WASHINGTON -- Louisiana will have to wait until after hurricane season begins to get any more hurricane-recovery money from Congress.

Lawmakers had hoped to wrap up negotiations on an emergency spending package -- including $4.2 billion for Louisiana housing and $3.7 billion for New Orleans area levee repairs -- before leaving for a weeklong Memorial Day recess. But late Wednesday negotiators threw up their hands and said they would try again when they return June 6, the first week of the 2006 hurricane season.

Sen. Thad Cochran, R-Miss., said he was disappointed that House and Senate negotiators couldn't reach an accord by their self-imposed deadline. But he said the two sides are "very close" to a deal. Rep. Jerry Lewis, R-Calif., chairman of the House Appropriations Committee, said he is confident the sides can strike a bargain soon after Congress reconvenes.

After much contentious debate over the size of the spending bill, a Capitol Hill source familiar with the closed-door talks said both sides have agreed to a cap of $94 billion, including $92.2 billion for on-going military operations in Iraq and hurricane relief and $2.3 billion to combat bird flu. The amount would be a dramatic reduction from the $109 billion passed by the Senate and a slight increase over the $92 billion bill approved by the House and proposed by the Bush administration.

Critically for Louisiana, the money for housing assistance appears still to be in a state of flux, the source said. The money is the linchpin for the Louisiana Recovery Authority’s "Road Home" housing rehabilitation program, which plans to offer flooded-out homeowners up to $150,000 each to make repairs.

However, the House proposed letting other hurricane-battered states vie for a share of the money as well. The Senate earmarked the money for Louisiana and added $1 billion extra for Texas, Alabama and Mississippi. The Bush administration has remained committed that all of the $4.2 billion go to Louisiana.

The Associated Press reported that President Bush's $1.9 billion request for new border security also remains a point of contention.
Before talks on the bill were delayed, Gov. Kathleen Blanco and the Louisiana Recovery Authority had hoped to step up the pressure on Congress with a full-page ad scheduled to run today in CongressDaily, a Capitol Hill newsletter read widely by members and their staffs. The ad recounts all of the work that had been done on the proposal and urged Congress to finish its work before Memorial Day.

Blanco told reporters late Wednesday that she hopes the delay won't hamper the state's recovery efforts. The Legislature has approved the housing plan and it is awaiting final approval by the U.S. Department of Housing and Urban Development, whose deliberations are contingent on Congress approving the money.

"It goes without saying that we were hoping for a decision by now," Norman Francis, chairman of the Louisiana Recovery Authority said in a written statement. "Nearly nine months have passed since Hurricanes Katrina and Rita left more than 200,000 Louisiana homes destroyed and our citizens are still waiting to begin their road home."

The bill also includes money for New Orleans area levee improvements, new drainage pumps, canal gates and projects to enhance coastal wetlands.

The White House urged quick action last week on the spending package with Acting Budget Director Clay Johnson warning that a delay "would seriously impact" military operations, slow training of the Iraqi security forces and stall the deployment of U.S. troops to the region. However, Rep. Lewis on Thursday said the Pentagon has signaled that it can wait a little longer.

"While it is not preferable," Lewis said, "they have informed us that they can tolerate a delay into June."

........

Bill Walsh can be reached at bill.walsh@newhouse.com or (202) 383-7817.