



Everything New Orleans

The Times-Picayune

Legislative session adjourns after lawmakers complete the budget

6/24/2005, 1:04 a.m. CT

By **MELINDA DESLATTE**
The Associated Press

BATON ROUGE, La. (AP) — Wrapping up their legislative session, lawmakers finalized an \$18.7 billion budget for next year that gives teachers a small pay hike far short of the raise they wanted or what Gov. Kathleen Blanco sought in her failed cigarette tax increase.

The Legislature adjourned Thursday evening, less than two hours after signing off on a 2005-06 spending plan that ensures every public school teacher gets at least a \$530 bonus next year, a plan that didn't please the teacher unions.

"The Beatles once crooned, 'Money can't buy you love.' Well, this kind of money can't buy you like," said Steve Monaghan, president of the Louisiana Federation of Teachers.

The budget for the fiscal year that begins July 1 significantly bumps up spending for health care and education, mainly keeping a status quo in services and reversing nearly all cuts that Blanco originally proposed when the state's financial picture was much more grim.

"It addresses most health care needs, and at least every teacher gets some money," said Rep. John Alario, D-Westwego, who as chairman of the House Appropriations Committee handles the budget bill in the House.

Revisions to the state's revenue projections in May, thanks to better-than-expected employment numbers and the boom in oil and gas prices, helped eliminate discussions of slashing, and the budget actually will be \$1.2 billion larger than the budget bill approved last year.

The governor had hoped the cigarette tax increase would cover \$3,300 raises for teachers — plus raises for school support workers and college faculty — but she could never muster the two-thirds vote needed.

The abandonment of the tax was one of a string of rejections and weakening of measures backed by the governor in a session that handed Blanco some of her first real legislative defeats.

Blanco, however, said she believed her administration had a series of important accomplishments this session, particularly a package of business tax breaks that she said would help generate new jobs.

"We did some very serious, meaty, substantive legislation to stage more successes in our future," she said.

Blanco's largest victory involved passage of a tax on private and community hospitals to generate \$300 million a year to reimburse the hospitals for the care they provide to the poor and uninsured and to help prop up the state's Medicaid health care program for next year.

But the hospital tax has additional hurdles, needing federal approval and facing a legal challenge from doctor-owned specialty hospitals that would pay out more in taxes than they would get in reimbursements.

The legislative session might be more noteworthy for the measures that failed, rather than those things that passed.

"As far as major changes coming out of this session, it's hard to see really anything major," said Jim Brandt, president of the nonpartisan Public Affairs Research Council.

Issues that have received statewide attention ran into roadblocks in the Legislature:

- Attempts to reverse parts of the voter-approved tax overhaul known as the Stelly Plan that took effect in 2003 never got traction in the Legislature.

- What has become an annual fight to ban cloning once again got bogged down in the definitions and nuances that would be attached to such a ban, and a House-passed bill failed in a Senate committee with Senate President Don Hines, D-Bunkie, one of its chief opponents.

- Legislation that would have overhauled property tax collections, though popular with homeowners recently slapped with higher assessments and larger tax bills, stalled in favor of further studies.

- Bills to rein in Agriculture Commissioner Bob Odom's power, a reaction to Odom's attention-grabbing move to regulate gasoline prices, his backing of state funding for new sugar mills and his use of his employees for construction projects, were blocked.

Several of Blanco's initiatives ran into trouble as well.

Facing tough resistance from powerful lobbyists, the governor scrapped requests for tax increases on alcohol and video poker early on and went solely with her cigarette tax hike for the teacher, support worker and college faculty salary increases.

But a new influx of \$360 million for the current and upcoming fiscal years — along with opposition from a more organized group of Republican lawmakers, other legislators who thought the state didn't need the additional cash and scathing newspaper editorials — helped squash her cigarette tax increase.

"When you aim high — and this was aiming very high — you don't always succeed on your first attempt," the governor said, pledging to regroup and talk to lawmakers about future plans to raise teacher pay.

Attempts to raise New Orleans-area taxes to help cover the state's annual payments to the Saints stalled in disputes with the legislators who represent the area. A Blanco-backed push to require legislators to disclose their sources of income failed out of the gate.

And legislators used the newly recognized dollars to reverse some of the governor's reform initiatives. They plumped back up grant funds derided as "slush funds" that Blanco tried to cut in half, and they rejected proposed spending cuts to nursing homes that were suggested by national health care experts who said the state is paying nursing homes for empty beds.

They also added at least \$37 million for pet projects like museums, parks and festivals.

"We seem to be right back where we were," Brandt said.

• —

On the Net: <http://www.legis.state.la.us>