

## **Our Views: A back door to raid funds**

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The backing of the state's higher-education leadership for raids on long-term investments in higher education is disheartening. What part of "trust fund" do they not understand?

There are two issues facing the Legislature involving trust funds. One is the rather straightforward political expediency of raiding the principal of trust funds put aside by earlier leaders, intending that only the interest earnings be used for specific purposes.

Those kinds of proposals face very tough sledding in the Legislature, and have drawn criticism by the Public Affairs Research Council and others. Raiding those funds, even for "loans" that ostensibly would be paid back once today's financial problems recede, is going to be a hard sell. The people voted those trust funds into the Louisiana Constitution, and with an election coming up next year, we doubt that many lawmakers will be eager to be part of raiding the principal of the funds.

But the idea backed by the college leadership is more insidious. The leadership would change the provisions in the constitution that prevent the earnings of the fund from being used for day-to-day operating expenses.

We oppose these measures, and we hope lawmakers reject them.

The major pot of earnings this would raid are those from what is commonly called the 8(g) fund. It is named for the oil and gas revenue settlement with the federal government a generation ago that was locked into a trust fund for education.

The college fund was established specifically to avoid plugging interest earnings into the operating budgets of institutions. Under the new proposals, enhancements paid for from interest earnings would be greatly reduced or eliminated during years of financial hardship for colleges.

Leave aside the fact that the voters explicitly rejected the idea of the 8(g) earnings being used to supplant ordinary operating costs. Rather, look at the message being sent to future legislators about greedy colleges. They've got all those trust funds, they'd say. In exchange for a few million here or there during years of budget crisis — and what year doesn't have something of a budget crisis? — the idea would be planted that the trust funds are just another pot of cash. In fact, in the view of elected officials concerned about the next election, just pots of cash sitting around.

In law, that's apples and oranges. In politics, that's a reason to put money into something other than higher education.

We have not forgotten how significant a step it was that lawmakers — during a time of, if anything, greater financial difficulty than today's — put aside the initial 8(g) settlement for education. That kind of forward-looking leadership is uncommon. It's not the big oil and gas revenue funds that have made Texas universities among the best in the world, but it's a fund that pays for quality and leaves the day-to-day operating costs of universities up to the current leadership.

Let's leave it that way.