

OPINION

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OUR VIEWS

Spending cuts not only option

For the first time in a decade, the state has ended a fiscal year with an unbalanced budget.

Legislators officially recognized the shortfall of \$108 million in the fiscal year that ended June 30, fiscal 2010. The action by the Legislature's budget committee gave Gov. Bobby Jindal authority to make cuts in this year's budget to pay for the shortfall.

And as is typical with Louisiana's problematic structure of government, the cuts fell mostly on poor people — through reductions in health care and family services — and higher education, where about a third of the cuts landed.

While the current cuts are blamed on lower-than-predicted revenue from corporate taxes — fancy that, in a recession — the shortfall is another embarrassment to the Jindal administration and lawmakers.

However, as Jindal's top budget adviser said, more cuts in state expenditures are inevitable. "This is just the beginning," Commissioner of Administration Paul Rainwater told lawmakers.

One cannot argue with that, but we hope the governor will rethink his knee-jerk opposition to any and all taxes. Rather, he should be looking for sensible ways to raise some revenue, such as the cigarette and tobacco tax increases pursued in many other states in recent years.

At the annual conference of the Louisiana Association of Nonprofit Organizations, state Sen. Karen Peterson, D-New Orleans, said she's looking for support for the idea.

She cannot offer the bill herself this year. Under the constitution, revenue bills must originate in the House, where she served until recently winning a vacant Senate seat. However, Peterson said she is seeking a House author for the bill that Jindal actively opposed two years ago.

Jindal should reconsider. An increase in "sin" taxes would be more popular than just about any alternative. Most states have taken "a more balanced approach" with revenue and cuts to deal with recession shortfalls, according to Edward Ashworth, head of the Louisiana Budget Project, which studies fiscal issues.

It's not balanced to cut vital services over and over again, while leaving — in political terms — easy money on the table.