

Pork in the Budget

Lawmakers load up the state's budget with pet projects chosen behind closed doors

Even as they wisely steer money to debt payments, education and infrastructure investments, Louisiana lawmakers also are making the short-sighted, politically driven decision to spend millions of dollars on local pet projects without public vetting or explanation.

The House loaded up a bill to allocate <u>better-than-expected tax collections</u> from the current budget year with about \$34 million in earmarks for favored local projects, municipal agencies and outside groups that arguably have no place in a state spending plan. Lawmakers in the chamber also directed \$23 million from last year's surplus into local projects through the construction budget bill.

Local parks, playground equipment, churches, museums, constables' and sheriffs' offices, municipal road repairs, fire departments, libraries and festivals are slated to receive dollars, in several instances with no requirements about how the money must be used.

PAR believes lawmakers' pet projects should be eliminated from the budget because the add-ons lack transparency and appear aimed at politics rather than state priorities. The Public Affairs Research Council believes the earmarks should be eliminated. The approach lacks transparency, squanders the shortterm budget largesse and appears aimed at election bids and politics rather than state priorities. Lawmakers instead should focus on the broader needs of the state with targeted outcomes, rather than parochial projects.

In some instances, requests for money to pay for police equipment, fire trucks, community soup kitchens and recreational center improvements may represent true needs in lawmakers' districts. However, those should be funded with local dollars and only after public discussion about the value of the project.

That's not to suggest the entire budget is awash in wasteful spending.

The House-backed version of the budget contains increased financing for early childhood education, public colleges, K-12 teacher pay raises and water system improvements. It makes needed deposits into Louisiana's unemployment trust fund, which was nearly drained during the pandemic, and it pays the second installment of a <u>debt owed to the federal government</u> for storm protection upgrades made in the New Orleans region after Hurricane Katrina.

But Louisiana has many needs and billions of dollars in backlogs for deferred maintenance on college campuses and roadwork, and any dollars steered to parochial projects lessens the cash available for that long list of needs.

The dozens of pet projects added to the budget bills in the House Appropriations Committee received little acknowledgment when they were included in the package of amendments. House leaders didn't describe how they chose winners and losers, but legislative leaders and other insiders appear to have gotten a larger slice of the money for their favored initiatives.

PAR worries the Senate may increase the earmarks even more, as they have in prior years. Legislative leaders often note the dollars are a small sliver in a state operating budget that tops \$38 billion – reaching \$45 billion when all the different legislative, judicial and construction budgets are included.

Still, the local add-ons are misplaced.

Lawmakers had largely discarded such earmarks, at least the ones financed with general tax dollars through the state's operating budget, when Louisiana struggled with its finances and cut spending across agencies.

But the House and Senate have resumed the unfortunate trend this term amid the state's recent budget boom. For example, two budget bills in the last regular legislative session were packed with at least \$76 million in lawmakers' local pet projects.

The addition of spending on local obligations stands in contrast to the House's decision to strip \$26 million that Gov. John Bel Edwards sought to increase the monthly salary supplement given to local police, firefighters and certain law enforcement from \$500 to \$600. PAR believes those expenses are a local responsibility, not a state one, and supports the removal.

The same logic that House lawmakers used to steer precious state resources to local earmarks appears to also apply to their lack of support for the \$500 million the governor proposed to spend on a new Mississippi River bridge to alleviate congestion in the Baton Rouge region.

The House is proposing to place that money into a new fund, with \$100 million to pay for road paving and preservation projects around Louisiana and the plans for the remaining \$400 million uncertain. Legislative leaders said negotiations continue about how best to use that money, but the dollars could possibly be spread across many smaller projects rather than used to finance a major bridge that could help much of south Louisiana.

The House did maintain Edwards' proposals to steer \$200 million in federal pandemic aid to important big-ticket road projects, a new Interstate 10 bridge in Calcasieu Parish and work on Interstate 49 South in Acadiana.

PAR supports that move, but disagrees with the House's decision to use budget sleights-of-hand to avoid having a debate about whether to <u>exceed Louisiana's constitutional limit</u> on growth in state spending.

Resetting the expenditure limit to spend more requires a two-thirds vote of the House and Senate. But rather than discuss whether the preferred projects and debt payments are worthy enough to raise the cap, House leaders chose to avoid that debate by socking money into funds to spend in later years, an unnecessary maneuver that makes it more difficult to track spending.

As the budget bills move to the Senate, PAR urges lawmakers to remove the earmarks, focus on state priorities and avoid financial gimmicks.

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