Louisiana governor plans cuts to education, health care

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Louisiana Republican Governor Bobby Jindal has proposed deep budget cuts to education and health care for the poor. Thousands of residents will see needed services decimated, and hundreds of public sector workers stand to lose their jobs.

The Louisiana budget is prepared by October 1 each year and is followed by a series of public hearings in the legislature. Jindal will formally announce his budget proposal March 11. While pledging not to increase taxes on business, the governor is targeting higher education and health care—two areas of state funding that are relied upon by the working class and poor but neither of which are constitutionally mandated.

Louisiana is already home of some of the nation's most extreme poverty and social distress; among a multitude of indices—education expenditures, food stamp participation, extreme poverty, life expectancy, homelessness, infant mortality—the state ranks near or at the bottom. As in the rest of the country, however, the state's political establishment is preparing to exacerbate the situation by forcing workers and students to shoulder the burden of the state's $1.6 billion deficit.

Speaking before a conference of university administrators in early February, the governor outlined cuts to the state's already ailing higher education system. Jindal boasted that, thanks to cost-cutting in other sections of the state budget, higher education funding would "only" be slashed by 10 percent.

This proposed cut comes atop the $350 million already slashed from the higher education budget over the last two years. The Louisiana State University system has borne the brunt of the cuts. In October, the state's Board of Regents abruptly cut spending by $35 million, eliminating 109 jobs. Louisiana already ranks last out of 16 southern states in public funding for higher education.

The governor has declared his commitment to "a laser-like focus on outcomes." This means, in practice, an endorsement of a recent report by the Board of Regents recommending that state schools cut over 450 "underperforming" degree programs. Programs that do not stress vocational skills and result in immediate entry into the workforce, such as the arts and humanities, foreign languages, theoretical mathematics and physics in particular, are being singled out for elimination. An earlier report had resulted in nearly 250 programs receiving the axe, but, as the New Orleans *Times-Picayune* noted ominously, "Regents officials said the latest effort will be more stringent."

"This is the kind of streamlining and focusing on excellence that we need in Louisiana, in good budget years and bad," Jindal stated. The governor has also demanded that the five boards that currently oversee the state's public university systems be "streamlined" into a single board. Speaking before a meeting of the university boards, Jindal contemptuously declared that the gathering was "a great physical example of why we need to change the governance system."

Especially concerning for students and workers were the governor's remarks on tuition and "human resources." Jindal demanded, in effect, an average increase in tuition of around $200 per semester for community college students, under what he referred to as a tuition "update." He has also thrown his weight behind de-indexing the state's "operational fee," which is added to the tuition bill to cover "mandated costs," from 2004 tuition levels, tying it instead to current tuition levels, which, according to the *Times-Picayune*, can legally rise by as much as 10 percent a year. Furthermore, under the guise of discouraging "excessive class-dropping," Jindal argued in favor of raising the cap on per-credit hour tuition from the current 12 credit hours to 15.

The governor has also pledged to work assiduously to destroy the living standards of education workers across the board, which he has euphemized as "reducing red tape," for allowing universities a greater degree of "flexibility" with regards to their workforce, while "maximizing performance" and increasing "autonomies" from the Civil Service to "help schools manage the role, scope and mission of their workforce." While Jindal has yet to provide details, the implications of his statements are unmistakable.

Jindal has earned the ire of thousands of New Orleans residents by suggesting that the University of New Orleans (UNO) merge with Southern University at New Orleans (SUNO), the latter being a historically black college. Graduation rates for both schools are abysmal, with UNO registering a six-year graduation rate of only 21 percent, while SUNO graduates the lowest percentage of students of any

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historically black college, at only 8 percent. By comparison, the six-year graduation rate of LSU is over 50 percent.

Having been increasingly starved of funds for years (SUNO has buildings that have not been usable since Hurricane Katrina), the governor is essentially attempting to scapegoat them so that he can squeeze even more money out of the institutions by merging them. The State's Board of Regents determined in 2006, when the issue was unsuccessfully pushed through the state legislature, that the two schools serve distinct missions and that both should stay open. If the current push to merge the schools succeeds, it will be because of the markedly different fiscal climate surrounding the issue in 2011.

Public K-12 education in Louisiana is shockingly threadbare, where state laws governing minimum standard did not even require that poor children be fed until last November, when the state legislature ordered that they be given at least a snack. Although the state was awarded stimulus money to the tune of $147 million under the EduJobs program, intended to help states pay for teachers' salaries and benefits, the Jindal administration redirected half of the money to higher education. "Essentially what they did was say that we got this grant money then take money out of our MFP (Minimum Foundation Program) to the tune of whatever that grant award was," Frank Rougeau, the Bossier School Board's director of finance told the *Shreveport Times*.

Heath care is also being targeted for cuts. Dating back to the Depression era and the reformist administration of populist Huey Long, Louisiana has had a state-run Charity Hospital system that provides medical services to the state's most destitute, free of charge. Like the most basic social programs throughout the country, that legacy is now under serious threat.

Lafayette's *Daily Advertiser* reported recently on a speech given by John Matessino, president and CEO of the Louisiana Hospital Association, in which he argued that the Charity Hospital system is a major burden to the state's budget. Matessino lamented "those cultural behaviors that have literally gone on for generations," like the fact that "it's been ingrained going back to Huey Long that the uninsured in this state always had the charity hospitals as a backstop."

Far from being an isolated, reactionary rant, Matessino voiced the official policy of the state's ruling elite. In the aftermath of Hurricane Katrina in 2005, the still serviceable Charity Hospital of New Orleans—the primary source of medical care for thousands of uninsured residents and one of the largest hospitals in the country—was permanently shuttered. In addition to serving the poor, the hospital was integral to education and research programs for Tulane and Louisiana State universities. The New Orleans health care system has struggled under the crush of indigent patients for the past five years.

Medicaid reimbursements have been slashed three times in the past year and a half for a total of 10 percent. The CommunityCARE program halved its base payments to doctors, which has been replaced partially by an incentives-based regime. One of the incentives, according to *American Medical News*, "involves reducing nonessential emergency department visits." In all, 1.16 million Louisiana residents, or one quarter of the state's population, are enrolled in Medicaid.

Behind the calls for "fiscal responsibility" lies a long-pursued agenda. As with every year since 2008, when Louisiana pitched into a billion-dollar shortfall with the onset of the economic crisis, the current budget deficit is being utilized as an occasion to strip away essential public programs, cut services, and privatize oversight. Since 2007, the Jindal administration has pushed for "coordinated care networks" consisting of private, for-profit insurance companies to manage Medicaid reimbursements and case reviews.

Under the current version of the proposal, likely to pass this year, Medicaid recipients would be shifted away from the state and federal jointly funded program into private insurance plans, and 830,000 cases, mainly children, would be managed by private firms. Doctors and health care advocates have warned that Jindal's proposal would omit some 27 percent of the Medicaid population, including the elderly and disabled, who represent a greater cost for the program.

The calls for education and health care cuts are only the opening shots of an extended austerity program. While details have yet to be announced, in August 2010, state Senate President Joel Chaisson indicated that the administration had already required all state agencies to submit budget proposals with 35 percent reductions for fiscal year 2012.

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