Major tax hikes in Edwards' plan for state finances

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Gov.-elect Edwin Edwards said Wednesday he will ask the Legislature to adopt "a whole new concept" of state finances that will include major tax increases, particularly to fund educational programs.

But Edwards would not say what kind of taxes — or how much new tax revenue — he is considering because he doesn't know how bad off the state's finances will be when he takes office next March.

"I do not limit myself to anything. I do not exclude anything" as a possible source of new revenue, he said.

Edwards said his plan will go beyond Gov. Treen's attempts to balance the budget this fiscal year by cutting expenses and raising revenues in a special legislative session next month.

Edwards also said his plan will involve much more than reinstating a $180 million income tax cut adopted during the Treen administration. At one time Edwards said the state's financial problems could be solved if personal income tax rates were increased to the previous levels.

"It's going to require a whole new concept," he said today.

"There will be no group, organization or source singled out. There will be fair treatment for everyone and I do not believe it will be burdensome to anyone."

Pressed for details, Edwards cut off an impromptu news conference, saying: "Ya'll are getting too much out of me."

Edwards made the remarks to reporters after repeating a promise to Louisiana teachers that he will give all school and university employees a 10 percent pay raise next year.

Edwards told the annual convention of the Louisiana Association of Educators that he wants to increase funding for (See EDWARDS, 15A)

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Education programs "so nobody will be able to say there is not enough money in education."

He also said he wants to pump money into biotechnical research so the state can take better advantage of its agricultural and fishery resources.

He said education will be a key part of the state's economic future.

"The lush, easy days of people getting out of high school and going to work for $100 a day, without a formal education, are fast disappearing," Edwards told the teachers.

He said an increasingly technical society is making education even more important. He said that will require extra expense.

"I will have proposed to the Legislature a total program for reviving the state's finances and generating additional revenues which hopefully will resolve the remaining budget problems, that is, those not solved this year by the present administration," Edwards said.

Gov. Treen said Wednesday he will propose tax increases during a special session of the Legislature to begin Dec. 7. At the same time, he ordered a 5.8 percent cut in nearly all state expenses.

Treen said the state is facing a $236 million deficit unless budgets are cut or revenue is increased before the end of the fiscal year on June 30, 1984. Stephanie Alexander, Edwards' choice to run the budget-writing Division of Administration, said figures she has seen suggest the shortfall is much higher.

Edwards and Treen met Tuesday to discuss the state's financial situation, and Edwards said he is willing to help Treen convince the Legislature to raise money now to avoid a worsened shortfall when the Edwards administration takes office.

Edwards said his tax package "will provide a program of action that will keep the state budget in balance for the foreseeable future."

He says he has a specific plan in mind. "I just haven't refined it yet. I cannot and will not refine it until I find out what the status of the state finances will be when I become governor," he said.

"I think it is going to be the kind of program that is so well balanced and so well thought out . . . (that) it's going to be very easy for the Legislature to adopt because I believe the public is ready for it."

A large portion of the additional revenue will be dedicated to public education programs.

The plan will include an immediate 10 percent pay raise for school employees, "from college professors to custodial workers," Edwards said.

He later told reporters that he will also consider long-term changes in the salary schedule for teachers, which has been criticized as being inequitable.

He said he does not want to institute a merit pay plan — which is opposed by the LAE — but he said he wants to find a way to reward "progress or achievement" by classroom teachers.

Edwards has been critical of Gov. Treen's Professional Improvement Program for teachers, saying it is not worth its $90 million cost.

Edwards said he hasn't decided to scrap the program, but he said he thinks there is a better way to improve the quality of classroom teaching.