

Louisiana Senate approves raising key spending limit

BY JAMES FINN

Staff writer

The Louisiana Senate voted unanimously Monday to breach a state spending limit at the heart of a political rift over what the state should do with some \$2.2 billion in extra tax collections.

For weeks, House Republicans who want to keep spending lean have pushed for budget policies aimed at staying beneath the constitutionally imposed limit on annual spending growth, saying the Legislature should instead use a bulk of the extra cash to pay down state debt.

They have clashed with the Senate and Gov. John Bel Edwards, who favor spending portions of the one-time cash on infrastructure. The spending rules limit lawmakers to allocating only about \$460 million more in the current year and \$500 million in the following budget cycle, forecasters say.

The Senate's 39-0 vote on Senate Concurrent Resolution 3 brought the state a step closer to exceeding its limits.

"Failure to increase the expenditure limit to address numerous backlogs, infrastructure needs, highway projects and other capital priorities across the state will produce constraints on future operating expenses," Senate President Page Cortez, R-Lafayette, said to the chamber, reading from the resolution.

The vote signaled possible headwinds for some House conservatives who have sought to convince 36 House members the number needed to block a two-thirds majority vote in both chambers, which is required to breach the limit - to go along with their plan to stay under the cap.

The roughly \$2.2 billion pot of extra cash - which includes about \$726 million in surplus collections from last year, plus about \$1.5 billion in extra inflow from this year - has flowed in as the economy reheated after COVID-19. It's the latest in a string of years where the state has hauled in extra cash.

In stark contrast to the mid-2000s, when the cash-strapped state used to clash over which agencies to cut, what to do with the largesse has emerged as perhaps the biggest rift of the Legislature's current session, along with a slew of bills dealing with LGBTQ+ issues.

Bucking the wishes of the Senate and Edwards, the House advanced a budget package that stripped out the teacher pay raises Edwards wants, plus a number of his other priorities, and pitched using the extra money to pay down state pension debt instead.

That plan has faced questions since fiscal analysts from Edwards' administration last week said they believe the House-approved budget actually exceeded the spending limit, contrary to the lower chamber's intentions.

Rep. Jerome "Zee" Zeringue, R-Houma, said the House would need to see what changes the Senate makes to the budget before members can decide how to vote on the expenditure limit. Zeringue chairs the House Appropriations Committee and played a leading role in shaping the House's version of the package of budget bills.

"It all depends on what the Senate sends over in terms of the modifications to what we proposed," he said.

The Senate Finance Committee is set to move its version of the budget this week.