

[Back](#)

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Blanco cool to Nagin's casino solution

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Gannett News Service BATON ROUGE — Gov. Kathleen Blanco apparently will not include in her special session agenda Mayor Ray Nagin's proposal to turn New Orleans into the Las Vegas of the South.

In a statement issued by her office Tuesday afternoon, Blanco reiterated her opposition to gambling as the base of the economy, instead calling for federal tax credits for individuals and businesses and a stronger public education system to attract people to the city.

"I know Mayor Nagin is working hard to restart the New Orleans economy, and I am certainly working closely with him to do so," Blanco said in the statement.

"I urge caution, however, in looking to the expansion of gambling as a quick fix to our economic problems in the city. I have never believed that gambling should be the base on which to build our economy," the governor's statement said.

In effect, it was a gentle but firm "no" to Nagin's idea of allowing downtown New Orleans hotels with 500 or more rooms to open casinos. Nagin pitched the idea Friday as a means of jump-starting New Orleans' tourism-based economy.

Since the governor controls the agenda at special sessions – nothing can be considered unless she puts the subject matter into her official call to legislators to meet in Baton Rouge Nov. 6-18 – the governor's statement indicates it's not an issue that will be on the table.

The governor's position was "not surprising," said Jim Brandt, president of the Louisiana Public Affairs Research Council. "I thought it was a non-starter from the beginning. It makes little sense. More gambling is not the solution."

Sen. Robert Barham, R-Oak Ridge, said he doubted that the Legislature would approve any expansion of gambling.

"I don't see that as a guaranteed road for recovery for New Orleans. I don't want to see Canal Street to look like the strip in Las Vegas," Barham said.

Besides, there is the issue of Harrah's having a contract with the state that gives the company exclusive rights for a land-based casino in New Orleans. For that exclusivity, Harrah's pays the state a minimum of \$60 million a year, or about \$144,000 a day, which Harrah's has continued to pay even though the casino remains closed.

"There surely is a big 'if' with that exclusive contracts with Harrah's," said Louis Reine, secretary-treasurer of the state AFL-CIO. "Without their coming to the table, there really can't be a discussion."

Reine, a member of the governor's rebuilding advisory commission, said the important thing is kicking around ideas.

"The governor has already been against the expansion of gambling, so to that degree I understand her consistency," Reine said.

"I am please to see people are looking for ways to revitalize the city," said the state labor leader. "We are going to have to look at a lot of things as we rebuild. There will be some back and forth until everyone reaches an agreement."

The governor complimented the New Orleans School Board for approving 13 charter schools last week. Blanco had earlier issued an executive order last week that expedites opening of charter schools, which are private schools chartered by the local school board. Charter schools are eligible for state funding and must meet state standards, but are run by private corporations and not the school system. Since the schools are private corporations free from public bid and administrative procedures, they can get up and running faster than public schools.

"I am grateful to the New Orleans School Board for having the courage to recognize that public charter schools represent a new beginning that will serve our children in fresh and powerful ways," Blanco said.

New Orleans schools had a student population of about 50,000 prior to Hurricane Katrina. Some 10,000 are expected back this year as schools are opened. Last week, Leslie Jacobs of New Orleans, the member of the state Board of Elementary and Secondary Education who sponsored Louisiana's acclaimed education accountability program, predicted that only 20,000 students would return next school year.

Blanco said a stronger education system in New Orleans is essential for parents to return and for long-term economic growth.

Andy Kopplin, the governor's hurricane recovery czar, said the state estimates it has lost 15-20 percent of the approximately \$7 billion in state funds in the operating budget, or up to \$1.4 billion.

The governor plans a January special session to consider the financial impact of the hurricanes, but along the way to that session, there will likely be cuts ordered, Kopplin said.

The state Civil Service Commission is considering allowing state agencies to cut back workers to half-time, which would cut pay but allow the continuation of health care and other benefits.
