

State budget battle coming next year, Senate president said

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Matt Scallan, The Times-Picayune



Sen. Joel Chaisson

State Sen. Joel Chaisson II told River Parishes business leaders Thursday that the state continues to face grave fiscal challenges even after two years of deep budget cuts, and that the biggest battle will be whether to repeal tax cuts passed in recent years.

"Some experts predict that we could be facing a \$2 billion shortfall in the fiscal year that starts next July," Chaisson told the River Region Chamber of Commerce during a luncheon in Luling in St. Charles Parish.

Chaisson, a Destrehan Democrat who is Senate President, said the administration has asked all state agencies to submit their budget proposals with 35 percent spending cuts for the next year.

"The implications of those kinds of reductions are staggering," Chaisson said. "Those kinds of cuts to higher education will destroy the tremendous gains we have made in improving the quality of higher education under the (Gov. Mike) Foster and (Gov. Kathleen) Blanco administrations," he said. "Those kinds of cuts to health care will result in hospital closures and lack of access to care for a large segment of our population."

Chaisson, said the Senate's 2011 budget, which ultimately was signed by Gov. Bobby Jindal, used one-time revenues to balance the budget in the past and current fiscal years.

"The budget that was passed by the Senate, endorsed by the governor and then finally passed without any changes by the House, reduced overall spending by almost \$5 billion, which represents a reduction of nearly 17 percent in spending," he said.

The measure eliminated some 2,900 staff positions in state government, he said.

"Louisiana is certainly not alone is facing these types of fiscal challenges," Chaisson said. "More than 30 states have either raised taxes or reduced tax breaks to deal with their fiscal woes."

"Whether Louisiana follows suit next year will be the most hotly debated issue next session," particularly given that Gov. Jindal has said his budget will be balanced by cuts alone.

"It remains to be seen whether the Legislature will agree with that approach when we debate the enormity of the impact these cuts will have."

On the plus side, Chaisson said Louisiana will receive \$514 million from Congress to shore up state Medicaid programs and to prevent the layoff of school system jobs.

About 1.1 million people in the state depend on the Medicaid program for health services.

"Luckily, unlike 32 other states across the nation, our current year's budget doesn't depend on these extra federal dollars," he said.

On the topic of the BP oil spill, Chaisson said he and Attorney General Buddy Caldwell have proposed a change in state law to pay contingency fees to attorneys to protect the state's interests.

"It is a tool our surrounding states and all of the other Gulf Coast States have at their disposal."

In light of opposition from business and industry groups to such contracts, Chaisson said a proposed compromise is to have the fees apply only to matters arising from the BP spill.

The Senate approved the measure, but the House did not.

"The contingency fee proposal was not about lawyers making money," said Chaisson, who is an attorney. "It was about making sure that our citizens and our state get the compensation we deserve for the damage done to our

communities, our coastline, our wildlife, our fisheries, and yes, even our vital oil and gas industry. Leaving one penny on the table is not an option."

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Matt Scallan can be reached at mscallan@timespicayune.com or 985.652.0953.

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