

State legislature recommends 82 percent cut to Louisiana State University budget

Board of Regents considers privatization

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The Louisiana legislature has recommended cutting Louisiana State University's (LSU) budget by 82 percent for the next fiscal year. The proposed cuts come as the state's response to a \$1.6 billion shortfall in its budget. The state has recommended cutting funding to the LSU Health Sciences Center from \$69 million to \$12 million. LSU's overall funding could fall from as much as \$319 million to a mere \$58 million. That figure is \$6 million short of the 2015 operating budget for the LSU Agricultural Center alone.

Louisiana's Republican governor, Bobby Jindal, meanwhile, is calling for a \$211 million cut to higher education in his budget. This already devastating figure depends on financial relief from a tax credit scheme that has not yet passed, and has already come under fire by big business. If the plan is not enacted, the figure would increase to a \$567 million cut, eliminating around 78 percent of funding for universities in the state.

The proposed cuts, if they go into effect, will be the largest budget reduction to any state university system in history. The so-called "worst case" budget scenario for state higher education threatens the very existence of schools like LSU. "We might not even be open in August," said LSU President and Chancellor F. King Alexander.

Speaking out on the potential impact of the proposed cuts, Alexander declared, "This budget reduction is so large we'd have to furlough everybody for the entire year. We want people to know what this may feel like at the end of the day." According to Alexander, the university would also have to lay off faculty members, hike tuition fees, cancel 2,000 classes, and possibly even declare bankruptcy. The proposed cuts make it

impossible for the school to go forward with scheduling fall classes, because it does not know what its operating budget will be.

University of New Orleans (UNO) is also slated for budget cuts. The university has announced it intends to cut seven programs, one department and 26 faculty, and could raise tuition by as much as 10 percent. Cuts to the LSU Health Sciences Center in New Orleans would be so large that they would effectively shut down the entire LSU Dental School. Many residents in South Louisiana that are either uninsured or on Medicaid visit LSU Health Sciences Center facilities for treatment. After the closure of Charity Hospital in New Orleans, these residents have come to depend almost exclusively on university-run hospitals.

Daniel Hurley, associate vice president for state policy at the American Association of Colleges and Universities, told Louisiana newspaper the *Advocate*, "I think looking at the sheer magnitude of these proposed cuts really represents a dismantling of the state's public higher education system. There's no other way to put it."

The Jindal administration already turned the LSU Health Sciences Centers in Shreveport and Monroe over to private management in a no-bid contract in 2013. The private research foundation which took over the hospitals, University Health, had never run a patient facility before. A recent report by a consulting firm obtained by the *Associated Press* described the situation as "untenable," and that the newly privatized centers are "at risk financially and programmatically."

In addition to rounds of budget cuts that have taken place over the past seven years, tuition fees have skyrocketed. Tuition has risen by over \$3,000 since

2008 to \$8,700 per year for full-time in-state students. Meanwhile, Louisiana has cut student funding more than any other state since 2008. According to the Center on Budget and Policy Priorities, per pupil funding dropped by 43.2 percent between 2008 and 2014.

The Board of Regents, a panel appointed by Governor Jindal, has floated the idea of privatizing some universities. Board members have instructed state higher education staff on whether it would be feasible to force some schools to go private. “You look at some areas of the state, there may be a university or a college inside of a university that could do better as a private entity,” Board of Regents Chairman Roy Martin told the *Advocate*.

The privatization proposal comes amid a broader attack on public higher education throughout the country. Wisconsin Governor Scott Walker recently unveiled a budget proposal which would cut funding to the University of Wisconsin system by \$300 million over the next two years, and has urged universities in his state to begin considering privatization efforts. University of Maryland's University College has also begun to consider plans to privatize.

Board of Regents members have pointed to the transition of Tulane University from a public to a private institution, which occurred 130 years ago, as a way of justifying the proposed privatization of LSU. Tulane was originally founded in New Orleans in 1847 as the University of Louisiana.

In the period of economic crisis in the South following the Civil War, the university entered dire financial straits. Paul Tulane, a wealthy businessman who was the largest donor to the Confederate States of America in New Orleans during the war, donated a large endowment to keep the university running. The university was privatized and renamed “Tulane University of Louisiana” in 1884.

By the time Tulane had become a private institution, however, Louisiana State University was already operating in Baton Rouge. The institution was first dedicated in 1860 as the Seminary of Learning of the State of Louisiana, with William Tecumseh Sherman as superintendent. When war broke out, Sherman resigned to fight on the side of the Union.

The university was reconstituted as “Louisiana State University” in 1870. In 1930, Governor Huey Long

instituted a radical program of expansion to the university’s facilities, departments and infrastructure. By 1936, LSU had the finest facilities of the entire South and had grown to be the 11th largest university in the nation.



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