



The Imaginary Budget

THE GOVERNOR IS LEANING ON ONE-TIME DOLLARS, CONTINGENCIES AND STATE EMPLOYEES TO BALANCE THE BUDGET.

At first blush, Gov. Bobby Jindal's \$24.9 billion budget is giving even members of his own party the willies. "This thing is scaring me," Rep. Joe Harrison Jr., R-Napoleonville, told *The Times-Picayune* shortly after the administration unveiled it Friday. "Did Stephen King write it?"

For the second year running Louisiana faces a billion-dollar-plus budget shortfall — \$1.6 billion for the upcoming fiscal year with another \$1.5 billion hole expected for the year after that. Lawmakers used a \$3 billion feather bed of federal stimulus dollars the last two years on which to rest. But the stimulus money — one-time dollars used (hypocritically, considering the governor's public opposition to the stimulus bill) for recurring expenses — has dried up.

Jindal is again turning to one-time revenue — \$474 million by the *Times-Pic*'s estimation, including more than \$85 million through the sale of state-owned prisons — to patch the stressed fiscal levee. Those prisons would be turned over to private contractors. But taxpayers would still have to fund operations. State Sen. Mike Michot of Lafayette, chairman of the Sen-

ate Finance Committee, likens it to selling your house but still paying the rent.

That \$474 million represents almost a third of the projected \$1.6 billion shortfall the state budget faces.

Among the roughly \$1 billion in cuts offered by Jindal:

- Slashing 4,000 state jobs, half of which are currently unoccupied
- Eliminating programs for at-risk youth
- Requiring rank-and-file state workers to devote a greater share of their paycheck for their retirement — up from 8 percent to 11 percent, an almost 40 percent increase
- Cutting about \$109 million, or nearly 12 percent, from the state charity hospital system

In connecting those dots a theme emerges: A significant part of Jindal's balancing act is done on the shoulders of the poor and public sector workers, easy targets in tough times.

Call it a trickle-down budget.

The interim chief executive of the 10-hospital LSU charity system says programs likely to take a hit are the prescription drug program for the homeless as well as cuts to dental, obstetric and pediatric

care at rural charity hospitals.

Jindal's budget also relies on passage by voters of a constitutional amendment that would generate about \$92 million to fully fund the TOPS college scholarship program.

This has several lawmakers referring to the budget as "imaginary" — it relies on contingencies like the sale of the prisons

A SIGNIFICANT PART OF JINDAL'S BALANCING ACT IS DONE ON THE SHOULDERS OF THE POOR AND PUBLIC SECTOR WORKERS, EASY TARGETS IN TOUGH TIMES.

and passage of the constitutional amendment to realize its fiscal goals.

Michot says he understands the unease. "That's usually not the first choice of the lawmakers — for years we've done contingencies, but the last few years we had gotten away from them," he says. "So, there is a lot of concern by some members of the committee about the contingency

language put in there."

According to Eddie Ashworth, director of the non-profit Louisiana Budget Project, the state also leaves about \$7.1 billion on the table in the form of tax exemptions to business. A good case — they help lure business to Louisiana by keeping us competitive with neighboring states — can be made for some of these tax exemptions. But others, according to Ashworth, give multi-national corporations like Walmart an unfair advantage over Louisiana companies — tantamount to having a mailing address in the Caribbean that lets them skirt corporate income tax levied by the state.

But in an election year, especially for Jindal who toes the party line against anything that can be construed as a tax increase, eyeing that \$7.1 billion as a remedy is a non-starter.

"It will be discussed, but I don't think it will get through the process," Michot admits. "There are so many members in their first term, especially on the House side. And because they're in their first term and they're up for re-election they're going to shy away from any type of revenue enhancement measures." ■■■