Legislature must pay piper on World’s Fair loan

Baton Rouge, La. (AP) — In case lawmakers have forgotten, a bill has been filed to lift their memories of the state's finances. The state has to make good on its loan guarantees.

The legislature is being faced with a similar prospect at the same time they are being asked to repay financial obligations to the New Orleans Saints. Rep. Kevin Reilly of Baton Rouge said Wednesday that he had just filed the so-called supplemental appropriations bill, which details money that the legislature must come up with to fund the state's needs.

The legislature guarantees loans to the fair, which went bankrupt. The legislature guaranteed loans up to $17 million but only $13 million was borrowed and the state's fair paid back $12 million of it.

The supplemental appropriations bill probably isn't going to do much to avoid a deficit this fiscal year, according to Mark Drennen, the legislature's chief fiscal officer. Gov. Edwin Edwards was told in January by his fiscal officers that the state was short $50 million of ending the fiscal year in the black.

Drennen is preparing a report to the House Appropriations Committee on updating the fiscal situation. Preliminary findings are that even with the $50 million in cuts, the state will wind up $30 million in the red, he said.

In order to keep the state fair, Drennen said the legislature should not only pay the $50 million in deficit but also pay back the $17 million in loans the state guaranteed.

Generally, some agencies have money left over and send it back to the treasury. The total could well take care of the $30 million deficit.

The problem is that because of bookkeeping problems, the state never knows what any of the agencies send back until October. An additional problem is that whatever the agencies send back is always used to balance the following year's budget or pay for construction projects, said Drennen.

Edwards has already said that the revenue take for the next fiscal year is expected to be $200 million short of what is needed to fund services at current levels.

This is a win session for legislators and they are all complaining because they've got to go down here, one veteran lobbyist said. "They have the tax package from last year hanging around their necks and they don't have any money to use for goodies to take home to the voters."