



The future of higher education

By Stephanie Riegel
Monday, April 5, 2010

At a House Appropriations Committee hearing a few days before the March 29 start of the regular session, lawmakers broached one of the most contentious subjects: the possibility of closing or combining some of the state's four-year colleges and universities.

Frustrated by dismal retention and graduation rates at several schools and faced with a looming budget crisis, lawmakers grilled higher education officials on continuing to fund so many substandard institutions in a state that cannot afford them.

The question has been frequently asked over the years, but only in rhetorical fashion. That lawmakers finally are serious about addressing the subject is unlikely, if history is any guide. But debates over the future, funding and governance of higher education in the state will be front and center during the legislative session.

"We haven't seen any real, serious discussions about higher ed in a long time," says Barry Erwin, president of the Council for a Better Louisiana. "What you'll see this year are some major pieces of legislation that are going to define the future of higher ed in the state."

The discussion will take place against the backdrop of a looming budget crisis. Over the past 15 months, higher education has been cut by \$250 million, nearly \$84 million of which was slashed this year. Though no additional cuts are anticipated for 2010, the state's share of federal stimulus money dries up next year and higher ed is expected to face another \$300 million in cuts. Administrators warn of massive layoffs, furloughs and program terminations.

That makes the various bills on the table all the more interesting. Among the most significant, in terms of its long-term impact, is Gov. Bobby Jindal's LA GRAD [Granting Resources and Autonomy for Diplomas] Act. As its name suggests, it gives colleges and universities more autonomy and flexibility to set tuition and fees, which under present law can only be done by a two-thirds vote of the Legislature. In return, schools will have to meet higher performance standards.

On the surface, that would seem like a no-brainer. Louisiana's graduation rates are the lowest in the South, averaging 37% compared to 52% among other Southern Regional Education Board states and 55% nationwide. Two-thirds of LSU students graduate after six years, and less than one-third of Southern students receive their diploma after six years.

At the same time, tuition and fees at Louisiana state schools are considerably lower than in other states: \$3,600 on average at four-year institutions compared to \$5,000 on average in other SREB states and \$5,500 nationwide. Given that the state's four systems of higher education—LSU, Southern, University of Louisiana and Louisiana Community and Technical College—are being forced to cut their budgets, some lawmakers say it makes sense to give them more autonomy to raise their tuition and fees, while also holding them to tougher standards.

"These universities need to be able to have a competitive price," says Sen. Jack Donahue, a Slidell Republican. "We're cutting their budget, but we aren't letting them increase their tuition."

But dissent is brewing. The Legislative Black Caucus recently held a forum to discuss the issue, among others, and the prevailing sentiment was that balancing the budget on the backs of students who can least afford higher expenses isn't a viable solution. Lawmakers also bristle at the idea of performance standards, which they would argue unfairly hold a school like Southern to the same standard as LSU.

"Schools like Southern and some of the others have a lower graduation rate due to the type of student population they have and other variables," says Sen. Sharon Weston Broome, a Baton Rouge Democrat. "So the whole formula is different, and I think we need a thorough exploration of these issues before I could support something like that."

Another significant issue that lawmakers will consider is the recommendation of the Post-Secondary Education Review Committee, which met last fall, to simplify the governing structure by merging the Board of Regents with three management boards. Under the proposed system, policymaking and administrative functions of the Board of Regents, LSU, Southern and University of Louisiana systems would be combined. Proponents say the streamlined management structure would save money.

That bill, too, faces opposition. Broome and other members of the Legislative Black Caucus question whether individual systems will be giving up too much authority to a single entity. Even conservative lawmakers like Donahue, who last year headed the Commission on Streamlining Government, wonder whether it would save money.

"That's the \$64,000 question," he says. "We don't really have a feel for how beneficial it will be."

The issue could take a backseat to some of the more pressing financial concerns facing lawmakers, but for the fact that House Speaker Jim Tucker, an Algiers Republican, is also sponsoring the

legislation, which came out of PERC. Tucker chaired the commission, and he's also sponsoring Jindal's LA GRAD Act. Given his clout, Tucker could use his influence to leverage one bill against the other, both of which require a two-thirds vote to pass.

"These two issues are going to become politically linked," Erwin says. "The speaker will be pushing for his governance bill while he's handling the governor's bill, and that gives him the ability to trade one thing for another."

Then there's the issue of TOPS, which will be on the table, given the forecasted budget woes. In its nearly 20-year existence, the program has been successful in driving Louisiana high school students to four-year colleges: so much so that there are twice as many students now enrolled in the state's four-year institutions as in two-year colleges.

But TOPS is expensive, and bills have been filed that would cap the amount of awards. The proposal isn't going over well with lawmakers from districts whose constituents tend to benefit from the merit-based program.

"It's a sacred cow, right up there with the Homestead Exemption," says Jim Brandt, executive director of the Public Affairs Research Council. "It's become a very popular entitlement."

But legislators whose constituents are largely low-income are less enamored of TOPS and more inclined to cap it. Sen. Lydia Jackson, a Shreveport Democrat, is among the lawmakers who believe the Legislature should take a closer look at TOPS spending, especially if colleges and universities are allowed to raise their tuition and fees.

"The way TOPS is structured now, parents whose kids are eligible for TOPS really won't be paying higher tuition," she says. "It'll just be another check written out of the state's general fund. That's a real difficulty with the legislation."

Jackson is sponsoring legislation that will further cloud the debate. Her bill would statutorily establish the state's needs-based Go Grants scholarship program, giving it the same protection under the law as TOPS. Students who qualify for federal Pell Grants, but are still in need of tuition assistance, can apply for a Go Grant to make up the difference.

"Placing this program in statute is an attempt to recognize it as a priority, and something that has longevity and continued viability," Jackson says. "It's important that we place emphasis on providing needs-based assistance so we can safeguard accessibility to all the citizens of the state."

It's too early to tell how all these bills will play out, but legislative watchdogs expect contentious debates, especially over the issue of tuition increases and TOPS caps. What's less clear is whether Tucker's bill to consolidate governing boards will become a major issue or be pushed to the sideline. Brandt believes it could go either way. More important, he says, is that the issue be thoroughly

examined before the governing boards, which provide policy and administrative functions, are combined.

“There still needs to be a coordinating board,” Brandt says. “We still think Regents needs to be strengthened to drive role, scope and mission for all institutions in the state and provide that master planning component.”

That’s especially critical, given the budget cuts that are projected for next year.

“We don’t see a plan on the horizon for dealing with a downsized budget as it relates to higher education,” Brandt says. “We keep thinking Regents will get to such a plan, but they have not nearly proposed the amount of cuts needed to deal with what is coming.”