

OTHER OPINIONS

TOPS shift a way to get to general fund

Desperate times call for desperate measures — and Gov. Bobby Jindal certainly is desperate. His recent announcement that he wants to raid the Millennium Trust Fund to put more money into TOPS violates the principles of good government and no small number of the governor's campaign promises.

TOPS is the state's merit-based financial aid program for college students. It was originally a need-based program for students from families of limited means attending Louisiana's public colleges. In 1997, however, the Legislature removed the income requirements, opening TOPS to any student meeting the academic and ACT score requirements enrolling at any public, private or for-profit Louisiana college. TOPS has since morphed into a huge program primarily benefiting Louisiana's white middle class whose kids attend college and qualify for TOPS at rates significantly higher than kids from African-American families,

who are poorer, more likely to come from poor performing public schools and have lower ACT scores. Costs have skyrocketed to a projected \$139 million in 2010 from \$54 million in 1998.

The money for TOPS comes mostly from the state general fund, making it, theoretically, subject to cutbacks during lean times as Louisiana now is suffering. (A small portion of TOPS funding, less than 15 percent, is constitutionally dedicated from the state's Millennium Trust, established to protect Louisiana's share of the national tobacco settlement.) However, TOPS is hugely popular with voters, so legislators find it difficult to even consider cutting it — making TOPS like an entitlement program.

They have not been reluctant, however, to cut Go Grants, Louisiana's need-based scholarship program that primarily serves low-income African-Americans.

Violating his oft-repeated opposition to dedicating state funds — which takes away flexibility to meet emerging needs — the governor now would

dedicate more than \$40 million annually of tobacco settlement money to TOPS by capping the Millennium Fund and reallocating to TOPS the money that would otherwise go there. Discontinuing payments to the trust means that the TOPS account in that fund will no longer continue to grow. The state would, in effect, be eating its TOPS seed corn.

Why raid the Millennium Trust? It's obvious — as they say, when you see hoof prints, think horses, not zebras.

Louisiana is three years into a fiscal crisis of historic magnitude, due largely to the 2007 and 2008 tax cuts that blew a hole in state revenues, making the impact of the national recession on state finances even worse. Because the governor stubbornly refuses to consider taxes as part of the solution, he repeatedly tries to "fix" the problem by slashing spending. Despite three years of pounding a square "spending cut" peg into a round "revenue" hole, Louisiana still faces a \$1.6 billion shortfall next year.

So it's not surprising to hear Gov. Jindal propose selling state facilities and raiding the Millennium Trust in a desperate attempt to balance the budget. Treasurer John Kennedy hit the

nail on the head when he said of the governor's proposal to sell state assets to balance next year's budget, "It's like the junkie selling the television set and radio to generate money for his next fix." Gov. Jindal says his proposal is aimed at protecting TOPS from some unspecified future legislative threat. The more logical explanation is that he wants to free up state general fund dollars to help balance the budget. Because he knows that politically he can't cut TOPS, he would put more of the state budget off limits by raiding the Millennium Trust and dedicating it to TOPS, freeing \$40 million of state general funds for use in closing Louisiana's budget hole.

Instead of budget gimmicks, the state needs a balanced approach to resolving its fiscal problems, one that includes additional revenues. Continuing to rely solely on spending cuts and temporary one-time fixes will only add to the already considerable damage done to state institutions and the Louisianans they serve.

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Point of View