



## **BRIEFING BOOK**

News and views from the Louisiana Capitol

Thursday, April 08, 2010

### **Trust fund tapping opposed**

Arguing that it would merely "postpone the difficult decisions facing budget makers" the nonpartisan Public Affairs Research Council on Wednesday became the latest group to come out against Gov. Bobby Jindal's efforts to make it easier to tap various state trust funds. The government policy group joined the Louisiana Association of Business and Industry and the Tea Party of Louisiana in opposing a package of bills advanced by Senate leaders that is designed to prevent health care and higher education programs from bearing the brunt of budget cuts. Among other things, the changes would allow the state's rainy day fund to be tapped in years when certain federal revenues decline, instead of reserving that money to deal with declines in state revenue. Other bills would liberalize the rules governing the Louisiana Education Quality Trust Fund, and allow tobacco-settlement money to be diverted from the Millennium Fund to health care programs. According to a commentary by PAR President Jim Brandt, the group supports limited changes to the education fund to allow interest earnings to be used to cover educational expenses when the state has a budget shortfall. But it opposes any changes to the rainy day fund, or proposals that would erode the principal in any state trust funds. PAR said most of the bills "are short-sighted maneuvers that would circumvent measures designed to force fiscal discipline when budget crises hit," according to Brandt.