

## **Nicholls State University Financial Challenges**

Nicholls State University has recently experienced a mid-year budget cut of 1.5 million dollars for the 2008-09 fiscal year. Although well publicized, the general sentiment of higher education officials across the state was that these cuts were manageable. While this statement may have been correct at some levels, this was not accurate when applied to Nicholls for several reasons:

1. Nicholls did not receive an allocation from a 34.7 million dollar allocation to bring institutions closer to the average of the Southern Region. Although Nicholls was already at the Southern Region average, the differential in funding among Nicholls and other institutions using this formula results in less appropriations to Nicholls.
2. Nicholls only received a \$13,000 increase in over all state appropriation direct funds for the 2008-09 year despite the fact that increased costs for basic operations such as utilities and mandated activities were much above that.
3. Nicholls was one of the only universities for which faculty and staff received no salary increase in 2008-09.
4. Nicholls experienced losses as a result of Hurricanes (particularly to lost revenues in athletics)
5. Nicholls is facing a 3.7 million dollar expense for conversion of its current software system (in 2011, our current software will no longer be serviced). Although the University of Louisiana System Board of Supervisors and the Board of Regents had requested appropriations for this expense, the Jindal administration did not include it in the budget. This expense will wipe out the small amount of financial resources Nicholls has set aside through the years for emergencies.

In summary, these mid-year budget cuts have resulted in decreases, including but not limited, to travel (\$125,000), supplies (\$221,454), library and scientific equipment (\$110,000), library reference materials (\$50,000). In addition, lab and library operating hours, course offerings and class sizes have been impacted for the spring 2009 semester due to the freezing of positions and the reduction in adjunct positions and student worker hours.

NOW higher education is facing the possibility of devastating cuts beyond this damaging mid-year reduction. The Jindal administration has initiated planning for a minimum budget cut of 15.8 percent with a maximum reduction of 28.5 percent (which are in addition to the 1.5 million dollar reduction Nicholls has already experienced). Higher education officials are no longer saying these cuts will be "manageable". *"These cuts are of such a magnitude that they can't be handled by freezing expenses, cutting expenses, travel, little projects, library purchases and like things to get to that magnitude," says, Donnie Vandal, deputy commission of higher education who handles finances for the Board of Regents. He said. "This is a serious, serious amount of dollars. We'll have to look at programs, positions and other things to see what we have to do to live with this*

*amount to cut." Commissioner of Education Sally Clausen said even the lower projected reduction is staggering.*

And, the results will be even more damaging to Nicholls given its current position. These cuts will lead to elimination of academic programs, faculty and staff positions, and student support services.

#### HOW NICHOLLS CONSTITUENTS CAN HELP:

1. Voice your concern for higher education in general and Nicholls in particular. Many have suggested a long term solution of changing the constitution so that higher education and health care do not continue to bear the brunt of budget reductions.
2. Support an appropriation of 3.7 million dollars to Nicholls from the one-time monies to be distributed in the next legislative session to offset the expense of our soft-ware conversion.
3. Understand that Nicholls has been a healthy organization for 60 years and has served this region well by providing nurses, teachers, entrepreneurs, and professionals that have kept our region prospering. The loss of academic programs will have a direct impact on our community. Make certain our legislators set the protection of Nicholls as a number one priority.
4. A budget cut of 15.8 percent or 28.5 percent for 2009-10 will have a devastating impact on Nicholls and its service region. The resulting reduction in academic programs and support services will impact students, employment opportunities, workforce development, and economic development.