



Public Affairs Research Council of Louisiana, Inc.

COMMENTARY

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CONSTITUTIONAL REFORMS UNDER ATTACK

The governor has asked the Legislature to undercut two recent constitutional reform provisions in order to give public employees bonuses--payments clearly prohibited by yet another provision of the constitution.

The Revenue Estimating Conference (REC) was created by statute in 1989 to provide an official forecast of state revenues each year for budgeting purposes. The forecast required unanimous agreement by the governor, Senate President, House Speaker and an expert university faculty member.

The REC was designed to end a common practice of overestimating revenues to balance inflated spending programs. In achieving this goal, Louisiana's REC has drawn national attention as an effective mechanism for producing sound, realistic revenue projections.

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Constitutional Reforms Under Attack--add one

Louisiana voters gave the REC constitutional status in 1990. However, the provision allows the Legislature by two-thirds vote to change the required unanimous agreement on REC forecasts.

The governor would use this provision to require only three of the four REC members to agree. This would get around the "lone holdout" on the REC, the expert faculty member who refused last week to call an expected one-time "gift" from the New Orleans casino "recurring revenue". This year's budget promised bonuses for state employees and teachers to be paid from this money.

In 1993, voters amended the constitution to require the REC to identify "nonrecurring revenues" which then could be used only to retire state debt. This reform was aimed at eliminating another common practice--using windfall revenues to boost state spending to unsustainable levels.

While the Legislature can legally change the REC unanimous vote requirement, doing so would effectively silence the one non-political voice on the committee. It also would seriously weaken the REC reform and render useless the constitutional meaning of "nonrecurring revenue"--all to grant a patently unconstitutional bonus.

Any raises for state employees and teachers should be properly funded from ongoing revenue. Cutting up three provisions of the state constitution to provide a one-time bonus is not the way to go.