

SCUTTLEBUTT

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PAR's Pension Warning

The Public Affairs Research Council (PAR) warns that the state's pension system debt for government employees is \$12 billion -- and growing. "Every benefit increase and pay raise granted serves to deepen the state's pension debt, also referred to as the unfunded accrued liability," PAR President **Jim Brandt** said after lawmakers passed a number of special retirement bills and pay hikes during the recent legislative session. Despite a record budget surplus, lawmakers took no extra steps to pay down the state's rising debt. State Treasurer **John Kennedy** recommended using up to \$1 billion of the surplus for debt reduction. That idea crashed once the feds demanded that Louisiana ante up that much for its financially strapped Road Home program. PAR is planning to update its pre-Katrina study of state public retirement systems, Brandt says. -- *Johnson*