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### **Embarrassment of riches gone**

If you're working in the government sector, itemize deductions on your income tax returns and are anxiously awaiting a Road Home grant, there was a lot for you to like in the legislative session that ended Thursday.

However, if you're the next governor or become a member of the new Legislature taking office next January, you have to be wondering whether one of the most free-spending sessions in history has mortgaged the state's future.

Louisiana was rolling in dough when the session opened April 30 with surpluses totaling over \$3 billion. By the time it ended, all of that money was obligated and the state budget had swollen to over \$32 billion.

Two government philosophies collided head-on during the session. Democrats insisted the state's economy is going to continue along at its healthy pace and they didn't hesitate to spend at will. Republicans wanted to hold the line, but could only delay the inevitable because they didn't have the numbers to call the shots.

It will be interesting to see whether the GOP will gain enough seats in the fall elections to get its turn at bat.

Education is winner

Meanwhile, Gov. Kathleen Blanco deserves credit for pumping \$700 million into education, \$600 million into road construction, \$200 million into coastal restoration and making a commitment of \$1 billion to the Road Home program that is facing a shortfall as high as \$5 billion. Congress has insisted the state put some money up front before it considers appropriating more to the hurricane rebuilding and repair program.

Public school teacher pay finally got to the Southern average with a statewide \$2,375 annual pay increase that Blanco and the lawmakers favored from the opening gavel. State employees and others in public positions got \$1,500 or higher annual pay raises.

Taxpayers got breaks totaling more than \$450 million. The largest is a phased-in restoration of the excess federal itemized deductions that citizens claim on their state income tax forms. It will cost \$157 million in the first year and \$300 million when the full phase-in is complete.

It's amazing that the 20 percent of taxpayers who enjoy those deductions have managed to holler long and loud enough to get that feature of the Stelly tax swap plan reversed. The change has no impact on the other 80 percent of the state's income taxpayers.

Other tax breaks include \$40 million for low-income citizens, a child care tax credit, up to \$3,000 in sales tax refunds for materials people purchased to rebuild or repair their hurricane-damaged homes and a 7 percent tax credit for higher insurance premiums they have been paying since hurricanes Katrina and Rita.

Unfortunately, some of the tax breaks can't be claimed until citizens file their 2008 tax returns in 2009. The cost of those tax breaks will be annual obligations of the next administration, and that could cause future financial problems.

Legislators passed insurance measures designed to encourage more companies to write policies in Louisiana, but the effects of those new laws may not be felt for a few years.

Another positive step was a ban on cockfighting, the brutal sport that is giving Louisiana a bad name nationally. There is a one-year phaseout until Aug. 15, 2008. However, an almost-immediate ban on gambling at cockfights with serious penalties is expected to speed up its demise.

Citizens benefited when two pieces of legislation died as the session ended. One would have allowed the administration to sell the remaining 40 percent of the state's tobacco settlement. The other would have curbed the state Bond Commission powers of state Treasurer John Kennedy, who has been a vigilant guardian of tax dollars.

Statewide elected officials, judges, assistant district attorneys and local sheriffs, tax assessors, clerks of court and registrars of voters all got hefty pay increases. Some assessors and clerks of court got \$28,000 annual increases.

Judges managed to ensure they will get annual pay increases of over \$6,000 a year through 2010. District court judges will be making \$136,545 by July 1, 2010. In addition, their retirement benefits are enhanced and they have expenditures from court expense funds.

Public officials deserve pay increases from time to time, but the size of some of these is simply out of line.

Legislators also padded the budget with over \$40 million in local pet projects, some of that to nongovernment agencies that aren't always accountable for how it is spent.

Measures requiring disclosure of personal finances of state officials died because the House and Senate couldn't agree on whether to include local officials in the new requirements. Some considered adding thousands of other officials a strategy designed to kill ethics reform, and it worked.

Lawmakers also failed to put any money into paying off some retirement debt.

60 ending terms

Term limits enacted in 1996 will see 45 representatives and 15 senators leave office when new terms begin in January, although some lawmakers will run for the other House in the fall elections.

I noticed during the last days of the session that legislators who have overstayed their welcome and who need to be turned out to pasture did most of the bellyaching about term limits.

Then there are the many hardworking legislators, including those in this corner of the state, who have served us well. They have accepted the term limit mandate of the voters with grace and dignity.

We thank them for their many years of faithful and dedicated service.

(Jim Beam)