across industries, by producing jobs and workers patronizing local establishments		TBD
Sales tax holiday for consumers and/or business	Title 47 (Revenue and Taxation)	Consumers, retailers	Spur commerce by providing temporary sales tax relief		Depends on type of holiday; local sales taxes could be exempt

Jumpstart Commerce – Incentivize Investment

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
NOL carryback	Title 47 (Revenue and Taxation)	Overall market, businesses	Provides business relief and enhances competitiveness		
Suspension or elimination of Franchise Tax	Title 47 (Revenue and Taxation)	Overall market, businesses	Better aligns Louisiana with other state; provides business relief and enhances competitiveness	HCR 43 (Edmonds), SCR 26 (Hewitt)	\$91M (FY17)

Jumpstart Commerce – Fiscal Reform

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Enact pension reform	Title 11 (Public Retirement)	Taxpayers, future state employees, state government	Hybrid system with defined benefit as well as defined contribution reduces risk for future liabilities and saves taxpayer dollars	HB 31 and HB 32 (Ivey), SB 18 (Peacock)	Net savings
Centralized sales tax collection	Title 47 (Revenue and Taxation)	Businesses of all sizes, state and local governments	Aligns Louisiana with other states and eases burden on businesses of remitting taxes to various jurisdictions; better positions the state to collect all available sales tax	HB 428 (Echols), HB 429 and HB 791 (Magee)	Could be net positive due to additional sales tax collection

Jumpstart Commerce – Ease Regulatory Burdens

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Licensing reform	Title 37 (Professions and Occupations)	Licensing boards, employers, workers	Eases the barrier of entry for those eager to work; also eases burden for employers to hire qualified workers	HB 498 and HB 622 (Emerson), SB 469 (Johns)	None

Conclusion

The Growth and Prosperity Work Group identified these ten proposals as measures that would give businesses the necessary relief to reopen, continue operations and maintain a presence in Louisiana. The Work Group recognized that the majority of these proposals are not new concepts – and that serves to not only bolster the validity of these ideas but leads to the conclusion that these are fundamental issues that cannot be discounted and need to be fixed.

Work Group members also recognized that additional research should be conducted to explore the fiscal impact of legalized sports betting, online gaming, and emerging industries that could yield additional tax revenue. The Work Group would support the creation of legislative task forces that more deeply explore the benefits, challenges and impact of allowing and regulating additional industries in Louisiana.



4. Removing Obstacles to Incentivize Job Creation and Economic Growth

Final Phase I Draft Recommendations

Chair: Scott Poole

Membership: Greg Bowser, Gifford Briggs, Jeff Copeskey, David Cresson, Bryan Hanks, Ray Lasseigne, Chris Leopold, Jude Melville, Chris Schouest, Dawn Starns

Special Advisor: Barker Dirmann

Policy Goals – Phase I

- Minimize the potential liability for businesses as they seek to re-open under new guidelines and regulations
- Identify and correct current policies and regulations that are inhibiting economic recovery
- Work to streamline licensing requirements, paperwork, and unnecessary regulations for general operations and the creation of new businesses
- Consider changes to occupational licensing laws that will ease the cost and burden of getting back to work
- Suggest ways for local government to ease regulatory and licensing burden

Minimize Liability for Businesses Under Post COVID-19 Rules and Regulations

Proposal	Section of Law	Stakeholders	Impact	Potential Legislation Instrument	Fiscal Impact
Elevate the legal liability standard for COVID-19 related lawsuits from negligence to gross negligence or willful misconduct.	Title 9 (Civil Code)	Businesses, Employers, Employees, Consumers	Relief from frivolous litigation	HB 826 (Rep. Pressly)	None
Protect businesses producing PPE in response to the declare emergency.	Title 9 (Civil Code)	PPE Manufactures, Consumers	Relief from frivolous litigation	SB 491 (Sen. Hewitt)	None
Limit liability for restaurants donating and selling food	Title 37 (Professions and Occupations)	Restaurants, Consumers	Relief from frivolous litigation	HB 856 (Rep. Edmonds) SB 508 (Sen. McMath)	None

Correct Policies and Regulations Inhibiting Recovery



Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Work towards a safe, orderly and expedited end to the statewide stay at home order and establish policies and procedures that will allow the Louisiana economy to return to normal as quickly as possible.	Executive Order	All of Louisiana	Restart the Louisiana economy.	Concurrent Resolution	None
Pass legislation addressing costal lawsuits.	Title 49 (State Administration)	Oil and Gas Industry; Attorney General; Parish gov't	Would greatly assist the oil and gas industry in its restart and recovery following the COVID 19 economic crisis	SB 359 (Sen. Hensgens)	None

Correct Policies and Regulations Inhibiting Recovery (continued)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Adjustment severance tax for the price of oil/gas below a certain threshold.	Title 47	Oil and Gas; State and Local Gov't	Would greatly assist the oil and gas industry in its restart and recovery following the COVID-19 economic crisis	HB 506 (Rep. DeVillier)	At threshold price or below. Year one will have no impact on either state and local gov't. Reduction in revenue
Reduce the civil jury trial threshold.	Code of Civil Procedure (1732)	All Louisiana residents and businesses	Enhance a citizen's right to a jury trial	HB207, HB280, SB45, SB86	None
Provide clear and accessible information on regulations implemented by executive branch agencies in response to COVID-19.	Concurrent Resolution	State gov't; Businesses; Employers; Employees	Will allow businesses and employers to reopen safely and in compliance with all new rules and regs.	Concurrent Resolution	None

Streamline Burdensome Licensing Requirements and Regulations for Creating New Businesses

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Suspend franchise tax	Tax Code	All business; La Department of Revenue	Free up capital for re-investment, encourage fairness, attractiveness to new businesses	HCR43 (Edmonds. R) SCR 26 (Sen. Hewitt)	Reduction in tax revenue
Empower the Secretary of State to waive, suspend, delay compliance with rules deemed impractical or overly burdensome.	Title 9, 12, 51	All businesses; Secretary of State	Removes regulatory burdens on businesses trying to survive this economic crisis.	SB 499 (Sen. Connick)	Immaterial

Reduce Cost and Burden Associated with Occupational Licensing



Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Require licensing boards to waive certain fees for applicants meeting certain criteria.	Title 37 (Professions and Occupations)	Businesses, Professional and Occupational Licensing Boards	Provide greater access to those looking to enter or re-enter the workforce and remove barriers for those attempting to start their own business.	HB 498 (Rep. Emerson)	Reduction in revenue to licensing board associated with licensing fees.
Require licensing boards to grant occupational and professional licenses when certain requirements are met	Title 37 (Professions and Occupations)	Professional and Occupational Licensing Boards, Employers and Resident Workforce	Bolsters the state's workforce by allowing for reciprocity for licenses and experience earned in another state.	HB 622 (Rep. Emerson)	Zero

Ways for Local Government to Promote Economic Recovery



Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Ask local government entities to immediately suspend any performance requirements tied to the receipt/award of a business tax incentive or abatement.	Louisiana Administrative Code	Local Government; Businesses; LED/BCI	This suspension would give impacted economic development projects and respective companies the time to recover and reassess projects without fear of non-compliance/cancellation of incentive contracts.	N/A	Zero
Temporarily relax building code requirements to reduce burdens associated with unnecessary regulations built into local building permits and codes.	UCC (Title 40 and 22)/Local Building Codes	Local Government; Business; SFMO	Removes obstacles for businesses seeking to invest money in capital improvements in this time of economic crisis.	N/A	Zero

Ways for Local Government to Promote Economic Recovery (continued)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
Request the state to promptly distribute federal COVID-19 relief funding intended for local government.	Concurrent Resolution	State and Local Gov't	Parish and municipalities around the state will be able to better determine and implement local business relief programs when this funding is allocated.	Concurrent Resolution	Zero



5. Encouraging Long-Term Economic Growth

Final Phase I Draft Recommendations

Chair: Maura Donahue

Membership: Stephanie Calhoun, Art Favre, Kelisha Garrett, Tyler Gray, Steven Grissom, Michael Hecht, Todd Murphy, Art Price, Dr. Loren C. Scott, Craig Spohn, Dennis Stine

Special Advisor: Camille Conaway

Policy Goals

1. Pursue comprehensive tax reform.
2. Improve the legal and regulatory structure.
3. Reform long-standing governmental structures and processes.
4. Lay the foundation for a modern economy.

1. Comprehensive Tax Reform

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
1. Reduce the severance tax rate by 50 percent from 12.5% of gross value to 6.25% (still above the national average of 5.2%).	Statutory	Onshore and nearshore E&P companies; natural gas producers; oil and gas workforce; state and local government	Support for struggling industry; more competitive business environment -> more jobs, royalties, taxes	HB 506 Devillier	~\$50m+ (note: severely depressed prices are already drastically reducing collections)
2. Suspend, reduce, or reform the telecommunications ad valorem tax.	CA/statutory				

1. Comprehensive Tax Reform (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
3. Clarify the uses of the digital media tax credit and expand applicability beyond products (i.e. video games).	Statutory	IT companies; film industry; higher education	Simplified digital media program focused on meaningful, emerging trends in IT	TBD	~\$10m
4. Establish centralized sales tax collection and auditing.	CA/statutory	Businesses statewide; Local tax collectors and entities	Immediate relief for burdensome process for businesses; more competitive and functional tax system; compliance with US Supreme Court for online collections -> tax revenue increases	*HB429 / HB 791 Magee *HB428 Echols	Initial administrative costs to the state; lower revenues associated with the collections process for local governments; increased revenue with the ability to collect online sales taxes

1. Comprehensive Tax Reform (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
5. Reform the sales tax system to establish a more simple, unified sales tax base.	CA/statutory	Businesses statewide; State and local government	More simple, efficient tax system with state/local alignment of exemptions and exclusions	TBD	TBD
6. Replace the existing ITEP process with a more streamlined, simple framework.	CA/statutory	Industry statewide; State and local government	Stability --> additional industrial expansion and investment --> growth in construction and skilled jobs; more sales tax and property tax revenue	Numerous instruments filed in 2020 session	No direct investment or revenue reduction from state or local governments; delays potential tax collections until a future date

1. Comprehensive Tax Reform (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
7. Reform the inventory tax and credit.	CA/statutory	Businesses statewide; State and local government	Removal of an uncompetitive disincentive to investment and productivity	TBD	Lost revenues for local government and increased revenue to state government if simply eliminated
8. Simplify the tax system overall to lower rates and expand the base.	CA/statutory	Broad impact on all taxpayers and state and local government	Simple, broad-based tax system that is competitive, fair, and stable	TBD	TBD

2. Legal and Regulatory Structure

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
1. Streamline the permitting process for broadband to expand capacity and connectivity (short and long term)	Statutory / policy				
2. End the state's coastal lawsuits against the oil and gas industry.	Statutory / policy	Oil and gas industry and workforce	Removal of unnecessary burden on struggling operators; competitive/stable business environment	SB 359 Hensgens	Potential for direct investment; potential savings in legal fees and human resources

2. Legal and Regulatory Structure (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
3. Enact comprehensive legal reform.	Statutory	Statewide business community and households	Competitive business environment; reduction in cost of auto insurance	HB9 Garofalo / SB 418 Talbot	N/A

3. Governmental Reforms

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
1. Take steps toward a constitutional convention to undertake such "big ideas" as tax reform and finance, budget reforms and removal of dedications, and simplifications to move numerous items into statutes.	CA	All Louisianans	Fix the challenge of "a rich state with a poor structure"	TBD	TBD
2. Reform legacy pension systems to both stabilize the cost to taxpayers and attract a modern workforce.	Statutory	New public employees, including teachers; taxpayers	Hybrid options for retirement that include a safety net but offer more mobility and affordability	TBD	~\$10m actuarial estimate for LASERS (SB14 of 2018)

3. Governmental Reforms (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
3. Consider the possibility of a 2.0 version of the Streamlining Government Commission.	Statutory / policy	Agencies, boards, and commissions in state government	Close examination of contracts and expenditures across state government	TBD	TBD

4. The Modern Economy

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
1. Pursue policies and incentives to move toward a more diverse economy that is less cyclical and more knowledge-based, including "smart incentives" such as the investment in higher education to support tech growth.	Statutory / policy	All Louisianans; companies in the knowledge-based economy	More and better jobs; more resilient economy	TBD	\$25m

4. The Modern Economy (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
2. Transform Louisiana's educational systems to build a workforce that is ready for the knowledge-based economy – including changes such as public dollars following the student.	CA/statutory	Students; parents; teachers; workforce; school systems; business and industry; the state of Louisiana	Improved educational opportunities for all students; higher quality schools through competition; better trained workforce, lower unemployment, and higher-paying jobs; more industry investment in La; maintain our best and brightest	TBD	Budget neutral to the state; increased employment and new industries in the tax base

4. The Modern Economy (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
3. Attract a skilled workforce and the employers that offer jobs in these fields.	Statutory / policy		Business-friendly climate for tech companies		
4. Pursue deliberate actions to build a more inclusive economy.	Statutory / policy	Small/minority businesses statewide; state and local government	Greater opportunities for prosperity	TBD	Increased sales tax and reinvestment by the local business community; more revenue in the economy

4. The Modern Economy (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
5. Invest in infrastructure, particularly large-scale projects.	Budgetary	Statewide business community and households; state and local government	Immediate job creation to boost employment; addresses a concern that hampers investment in La; high visibility and public support	Various instruments including HB845 by Rep. Dwight	Direct investment from the state through appropriations, bonds, and/or other debt instruments

4. The Modern Economy (cont.)

Proposal	Section of Law	Stakeholders	Impact	Potential Legislative Instruments	Fiscal Impact
6. Establish a coordinated effort to position Louisiana to help onshore critical industries from overseas – particularly pharma, tech, cyber, manufacturing, and other national security interests -- that may include a targeted "reshoring incentive" based on payroll brought back to Louisiana.	Statutory / policy	Manufacturing, tech, cyber, and pharma industries	More and better jobs; increased supply-chain security	TBD	TBD

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Louisiana

Jobs

- Eighty-one percent of Louisiana restaurant operators say they have laid off or furloughed employees since the beginning of the coronavirus outbreak in March. Thirteen percent of operators anticipate laying off or furloughing additional employees during the next 30 days.
 - Among restaurant operators that laid off or furloughed employees, the average reduction was 80 percent of the restaurant's total staff.
 - Based on these results, the National Restaurant Association estimates that more than 115,000 restaurant employees in Louisiana have been laid off or furloughed since the beginning of the coronavirus outbreak in March. This represents at least 65 percent of the 178,100 employees that were working at Louisiana's eating and drinking places in February. **Update – per the La Workforce Commission NAIC code 72 as of March 31, 2020 reported 204,000 employees and as of 4/18/20 112,400 or 55% had filed for UI.**

Sales

- Ninety-nine percent of Louisiana restaurant operators say their total dollar sales volume during the period from April 1 to April 10 was lower it was during the same period in 2019.
 - On average, restaurant operators reported a 73 percent decline in sales during the period from April 1 to April 10.
 - Based on these results, the National Restaurant Association estimates that the Louisiana restaurant and foodservice industry will lose more than \$680 million in sales in April, if the trends continue through the end of the month.

Other Actions Taken or Anticipated

- Sixty-three percent of Louisiana operators say they continued operating but for off-premises traffic only. Fifty-seven percent of operators anticipate operating for off-premises traffic during the next 30 days.
- Forty-seven percent of Louisiana operators say they temporarily closed their restaurant since the beginning of the coronavirus outbreak in March. Forty-three percent of operators anticipate temporarily closing their restaurant during the next 30 days.
- One percent of Louisiana operators say they have permanently closed their restaurant since the beginning of the coronavirus outbreak in March. Three percent of operators anticipate permanently closing their restaurant within the next 30 days.

Percent of Louisiana restaurant operators who took or anticipate taking the following actions

Action	Took this action since start of coronavirus outbreak	Anticipate taking this action during the next 30 days
Lay off or furlough employees	81%	13%
Continue operating but for off-premises traffic only	63%	57%
Temporarily close the restaurant (with plans to reopen)	47%	43%
Permanently close the restaurant (with no plans to reopen)	1%	3%

Source: National Restaurant Association, national survey of more than 6,500 restaurant operators conducted April 10-16
Note: With the exception of permanently closing the restaurant, the ‘taken’ and ‘anticipated’ actions are not mutually exclusive.



Louisiana

81% of Louisiana restaurant operators say they have laid off or furloughed employees since the beginning of the coronavirus outbreak in March.

13% of operators anticipate laying off or furloughing additional employees during the next 30 days.



Among restaurant operators that laid off or furloughed employees, the average reduction was **80%** of the restaurant's total staff.

Based on these results, the National Restaurant Association estimates that more than **115,000 restaurant employees in Louisiana** have been laid off or furloughed since the beginning of the coronavirus outbreak in March.

This represents at least 65% of the **178,100 employees** that were working at Louisiana's eating and drinking places in February.

91% of Louisiana restaurant operators say their total dollar sales volume during the period from April 1 to April 10 was lower it was during the same period in 2019.



On average, restaurant operators reported a **73%** decline in sales during the period from April 1 to April 10.

Based on these results, the National Restaurant Association estimates that the Louisiana restaurant and foodservice industry will lose more than **\$680 million in sales in April** if the trends continue through the end of the month.

Other Actions Taken or Anticipated



61% of Louisiana operators say they continued operating but for off-premises traffic only. **51%** of operators anticipate operating for off-premises traffic during the next 30 days.



41% of Louisiana operators say they temporarily closed their restaurant since the beginning of the coronavirus outbreak in March. **43%** of operators anticipate temporarily closing their restaurant during the next 30 days.



1% of Louisiana operators say they have permanently closed their restaurant since the beginning of the coronavirus outbreak in March. **3%** of operators anticipate permanently closing their restaurant within the next 30 days.

Source: National Restaurant Association, national survey of more than 6,500 restaurant operators conducted April 10-16. Note: With the exception of permanently closing the restaurant, the "taken" and "anticipated" actions are not mutually exclusive.

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STATE OF THE INDUSTRY

PRESENTATION TO LA ECONOMIC RECOVERY TASKFORCE
IMPACT OF COVID-19 PANDEMIC ON LOUISIANA'S HOTEL INDUSTRY

LOUISIANA HOTEL & LODGING ASSOCIATION, INC.



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STATEWIDE DATA

PRE COVID-19	CURRENT
100,000 Hotel Rooms	≈ 75%+ Hotels Have Suspended Operations (closed) ≈ 95% Food & Beverage Operations Suspended
64% Occupancy Average	Of Hotels that Remain Open ≈ 20% Occupancy Average in North Louisiana ≈ 10% Occupancy Average in South Louisiana
75,000 Hotel Employees	≈ 85% of Total Staffing Furloughed (Directly Impacting ≈ 64,000 Individuals)
\$2.5 Billion Economic Impact for 2019	
\$91 Million Tax Revenue Generated	

WHAT HOTELS NEED TO COME BACK

- Cooperation Between State and Local Officials to Let Us Get Back To Work (*minimize obstacles to reopening*)
- 14 Day Downward Trajectory per Federal Guidelines
- Robust Testing Capacity
- Robust Contact Tracing
- Formal Safe at Work Plans
- Reopening of Tourist Attractions and Events
- Increased Funding for the Louisiana Office of Tourism
 - To Restart Travel to Our great State
 - Marketing to Overcome Nationwide Perceptions of Louisiana Being Unsafe
 - Marketing to Promote Substantial Safety Measures Louisiana has Implemented



ADDITIONAL HELPFUL RELIEF

- Forbearance and Protections from CMBS (Commercial Mortgage Backed Securities) Loans
- Community Block Grant Support Funding
- Dedication of Federal Funds for Industry Recovery Support (*many hotels do not qualify for PPP due to prior staffing levels*)

Upcoming Task Force Meeting Dates

- Task Force Meetings—Thursdays, 8:30 am
- Work Group Meetings—
Mondays and/or Tuesdays (TBD by Chair of
Work Groups)

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