LABI calls for education fund

LABI’s top priority now is improving higher education

The Louisiana Association of Business and Industry (LABI) has challenged the state political leadership to commit at least $50 million a year to a “Quality Thrust Endowment” in higher education as the first step of a program to make Louisiana competitive in the “information age.”

LABI asserted in a policy statement that “the future of the state’s economy rests largely with its educational system” and called upon political leaders “to make a commitment now to shift its focus from the development of natural resources to the development of human resources.”

Speaking at the Baton Rouge Press Club, Ed Steimel, LABI president, said the association has made improving education “its top priority for the foreseeable future” because the state’s future will depend on the degree to which its people can compete in a society geared more and more to the pursuit of knowledge and high technology.

LABI’s Executive Committee adopted the “quality-thrust” proposal as its top priority on May 13. Citing the economic resurgence in Louisiana between 1970 and 1982 (during which average per capita income in Louisiana has grown faster than in all states but one and now stands only slightly below the national average), the policy statement says, “But there is little hope...it can continue...without a major change in the state’s economic base.”

Louisiana’s petroleum production and manufacturing industry now supports about half of the state’s economy, according to LABI, while petroleum production has declined almost 40 percent during the past 10 years and 14,200 jobs have been lost during the past two years alone (10 percent of the total workforce in that industry).

The association has recommended that the state commit at least $50 million annually from bonuses from natural resources to a “Quality Thrust Endowment Fund”, which would be used solely to help Louisiana universities support research efforts, endow chairs, upgrade academic departments considered critical to build a premier university or consortium of universities, recruit superior students at the graduate level and fund other research and development deemed essential to prepare Louisianans to prosper in the information age.

If the state makes a commitment to fund LABI’s proposal, the association has pledged “to take the lead in developing major private contributions” to the endowment.

Steimel said the association plans to issue a second position paper soon, recommending steps to improve educational quality at the elementary, secondary and vocational levels.

“One half of Louisiana’s $60 billion economy, the half based on the production and manufacturing of petroleum products, is in an inevitable decline,” Steimel said. “Unfortunately, the other half will probably not grow fast enough, even in the short term, to take up the slack caused by the decline in the petroleum-related half.”

“One potential opportunity for economic growth in the immediate future lies in nurturing new, small businesses and sustaining them in their early years,” Steimel said, but added that to do so “will require a marriage of the business leadership and the higher education institutions that can provide the marketing, management and financial skills that new businesses require.”

To ensure proper management of the endowment fund, LABI recommends the governor appoint a blue-ribbon panel from among the state’s scientists and other leaders. The board would advise a chief executive officer in the administration of the thrust fund and monitor spending from year to year to assure that the fund’s goals are properly carried out.

No quality thrust funds could be used by an institution to replace normal operating funds. The quality thrust money would be used exclusively to supplement whatever quality level an institution is able to develop through the normal state appropriation process.