

# House committee kills legislation to add more budget flexibility

By [Jan Moller, The Times-Picayune](#)

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BATON ROUGE -- Gov. Bobby Jindal's effort to add more flexibility to the state budget process suffered a serious blow today, when the House budget committee rejected a package of bills that would have liberalized the rules governing the state's rainy-day fund and allowed deeper cuts into protected pots of money when the state faces a shortfall.

Although the bills by Rep. Juan LaFonta, D-New Orleans, were not part of the governor's official legislative package, Jindal is supporting similar legislation that's been introduced in the Senate but has not yet come up for debate.

Jindal has said repeatedly that state government needs more freedom to deal with financial downturns, so that health care and higher education aren't the only areas of the budget that get cut when revenues fall short. With \$3.9 billion sealed in various funds, Jindal has said it's critical for policymakers to have more tools to unlock that money during tough financial times.

The state is facing \$564 million in shortfalls over the next 14 months, and is expecting even bigger budget problems in the 2011-12 budget cycle, when economic stimulus dollars disappear and federal support for Louisiana's Medicaid program is projected to drop.

To help mitigate the shortfall in 2011-12, Jindal is backing bills by Senate President Joel Chaisson II, D-Destrehan, that would change the rules governing the state's Budget Stabilization Fund, also known as the rainy-day fund, so that it can be tapped in years when the state faces a dropoff in federal Medicaid dollars.

Current state law only allows access to the fund when state revenues decline. That means it would likely be off-limits next year, when state tax collections are expected to inch up slightly as federal dollars drop sharply.

Jindal also is backing bills sponsored and others that would allow cuts of up to 10 percent from various state funds that are currently protected by law or the Constitution. Current law limits policymakers to cutting 5 percent from protected funds.

But the [House Appropriations Committee](#), which is filled with allies of the governor, wasted little time in killing bills by LaFonta that closely mirrored the Senate bills that Jindal supports. Two of LaFonta's bills -- [House Bills 1110](#) and [1112](#) -- would have allowed cuts of up to 10 percent from protected funds. Two other bills by LaFonta, [House Bills 1109](#) and [1111](#), would have affected the rainy-day fund.

"I'm just trying to plug the hole," LaFonta told the committee.

So far, Jindal's ideas appear to be more popular with Democrats than with his traditional allies in the GOP and the business community. The state's largest business lobby, the [Louisiana Association of Business and Industry](#), has come out against the proposals, while the non-partisan [Public Affairs Research Council](#) also has voiced criticism.

Ginger Sawyer, vice president of the business group, said the money in the protected funds was put there for a reason, and that it means fees paid by people and companies for specific government services would be diverted to the general fund.

It probably didn't help Jindal's cause that the House versions of the bills were sponsored by LaFonta, who doesn't often find himself on the same side as the governor on major issues.

Rep. Mert Smiley, R-St. Amant, suggested the bills might have stood a better chance of passing if LaFonta was accompanied at the witness table by members of the administration. But no one from Jindal's office showed up to support the bills.

LaFonta said he tried unsuccessfully to contact the governor's staff to talk about the bills. "I guess because I'm not on his team I can't come up with good ideas to try to fix the budget," LaFonta said.