Higher education facing deficit

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Louisiana's public institutions of higher education could face the 1986-87 fiscal year more than $43 million in the hole, a member of the Board of Regents said in a memo to the board Thursday.

In her report, regent Edith Kirkpatrick said the appropriations bill in its current form will leave state universities with $43.1 million less next year than they actually received during the current fiscal year.

The shortfall will likely be as much as $5 million to $6 million greater because of budget cutting clauses in the preamble to the appropriations bill.

The appropriations bill has been passed by the Legislature and is currently awaiting the governor's pen. Established in the bill is a priority ranking to restore funding if the state comes up with new revenues.

If no new revenues are found, the LSU System would get the largest funding cut with the flagship campus at Baton Rouge campus receiving the biggest reduction in the system.

Data given to the regents indicate LSU's state appropriations would total $387.1 million if no new revenues are found. That would amount to an $8.3 million reduction from the amount of money actually received by the Baton Rouge campus during the current fiscal year.

According to the data accompanying Kirkpatrick's memo, every campus in the state will receive less money in 1986-87 than it did during the current fiscal year. The original version of the appropriations bill — before any cuts were put in — would have given each university a small increase in state support.

"The reductions adopted by the Legislature, if they prevail, are sweeping in their scope," Kirkpatrick said. "They would eliminate the nurse.
stipend program, the Tulane Medical School Capitation program, half the LSU Biotechnology Research program and the 10 special education teams at the University of New Orleans.

"... Twelve institutions could have a smaller state appropriation in 1986-87 than they had in 1981-82. Student aid would be hard hit as well. Funds would be available to continue current scholarships under the T.H. Harris program, but no funds would be available for new scholarships," according to the Governor's Special Commission on Education Services.

"The appropriations bill also bans the purchase of any office equipment from state general funds and reduces general funds available for professional services by 75 percent. For the four higher education boards, the cuts would range from 11.5 percent at the board of supervisors of Southern University to 46.7 percent at the board of supervisors of Louisiana State University. The Board of Trustees states general funds budget would be reduced by 28.5 percent and the Board of Regents budget by 34.4 percent."

Against a backdrop of bleak finances, the regents instruct their staff to make several changes in the formula for divvying up state appropriations for higher education. The changes will reduce state support to schools with declining enrollment.

The regents told the staff to begin phasing out the hold-harmless provision of the formula beginning in 1988-89. The formula is largely driven by enrollment, and the hold-harmless clause protects schools where enrollment has dropped. Elimination of the clause means that schools will lose money as they lose students.

Another change would refine the way the formula allocates money for building use on various campuses. Money is allocated on the basis of a ratio of gross square footage per full-time equivalent student. The regents instructed its staff to come up with a sliding scale for allocating building use money.

The method would favor schools where there's a relatively large student population compared to the gross square feet of building.