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Blueprint calls for performance-based formula

(EDITOR'S NOTE: Following are remarks that Jimmy Maurin, a Hammond resident and business leader, presented to the Senate Finance Committee on Thursday.)

Good afternoon, Mr. Chairman, and members of the committee. My name is Jimmy Maurin. I am chairman of Stirling Properties, Inc., in Covington and a founding member of the Blueprint Louisiana Board of Trustees.

On behalf of the entire Blueprint Louisiana organization — more than 3,000 citizens and 47 organizations — I thank you for the opportunity to provide these brief remarks.

When Blueprint Louisiana's reform agenda was introduced in July 2007, we put forth a simple, one-sentence slogan that we thought succinctly summarized our mission: "It's time to create the state we deserve."

That slogan was the outgrowth of a thought expressed by several of our founding board members — How can we build a state that will make all of our citizens proud to say, "I live in Louisiana."

Since its inception, our organization, a nonpartisan effort made up of community and business leaders and citizens from across the state, has been focused on identifying and implementing essential changes to fundamentally improve Louisiana.

We thank lawmakers and the administration for supporting many of our proposals and even turning some of them into law. Our best expectations for this reform effort have been surpassed.

Given the focus of today's hearing, I would like to highlight one of the new additions to our reform agenda, the performance-based formula to fund higher education in the state, and how we believe that formula can play a key role in producing a "right-sized" higher education system that's smarter, leaner, and better at turning out qualified graduates that can compete and succeed in a global, knowledge-based economy.

A phased-in approach of the performance-based formula is also reasonable, establishing the needed, systemic reform while recognizing the challenging fiscal conditions facing the state budget.

Ideally, performance-based funding formulas are implemented on a "go-forward" basis, meaning that funding allocations based upon the formula are initiated at some time after the formula is finalized and adopted.

Such an implementation strategy allows for institutions to thoughtfully adjust to the incentives embedded in the formula.

We certainly don't have the luxury of implementing the formula during a budget upswing. But we believe the formula can be phased in and produce the desired result in a few years — more degrees and certificates awarded, expanded research activity, and better alignment with the state's workforce needs.

All in a system that's right-sized through performance, instead of decimated by short-sighted cuts.

We also wanted to take this opportunity to express Blueprint's strong belief that the Legislature and the administration consider every idea, plan and proposal to mitigate the funding cuts to higher education as captured

in the Executive Budget and the House-passed version of the general appropriations bill.

Since the beginning of the year, we've consistently said the difficult budget outlook doesn't mean we shouldn't continue to promote good ideas to improve our state. The advances that all four of Louisiana's higher education systems have made with better funding, better focus and better leadership cannot be denied.

We should not repeat the mistakes of the past; we must press forward and fund them as well as we can fund them, even in this challenging fiscal environment.

The Executive Summary of an August 2008 Center for American Progress policy paper on higher education begins this way:

“Success in today's knowledge and innovation economy depends on education and skills development beyond high school, generally via the completion of a postsecondary education credential. Postsecondary education is correlated with higher personal incomes, productivity increases, economic growth, and increased civic participation and quality of life. And in today's economy, an effective postsecondary education system is a national competitive advantage.”

I would argue that an effective postsecondary education system is a competitive advantage at the state level as well.

Can our higher education systems do better? Of course they can, and the leadership of the Board of Regents and the four systems have committed to do so.

And we believe the performance-based higher education funding formula is a key way to ensure improved outcomes and better operating efficiency.

But to cut higher education deeply without exhausting all alternatives for potential funding just doesn't make sense.

We believe we can avoid the proverbial budgetary train wreck for higher education and sustain its place in helping make our state more competitive.

As the Shreveport Times concluded an editorial last month, “... now is the time, like none other, for state leadership to prioritize programs at postsecondary institutions and to target new ways of funding them to produce the best results for our economy, our students and our quality of life.”

We want all of our citizens to be as proud of Louisiana as we are. For the time being, one of the best ways we believe you can make our citizens proud is to explore every idea, every funding source and every procedure that funds our four higher education systems as best as we can for the upcoming fiscal year.

Our citizens and our students deserve nothing less.