Treen orders
5.3% cut in
spending

By BILL MCMHack
Staff writer

Gov. Treen ordered a 5.3 percent cut in state spending Wednesday, including about $37 million in public education funds, in an effort to balance the $216 million state deficit for the year.

He also issued a call for a special session of the legislature for Dec. 10, in which he will give legislators a chance to raise taxes to avoid the massive spending cut.

The 5.3 percent cut will go into effect on Dec. 16. It will result in agencies having to cut their budgets by 9 percent for the fiscal year.

Treen put a freeze on the executive branch with the end of the special session, Treen puts legislators in a squeeze from local government officials who carry the brunt of the cuts.

Cuts
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expectations when the economy crumbled and prices declined.

Treen noted that the 4.4 percent cut of last year did not include cutting public services. She said if legislators missed the 9 percent increase in the so-called Minimum Foundation Program money, the spending cut of this year is for all time.

Treen noted that, because of the additional money, Treen said at a news conference.

He readily admitted the connection between the special session and budget reduction.

"I am not concerned if legislators feel some pressure from "back home" as a result of the budget cuts. Treen said.

"I do not know if they feel some more concern."

Treen said he would work with legislators on any proposed tax increases.

"A good shot of this reduction could be alleviated with responsible, fair revenue raising," Treen said.

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The governor noted, however, that any tax increase would have to be collected this fiscal year, which ends next June 30.

"Any additional money could be applied to this year's deficit."

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"The surplus funds that Treen receives from the last fiscal year that have not been obligated, including a trust fund set up from oil and gas royalties, will be spent by the end of the fiscal year through a combination of other actions he said he can take.

The surplus funds identified by Treen include $9.8 million left in the Senate's budget last June, which the Senate would have to agree to give up to the general fund.

Treen has been sitting on the surplus funds that he and the Legislature are not obligated to attempt to make up the deficit at this point.

The state constitution only requires that the governor and the Legislature adopt a balanced budget based on anticipated revenues during the regular legislative session.

Treen said he had been advised not to get involved, apparently because of his leaving office next March 12 and not having to face the problem then.

"I have been counseled by many people not to take any action," he said.

"I believe it's my responsibility to take whatever action necessary to make sure there is no deficit for this fiscal year." He said his actions are designed to provide a "zero deficit" at the end of this fiscal year, June 30.

Among the selective cuts to be made are:

- $41,354, the Louisiana Taxation and Exposition District, the Superintendents,
- $11,576, the Louisiana Department of Revenue, local government agencies,
- $37,608, the State Library, aid to public libraries.
- $12 million, the governor's public works discretionary projects,
- $9,305, public works grants for watershed improvements,
- $300,000, the governor's aviation discretionary grant fund,
- $300,000, the Department of Urban and Community Affairs for state aid to planning districts.

The surplus funds, $300,000, parish revenue equalization funds,
- Supplemental revenue sharing,
- $4.8 million, parish transportation funds,
- $1.5 million, three states tobacco distribution to municipalities,
- $100,000, other small programs.

His budget reduction order provides for additional selective budget cuts beyond 5.3 percent amounting to $11.1 million. Nearby 1 million in revenue sharing, 4.8 million in parish road funds and 1.5 million in tobacco tax distribution are part of the additional cuts.

The call for the 10-day special session will also include plans for reappropriating Louisiana's constitutional districts, mandate of the federal courts, Treen said.

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