



Baton Rouge Business Report: **TODAY'S HEADLINES**

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New York Times highlights Louisiana's reversal of fortunes

A story in today's *New York Times* quotes Jim Brandt, president of the Public Affairs Research Council, saying the state appears to be caught in the same old boom-to-bust cycle that's plagued it in the past, now that the price of oil has plummeted. Louisiana went from a \$865 million surplus to a \$341 million shortfall in its current budget, with a \$2 billion shortfall project for 2009. The article notes that PAR warned earlier this year that Gov. Bobby Jindal's \$360 million state cut was a bad idea, though the tax cut passed anyway. "Anybody paying attention knew we were laying the groundwork for fiscal problems, as we cut taxes and raised spending," Brandt says. LSU System President John Lombardi is quoted as warning of a "real economic development issue for the state." He says LSU has to stop hiring faculty and might have to eliminate academic programs as a result of deep cuts to higher education funding because of the shortfall.