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## **Critical challenge: Funding the state response to Katrina**

Gov. Kathleen Blanco has appropriately taken Harry Truman's stance in acknowledging Katrina-related mistakes at the state level. "The buck stops here," she told a gathering of state legislators.

"Bucks" in a different context is an issue that will severely challenge Blanco as she fulfills a promise to "take a careful look at what went wrong and make sure it never happens again." Where will the bucks come from? How will the massive task of dealing with Katrina's aftermath be funded in a state with chronic budget problems? There is a limit to what will flow from Washington.

Some legislators expressed concern over the absence of any direction on funding needs in Blanco's speech. Direction from the governor is mandatory, but lawmakers cannot stand idly by waiting to be told what to do. It is imperative that both the executive and legislative branches become involved in the search for ways to deal with the large and long-term costs created by the storm. Seldom in the state's history has there been a greater need for close cooperation between lawmakers and the governor.

Such cooperation is essential if it is necessary to divert funding from less essential programs. The existing budget will require adjustment. The state's overall spending habits must be examined. Elected officials have always found ways to fund projects designed primarily to please constituents. Too often, action has been taken on the basis of the number of votes it would produce back in a lawmaker's district.

That kind of thinking is not allowable today.

The Legislature must look within its own operations and consider some belt-tightening. Certainly, it is time to look at the size of state government, which has grown substantially during the past 10 years.

Some immediate issues raised by the Public Affairs Research Council deserve attention. They include consideration of re-examining the Rainy Day Fund provisions; tapping the \$3 billion in trust fund reserves; relaxing the state's limit on annual bonded indebtedness; selling the remaining portion of the Tobacco Settlement Agreement; expanding inter-fund and inter-agency borrowing capacity; reallocation of service delivery responsibilities between state and local governments and relaxing the constitutional balanced budget requirement and expenditure limit.

PAR is not necessarily advocating the package but suggesting it be on the state agenda for consideration. We agree.

There are many questions to answer and urgent decisions to be made. Blanco said she has targeted a special session of the Legislature for October - maybe later - to deal with the ravages of Hurricane Katrina. She is waiting for a clear picture of the kinds of legislation that will be needed. We know one thing for certain: the response will be costly. We believe the Legislature should already be in session, looking at funding options. The PAR agenda will serve while Blanco develops her own.

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