Ky. House speaker floats higher education proposal Posted 2/26/2010 6:15 PM ET

By Bruce Schreiner, Associated Press Writer FRANKFORT, Ky. – Kentucky House leaders will try to spare higher education from spending cuts as they plug away at erasing a shortfall looming over the next state budget, Speaker Greg Stumbo said Friday after meeting with university presidents.
Top House budget writers recently proposed a 2 percent cut for public universities and colleges in the first year of the next budget and flat funding in the second year.

The 2 percent cut would produce yearly savings of about $20 million.

Stumbo reversed course Friday, saying he hoped lawmakers could preserve that funding for higher education, but warning greater accountability would be expected from the schools.

"Higher education has gone through a series of budget cuts," Stumbo told reporters after the hourlong meeting between House Democratic leaders and university presidents.

"They have constraints -- I understand growing demands in health care, in retirement. ... We understand their problems."

Earlier Friday, Stumbo raised the possibility of attaching conditions to preserving the funding for public universities, or perhaps pooling the proposed cuts and making the schools earn their share through improved performance or caps on tuition.

Stumbo, a Prestonsburg Democrat, backed off such conditions later, but said the schools would face higher expectations.

"We told them that we want to help them," he said. "That in exchange we expect results."

For one thing, lawmakers want a more seamless higher education system, Stumbo said.

The House has passed a bill aimed at making it easier for community college students to transfer to four-year public universities. The Kentucky Community and Technical College System would align its general education requirements with bachelor's degrees programs at state universities. Stumbo said that should have been done years ago.

Western Kentucky University President Gary Ransdell said he was encouraged by the meeting.

"I think our legislative leaderships are trying hard to help education and do what they can," he said. "And we're going to do what we can to deliver on productivity."

Asked if he thinks the universities will be spared from cuts, Ransdell replied, "It's way too early to start predicting what's going to happen."

House Democratic leaders have suggested budget cuts and other steps to try to plug a shortfall exceeding $1 billion for the next two-year state budget cycle, which starts July 1. They also are looking at suspending some tax exemptions to raise revenue.

The House leaders hope to finish work in the coming days on their budget plan.

House leaders have been looking to replace $780 million in new revenue that Beshear assumed in his budget from his support of expanded gambling in Kentucky. Beshear's proposal to allow video slot machines at race tracks has gone nowhere in the legislative session.

Senate President David Williams, a Burkesville Republican, told reporters Friday that balancing the next budget will be impossible "unless we have shared sacrifice."

Williams said he didn't think that a 2 percent cut would affect operations "in any meaningful sort of way." He added that "the expectations of excellence that we have should not be affected by the fact that we spend 2 percent less money."

The Senate will put its imprint on the budget once the spending plan passes the House.

Paul Patton, chairman of the Kentucky Council on Postsecondary Education, said many of the issues discussed at the meeting didn't revolve around immediate budget matters. Participants talked about retention and graduation rates, accountability and the ease of transferring credits.

Patton, a former governor, said the university presidents laid out that their schools are faced with rising costs for operations, retirement and health care.

"If they get flat funding, they are still going to have to figure out how to cover like a 3 or 4 percent cost increase that's going to be there," he told reporters. "So that's effectively a cut in we got level funding."

Since the 2007-2008 fiscal budget year, the state's public campuses -- including the community and technical colleges -- have been cut more than $78 million, or 7 percent, according to figures from the Council on Postsecondary Education.