

Hundreds of millions in cuts on the horizon in Louisiana

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A special session of the Louisiana legislature ended last Wednesday with the passage at the last minute of a budget plan increasing the state's sales tax and adopting other measures aimed at raising revenue to address the the deepest budget crises in the state's history.

However, approximately \$30 million remains in the deficit for the current year and \$700 million for next year, out of the \$2.9 billion hole announced by Democratic Governor John Bel Edwards. Education and health care services are reportedly funded for four months, with another special session to deal with the remaining deficit will likely be convened in June.

The budget bills were pushed through the legislature with such haste, with only 97 seconds remaining before the legally-mandated end of the session, that the exact extent of the remaining deficit is not yet clear even to state officials.

What the agreement does do, however, is raise revenue—largely through regressive taxation, such as a 1 percent increase in the state sales tax—to keep critical state services on life support and under pressure to cut more and more from their expenses. The future of many of these services remains up in the air, facing direct budget cuts when the legislature meets again.

Education and health care, two of the few areas of spending not protected from cuts by the state's constitution, have faced years of budget slashing that have left many services barely functional.

Public universities throughout the state have been bracing for the worst. Nicholls State University announced contingency plans to close early for the summer if they did not receive sufficient funding, and administrators at Louisiana State University's flagship campus in Baton Rouge openly questioned (for the second year in a row) whether their university would

even be able to open for the fall.

While no universities have yet been forced to close, the educational futures of tens of thousands of students will be left in limbo as the remaining cuts, many of which will fall on the state's educational programs, are hashed out over the summer, after graduation for high school seniors.

A major state-run scholarship program, the Taylor Opportunity Program for Students (TOPS), faces a possible 80 percent cut in funding for the next academic year in the fall, resulting in tens of thousands of in-state students losing access to the program. TOPS payments were temporarily suspended last month by Edwards before being restored a week later at only 80 percent of their previous level.

Louisiana's publicly-funded hospital network (which was turned over to private operators under the previous governor, Republican Bobby Jindal) faced such deep cuts even under the so-called "best case scenario" during the special session that private operators threatened to simply walk away from their contracts with the state rather than attempt to deal with the impact of the cuts. The University Medical Center in downtown New Orleans, which opened only last year as a replacement for the pre-Katrina Charity Hospital, faced \$44 million in cuts.

Even access to the constitutional right to an attorney has been threatened by the budget crisis, as the state's Public Defenders Offices struggle to contend with the new cuts. Plaquemines Parish, a suburban parish in the metropolitan New Orleans area, was forced to close its Public Defenders Office and furlough its two staff attorneys indefinitely after state lawmakers voted to cut \$472,000 from the state Public Defender Board's budget. A meagre \$30,000 in "emergency funding" was later provided to keep the office open through

March. Louisiana has the highest incarceration rate in the world, with a total prison population of almost 40,000 out of a total state population of 4.6 million, or roughly 1 in 75 adults.

The special session largely mirrored the kabuki theater on display at the federal level over the past several years, in which the intransigence of right-wing Republicans had been utilized to legitimize historic cuts as a “compromise” solution. Even the framework provided for addressing the budget crisis by the state’s constitution stacks the deck in favor of the right-wing, with a two-thirds majority required in each house to raise taxes or repeal existing tax exemptions.

However, the deep divisions and infighting among Republicans was arguably a more salient feature in Louisiana, as elements from the “Tea Party” and other legislators opposed to any tax hikes whatsoever threatened to derail even a “compromise” solution. A group of roughly 20 legislators in the 104-member House of Representatives torpedoed several bills and held up negotiations until the last minute. Senate President John Alario, a Republican and the longest-tenured member of the Senate, tearfully denounced the House of Representatives as the session expired for referring eight bills to the Senate with only fifteen minutes to spare.

A major factor in the budget crisis is the impact of the ongoing slump in oil prices as well as widespread and deepening poverty and unemployment more than seven years after the 2008 financial crisis. However, no small role has been played by former Governor Jindal, whose massive tax cuts and corporate tax breaks effectively bankrupted the state, a fact which Jindal sought to conceal in the last years of his administration by draining “rainy day funds” and selling off state assets to balance the budget. Jindal sought to burnish his appeal among the Republican right-wing, appealing to elements from the Tea Party and religious fundamentalists throughout his two terms (ultimately unsuccessfully, as his abortive presidential campaign has made clear).

Both Democratic and Republican lawmakers are now denouncing Jindal’s fiscal policies, months after Jindal was term-limited out of office. However, all of them enthusiastically supported his legislative agenda for years. Democratic Governor Edwards, newly elected after a November election in which he and his

Republican opponent David Vitter took turns scapegoating Syrian refugees, effectively made Jindal’s tax policy a central plank of his campaign when he pledged not to raise taxes.



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