RESPONSE TO HOUSE RESOLUTION 206
2013 REGULAR SESSION OF THE
LOUISIANA LEGISLATURE

TUITION TASK FORCE

January 9, 2014
TUITION TASK FORCE MEMBERSHIP

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January 9, 2014

The Honorable Stephen Carter  
Chairman, House Education Committee  
3115 Old Forge Drive  
Baton Rouge, LA 70808

Dear Representative Carter:

House Resolution No. 206 of the 2013 Regular Legislative Session requested that the Louisiana Board of Regents convene a task force to study issues relative to tuition cost at public postsecondary institutions. The task force convened pursuant to House Resolution 206 has made the findings and recommendations in the attached report.

At its regularly scheduled meeting on January 9, 2014, the Board of Regents authorized the Commissioner of Higher Education to transmit the report to the appropriate committee(s) of the Legislature.

Please see the attached resolution response. If you have any questions, do not hesitate to contact me concerning this response or any other matters relating to higher education. We look forward to working with you in the upcoming 2014 legislative session.

Sincerely,

Jim Purcell, Ed.D.  
Commissioner of Higher Education

JP:cb

Attachment

c: Speaker of the House Chuck Kleckley  
Alfred W. Speer, Clerk of the House of Representatives  
Representative Stephen J. Ortego  
Senator Conrad Appel, Chairman, Senate Education Committee
I. INTRODUCTION

Prompted by concerns over the rising cost of tuition at Louisiana’s public postsecondary institutions in the wake of reduced state funding to such institutions, the Louisiana House of Representatives adopted House Resolution 206 of the 2013 Regular Session of the Louisiana Legislature (HR 206) authored by Rep. Stephen Ortego (Appendix A). This report constitutes the written response to HR 206, which urged and requested that the Board of Regents convene a Tuition Task Force (Task Force) to study several key issues surrounding the tuition and fees charged to students attending the state’s public postsecondary education institutions. The Task Force was composed of twenty three members, including individuals appointed by the Governor, the Chair of the Board of Regents, the Commissioner of Higher Education, the state’s postsecondary education management boards, the Louisiana Student Financial Assistance Commission, the State Superintendent of Education and the President of the Board of Elementary and Secondary Education, as specified in HR 206.

At the outset, it should be noted that the Task Force is unique among all the governmental and non-governmental groups that have studied issues surrounding tuition over the years, in that students constituted almost half of the Task Force’s membership. The Task Force’s deliberations, and eventually its report, benefitted significantly from the student members’ participation, involvement and contribution. Thus, while the findings and conclusions herein share some commonalities with those contained in prior reports by public and non-public bodies, this report has the unique distinction of being informed and influenced by the perspectives of the very population that postsecondary education institutions serve, i.e. students, and not merely the perspectives of organizational/institutional stakeholders.

The Task Force’s findings and recommendations as articulated in this report gave due consideration to the following specific statements contained in HR 206:

- tuition increases at Louisiana’s public postsecondary education institutions to compensate for the severe budget cuts in the last several years in ways that often impact the quality of the education offered;
- reduced college access and affordability;
- shift of costs from the state to students and families;
- the serious impact of declining state funding and the rising cost of tuition on students, their families, and the state’s economy;
- declining enrollment resulting from rapidly rising tuition;
- increasing cost of the Taylor Opportunity Program for Students (TOPS) resulting from increasing tuition, in view of the history of the enactment of TOPS in 1997 as a way to improve access to postsecondary education institutions for high school graduates;
• the enactment of the Granting Autonomies and Resources for Diplomas Act (GRAD Act) in 2010 to address the many challenges facing public postsecondary education in Louisiana, including those dealing with tuition; and
• the lack of knowledge among high school students of opportunities available to them and ways to successfully access and navigate the postsecondary education system in order to acquire the knowledge and skills needed to be successful in life regardless of what path they choose to pursue.

In light of these specific facts, the Task Force addressed the following specific issues listed in HR 206:
• the rising cost of tuition at the state’s public postsecondary education institutions;
• the impact of such increase on TOPS and any possible changes to the TOPS program resulting from such increase;
• the impact of such tuition increases on the GRAD Act and any possible changes to the GRAD Act;
• the impact of such tuition increase on the quality of the education programs offered at public postsecondary institutions;
• the cost savings, including TOPS cost savings, from more students enrolling in community and technical colleges and then transferring to four-year institutions;
• any additional strategies or incentives for increasing college access and affordability; and
• any new methods for imposing tuition that could provide additional revenue for public postsecondary education.

Given the deadline of January 9, 2014 to submit its report to the Legislature, the Task Force began its work in early October 2013, holding monthly meetings with an aggressive agenda and a comprehensive examination of the issues it was tasked to consider. The Task Force heard presentations from various experts on the topics within its scope of study. (See Appendix B for a copy of all presentations made to the Task Force.) To answer the question of how to maintain college access and affordability in an environment of vastly reduced state funding, the Tuition Task Force identified key guiding principles, heard from experts and sought input from legislators and postsecondary education stakeholders in reaching its findings and recommendations. Finally, the Task Force also had the benefit of hearing from a panel discussion on the issues identified in HR 206. The panel consisted of a legislator, an area chamber representative and a representative of a non-profit policy group. Detailed and well-considered discussions and deliberations followed the presentations on each of the major areas specified in HR 206. There was also an opportunity provided at each meeting for public input.

The Task Force categorized the issues delineated in HR 206 into the following major areas: 1) access and affordability for students; 2) fiscal stability and viability for institutions; and 3) tuition strategies for increased student success and institutional performance. The Task Force engaged in group discussions on the various topics listed in HR 206, following which each group presented its recommendations to the entire Task Force for consideration and adoption. (See
Appendix C for the Task Force’s findings and recommendations reproduced verbatim, which forms the basis of this report.) After months of meetings and study, the Task Force completed its work as articulated in this report. Based on the Task Force’s findings and recommendations adopted at its November meeting, a draft report was prepared for the Task Force’s review and consideration. At the December 11, 2013 meeting, the Task Force discussed the draft report, proposed amendments to the draft and authorized the submission of the report to the Legislature with any non-substantive, editorial changes as needed prior to such submission.
II. SUMMARY OF BACKGROUND FACTS CONSIDERED BY THE TASK FORCE

The Task Force’s consideration of the issues surrounding the fiscal stability of institutions was aided by the presentations by Barbara Goodson, Deputy Commissioner for Finance and Administration at the Board of Regents, on the new funding model in higher education. On tuition, financial aid, TOPS, access and affordability, the Task Force heard from Dr. Sujuan Boutté, Executive Director of the Louisiana Office of Student Financial Assistance, and from Dr. Larry Tremblay, Deputy Commissioner for Planning, Research and Academic Affairs at the Board of Regents. The Commissioner of Higher Education, Dr. Jim Purcell, offered some alternative concepts and tuition strategies as a means to address the issues presented in HR 206. The Task Force also had the benefit of a panel discussion on tuition-related issues. Serving as panelists were State Representative Franklin Foil, Ms. Erin Monroe Wesley, Executive Vice President and Chief Operating Officer of the Baton Rouge Area Chamber and Mr. Jan Moller, Director of the Louisiana Budget Project.

At the Task Force’s November meeting, Dr. Phillip Rozeman, Chairman of Blueprint Louisiana and a member of the 2011 Governance Commission that extensively studied higher education issues, made a presentation to the Task Force, summarizing the key recommendations of various public and non-public entities that have examined tuition-related issues in Louisiana, such as the Governance Commission, the Council for a Better Louisiana, the Baton Rouge Area Chamber and the Postsecondary Education Review Commission.

A. Background facts on fiscal issues

Deputy Commissioner Goodson’s presentation on higher education funding, included in Appendix C, highlighted the increased importance of tuition revenues to Louisiana’s public institutions which have helped offset corresponding reductions in state funding. Furthermore, any increases in tuition authorized by the GRAD Act have resulted in corresponding annual decreases in state funding; the ability to raise tuition up to 10% under the GRAD Act was intended as an incentive for and was conditioned on improved performance. Thus, the GRAD Act has not been implemented as originally intended, and any tuition increases earned under the GRAD Act have served only to partially offset reductions in state funding rather than as additional revenues to the institutions for the benefit of students. Furthermore, such GRAD Act tuition increases do not fully offset state fund reductions, thus setting the institutions further behind fiscally.

Deputy Commissioner Goodson used the following data to illustrate the shift in the cost of higher education from state funding to self-generated revenues (i.e. tuition), at both two-year and four-year institutions.
Deputy Commissioner Goodson further explained that the reliance on tuition revenues has made it more difficult for institutions to offer high-cost programs, as students currently pay the same tuition for both high-cost programs and less expensive programs. While the Board of Regents’ Funding Formula assigns appropriate weights to recognize the low and high-cost programs and generates appropriate funding to support these programs, state funding now constitutes a much
smaller percentage of an institution’s revenues due to reductions in state funding and no longer provides the foundational funding for these programs. Therefore, the requirement that all programs must be charged the same tuition hampers an institution’s ability to generate the necessary revenues to provide adequate offerings of high-cost programs, as illustrated below:
This shift in the funding paradigm hinders an institution’s ability to afford to offer high-cost programs or offer them at a level adequate to allow all students who meet the criteria for admission into such programs. Institutions are instead forced to offer more low-cost programs in order to afford to offer limited high-cost programs, as shown below:
Finally, since FY 2010-11, state appropriations to TOPS are incorporated as a component of the funding to higher education institutions, whereas prior to FY 2010-11, TOPS was funded through appropriations separate and apart from funding to higher education. The implications of this method of funding is that any increase to TOPS costs result in a corresponding and automatic decrease to higher education institutions, as both TOPS and such institutions are now funded as a single whole. State appropriations for TOPS in FY 2013-14 is $75.9M from state general funds and $141.6M from statutorily dedicated funds, for a total of $217.5M. Funding for TOPS therefore constitutes 19.4% of state funding to higher education in FY 2013-14.

B. Background facts on access, affordability, tuition and financial aid:

The information presented by Dr. Boutté and Dr. Tremblay addressed issues of access, affordability, financial aid and TOPS. Task Force members were provided a complete overview of the state’s current financial aid program, with a major focus on TOPS (merit-based aid) and GO Grants (need-based aid) including the criteria, costs and benefits of both programs.

With respect to TOPS, the number of students receiving the award increased from 23,614 in FY 1998-99 to 46,231 in FY 2013-14 (for an increase of 96% in the number of students receiving TOPS) and the appropriations to fund TOPS increased from $54M in FY 1998-99 to $217.5M in FY 2013-14 (for an increase of 253% in the cost of TOPS). Absent any changes to the program, TOPS is expected to cost approximately $220M in FY 2013-14 and is projected to cost the state $354M by FY 2018-19.
The testimony on TOPS also showed a comparison of Louisiana’s TOPS Program and similar merit-based program in other states. The analysis indicated that other states had a higher eligibility requirement for such merit-based aid or limited the amount of the award such that the award amount did not automatically cover all tuition charged to the recipient of the merit-based aid, as shown below:

In contrast to the TOPS Program, the state’s need-based aid program GO Grant has not been fully funded and has had negligible increases in funding during the same period. The laws governing the TOPS program allow for the appropriations to be “more or less,” and thus allow for adjustments in funding necessary to fully fund the TOPS program. In contrast, GO Grant funding is a definite amount with no authorization for adjustments to fully fund the program. State appropriations to fund GO Grant were $15M in 2008, increasing to $26.4M in 2013 (for an increase of 76% of cost of GO Grant), though the number of recipients increased from 10,461 to 36,201 during the same period (for an increase of 246% in the number of students receiving GO
Grant). Due to insufficient funds, the maximum amount of the GO Grant award was limited to $2000 in 2008 and $1000 in 2013.

Task Force members also reviewed a recently-released report from Noel Levitz regarding the impact of Louisiana’s financial aid on student retention in four-year institutions. This study, funded by the Gates Foundation, included policy recommendations on how best to optimize the state’s need-based aid program, while also advocating full funding of need-based aid. The findings of this study show that the best allocation of resources is making sure that at least 60% of a student’s financial aid needs are met. The biggest increases in retention occur between 30% to 60% of Gift Aid, rising from 45.8% to 71.7% in retention. Increasing the Gift Aid above 60% yields marginal improvement in student retention rates. Thus, resources are better spent in efforts to get more students to the 60% level rather than funding some students beyond 60%, as shown by the findings below:

As a result of the study’s findings, the Board of Regents and the Louisiana Office of Student Financial Assistance have revised the administrative guidelines for awarding GO Grants to align with the recommended levels identified in the Noel Levitz study.

Finally, tuition levels are low at Louisiana’s public institutions, particularly at four-year institutions, in comparison with their regional peers in the Southern Regional Education Board (SREB) region.
While low tuition helps improve access and affordability, such tuition levels can only be effective with adequate state funding and are less sustainable in an environment of reduced state funding.

C. Background facts on general tuition framework

Some basic facts concerning the general framework of tuition in Louisiana were also presented to the Task Force. Currently, tuition-setting authority rests with the Legislature and requires a two-thirds vote of each chamber for any increase in tuition. In fact, Louisiana is the only state in the nation that requires a two-thirds vote of the Legislature to increase tuition. This change occurred as a result of the application of a 1995 constitutional amendment to tuition increases. Following passage of the 1995 constitutional amendment, tuition was interpreted as falling within the definition of a “fee” in an Attorney General opinion. Subsequently, that interpretation was implicitly adopted by the Legislature in various pieces of legislation governing tuition. As a result, the Legislature assumed the tuition-setting role. In 2010, the Legislature statutorily tied tuition increases to successful institutional performance based on an annual review of the campus performance agreements, pursuant to the GRAD Act.

In his presentation, Dr. Rozeman emphasized that state funding, tuition and financial aid are each a part of an integrated whole. The state must therefore balance competing priorities of value and price, of adequate funding to public institutions and of access and affordability to students. He
offered the principles of accountability, autonomy and access to guide the appropriate balance between tuition, financial aid and state funding.

He further noted that all prior studies, by both public and private entities, have yielded strikingly similar findings and recommendations on tuition-related issues. (See Appendix D for a copy of prior study reports.) All such studies found the unique requirement of legislative approval by two-thirds vote daunting and insurmountable; each study recommended a more flexible and market-sensitive approach to setting tuition. All studies further found the TOPS Program in its current form is unsustainable, and recommended containing TOPS costs through a combination of measures such as more rigorous eligibility standards or decoupling TOPS from tuition. Such prior studies also recommended balancing the state’s need-based program and TOPS for a more effective and fair allocation of resources, to maximize success of non-traditional and needy students. The studies recommended annually evaluating the overall expenditures on the TOPS program against other high priority budget items, and determining the most equitable way to allocate TOPS award amounts to eligible students.

Allowing per-credit-hour tuition or differential tuition not only brings some stability to an institution’s funding, but can also benefit students, as the following illustrations show:
The short-term savings of low tuition adversely impacts students’ ability to receive certain course offerings in a timely manner and restricts admission into high-cost programs which are often also in high demand in the state’s economy. The resulting delay in the time needed to complete course work, and graduate, costs students and their families both time and money. This disadvantage to the students and their families could be reduced if institutions were properly funded either by tuition and/or state funding.
III. ANALYSIS

The Task Force undertook a thorough review and analysis of issues that impact tuition, funding, financial aid, cost of TOPS, access and affordability at the public postsecondary education institutions. As state general funds continue to decline in Louisiana and in other states across the country resulting in tuition increases, the financial burden on students and families has become more intense and more significant. Indeed, one of the key reasons cited for the creation of the Task Force was concerns over rising tuition and the burden on families.

In analyzing actual revenue for postsecondary education, the Task Force examined the dramatic funding shift occurring in Louisiana from the historic state/student funding ratio of 70% state/30% student in FY 2008-09 to 66% of funding from tuition and about 34% from state resources in FY 2013-2014. This funding shift is not unique to Louisiana, but it carries with it a crucial need to understand the potential impact on student access and affordability, which are two components closely aligned in Louisiana. This funding shift requires both an immediate and a sustained focus on the issues of student access and affordability, while also ensuring adequate financial support for postsecondary education in Louisiana.

The recent trend of supplanting state funding with tuition revenues was also considered in the Task Force’s discussions. The need for stable funding to the institutions was deemed essential to preserve their ability to offer courses and programs and to avoid bottlenecks in high-demand programs, which in turn limit students’ ability to graduate on time.

Tuition for postsecondary education in Louisiana is lower than its SREB peer states, with four-year college tuition much farther from their peer averages than the two-year college tuition rates. In addition, during the 2011 Regular Legislative Session, two-year institutions in the LCTCS were given authority to equalize tuition above the amounts allowed by the GRAD Act. A 2011 legislative study resolution (HCR 110) also requested that the Board of Regents make recommendations to the Legislature regarding the need to equalize tuition at four-year institutions, but those recommendations have not, thus far, resulted in any legislation authorizing such tuition equalization at four-year institutions.

Another complicating factor in the area of tuition-setting involves the statutory connection between TOPS and student tuition. Because the cost of TOPS is directly linked to the cost of tuition at public postsecondary institutions, the state resources required to fund TOPS increase commensurately with every tuition increase. For the 2013 academic year, TOPS awarded $217.5M in grants to 46,231 students. In that same year, GO Grants served 36,201 students with $26.4M in state funding. Furthermore, while the state’s merit-based aid program has been fully funded since its inception, funding for the state’s need-based aid program remained relatively level since the 2nd year of the program in FY 2008-09 when only freshmen and sophomores were eligible.
The Task Force reviewed the allocation of state funds to TOPS and GO Grant in light of the results of the Noel-Levitz study which shows that the best allocation of resources is ensuring that at least 60% of a student’s financial needs are met. The biggest increases in retention occur between 30% to 60% of Gift Aid, rising from 45.8% to 71.7% retention. Increasing the Gift Aid from 70% to 80% or more yields only diminishing returns. Thus, resources are better spent in efforts to get more students to the 60% level (of financial support) rather than funding some students beyond 60%. These results indicate the need to customize aid packages and award amounts in order to maximize the number of students whose unmet financial needs can be funded at least up to 60% through appropriate allocation of resources. The Board of Regents and LOSFA have revised the administration of the program to accomplish this goal, to the extent possible, with limited funding. Notwithstanding these efforts, numerous eligible students are denied GO Grant awards due to insufficient funds.

The Task Force deemed it imperative to balance the competing priorities of access and affordability against the need for stable and adequate funding for institutions and to maintain a system that balances the need to develop excellence in postsecondary education without overly restricting access through an excess financial burden to students.

Louisiana’s tuition and financial aid system should be based on predictability and stability for students, parents and postsecondary education institutions and should maximize student access and affordability to the greatest extent possible. In the “new normal,” where there is a shift to greater reliance on student tuition over state support, sound fiscal policy in the areas of appropriations, tuition, and financial aid is required. Financial aid policies should be aligned with and support the state’s major policy areas, including encouraging on-time degree completion, returning adults, transfer students, at-risk students, and workforce alignment.

Higher education and healthcare are currently the only areas whose funding is not protected in the state’s current budget process. If, in November 2014, the voters ratify the proposed constitutional amendments enacted by the passage of HB 532 and 533, higher education will become the sole budget-balancing tool in the state’s budget process. The current unprotected nature of the higher education budget has led to significant cuts to higher education during budget shortfalls. Louisiana should pursue any and all systemic changes to the structure of the state budget to ensure some core level of funding to higher education, such that the public postsecondary institutions have a predictable funding base.

If these policy changes are not possible, the state should carefully weigh the relative priorities of expenditures and identify other areas for possible budget cuts to lessen cuts to higher education, with the goal of providing some floor, or base level of funding, for higher education. If such measures are not implemented and a higher education funding floor is not reached, the state should authorize a budget stabilization fee to be charged at the postsecondary institutions. The state should further reduce regulatory constraints on institutions such as regulations on contracts and procurement, and grant additional autonomies to institutions to enable further efficiencies.
IV. FINDINGS AND RECOMMENDATIONS

The Task Force’s recommendations and findings address access and affordability, fiscal stability and viability in the higher education enterprise. The recommendations further offer some new alternatives to the current tuition framework. The Task Force emphasized the fact that state funding, tuition and financial aid are inseparably tied to one another. These three components, taken as an integrated whole, determine both the degree of access/affordability for students and fiscal stability/viability for institutions. It should therefore be noted that a choice to pursue any of these recommendations will impact decisions concerning certain other recommendations.

The major findings and recommendations of the Tuition Task Force are outlined below. These recommendations are the result of robust discussions and thoughtful consideration based upon best practices and the committed desire of Task Force members to improve access and affordability for the students while simultaneously preserving the fiscal viability of the postsecondary education institutions.

A. Access and affordability

i. TOPS

1. TOPS is a uniquely valuable tool to incentivize student achievement. However, in order to remain sustainable, the Legislature should consider some revisions to the TOPS Program.

2. The Legislature should make the required statutory changes to decouple the amount of individual student TOPS awards from the actual tuition charged at individual postsecondary education institutions. The total amount of TOPS awards and annual increases in state funding for TOPS should be tied to an appropriate cost index, e.g. Higher Education Cost Adjustment (HECA) or the Consumer Price Index (CPI), instead of tuition.

3. These changes should be phased-in over time in order to preserve predictability and consistency for students currently receiving TOPS awards. This approach will bring market forces to bear at both the student and institutional level in an environment of finite state resources. It will make institutions more cognizant of their tuition levels as a determinate in the choices that will be made by students receiving TOPS awards. It will also encourage students to factor in cost-of-choice, by making better decisions with personal and family finances in mind.

4. In view of the higher standards recently adopted around the nation in similar merit aid programs, Louisiana should consider increasing education standards to determine TOPS eligibility. As TOPS is a merit-based aid program and not a need-based aid program, current ACT and GPA requirements for initial TOPS eligibility are too low. Higher
standards for TOPS eligibility will likely accomplish two goals: (a) increase the likelihood that a student on TOPS retains TOPS; and (b) reduce TOPS costs to the state. If higher standards for TOPS eligibility are adopted, students on TOPS should be encouraged to take more than 12 credit hours per semester.

5. As an incentive to improve retention and graduation, the state should consider establishing a lower TOPS award amount for incoming freshmen and increasing the award amount for each year a student stays on TOPS.

ii. GO Grant

6. Savings resulting from TOPS reform could be directed to fund the GO Grant program, the state’s need-based aid offering, to increase the state’s funding of GO Grant and expand access to higher education for students with demonstrated financial need.

7. In addition, the state should strengthen its need-based aid program and fully fund the GO Grant program, if fiscally possible, or at least should allocate additional funding to the GO Grant program, in order to maximize its effectiveness and the number of students served, with an emphasis on the adult population returning to school.

8. GO Grants should continue to be repackaged at the institutional level to meet the goal of providing an eligible student’s aid to a level of at least 60% of total need for full-time students at four-year institutions when added to PELL Grant, TOPS, and other available institutional aid. This benchmark is based on the Noel-Levitz study funded by the Gates Foundation, and is designed to determine a cost-effective level of need-based aid funding in the PELL Grant population.

iii. Tuition authority

9. The Legislature should grant management boards the ability to charge, at their respective institutions, differential tuition, i.e., higher tuition for high-cost programs such as Engineering as opposed to low-cost programs such as English, and should encourage institutional scholarships and hardship waivers for needy students within those programs. Any additional revenues realized from differential tuition for a high-cost program should remain within that program for the benefit of those students.

10. The Legislature should consider a more market-based approach to tuition and allow management boards to set tuition at each of their institutions with special consideration to the unique needs and circumstances of the institution and the student population it serves. Tuition at Louisiana’s public institutions has been historically low and, even with the recent increases, continues to be relatively low in comparison to their regional peers.

11. If the Legislature determines that allowing institutions and their management boards to set tuition is not in the state’s best interest, the requirement for legislative approval of
tuition increases should be changed to a simple majority vote, rather than the current two-thirds majority vote. Louisiana is unique in the entire country in imposing such a stringent requirement on tuition increase.

12. The Legislature should authorize management boards to charge per-credit-hour tuition at their respective institutions, to replace the current cap on full-time tuition at 12 credit hours.

13. The state should adopt measures to further encourage enrollment of high school students in college-level courses through initiatives such as dual enrollment, which in turn could shorten the time for completion and graduation from college and thus save money to students and families.

**B. Fiscal stability and viability of public postsecondary institutions**

1. It is vital that the state provide a stable funding base as well as increase funding to higher education institutions. This will lessen the steadily increasing burden on students and their families from tuition increases as well as prepare the state for the future global economy. All institutions are negatively impacted by lack of predictability and Louisiana's higher education enterprise has suffered in recent years from lack of adequate resources.

2. Revenue generated from future tuition increases should be allowed to remain with the institutions and should not supplant state general fund dollars.

3. Tuition increases should be matched by proportional increases in state funding. The proportional match would create balance between increased costs and improved quality, making our institutions a better value.

4. State institutions should be allowed to hold in reserve a portion of their operating budgets for purposes of stability and working capital.

5. In order to create a stable funding base, it is imperative that each of the four management boards be authorized to control tuition at each of their respective institutions.

6. The state needs to honor its commitment to the GRAD Act in order for our institutions to become more efficient and effective and return to applying the law in accordance with its original intent, i.e., as an incentive for additional funding and autonomies based on performance.

**C. Strategies to increase access and affordability for students and generate additional revenues for public postsecondary education institutions**

1. To offset the impact of differential tuition on access and affordability while simultaneously maintaining adequate offering of high-cost, high-demand programs,
institutions should offer scholarships and hardship waivers for needy students within those programs.

2. The state should encourage private sector investment in academic and vocational programs that provide a direct benefit to an industry by producing a skilled workforce for that industry.

3. To preserve the quality of educational service, any increased revenues from per-credit tuition should be utilized for the benefit of the students and to enhance educational services as reflected by indicators such as class size, quality of instruction and course offerings.

4. To promote student retention and completion rates, there should be adequate funding for support services such as tutoring and counseling.

5. To help meet the workforce demands in the state and to prepare students for the current and future economy, the institutions should be encouraged to align curricula to workforce needs and price programs appropriately. Students should be appropriately advised of workforce demands and opportunities.

6. The state should invest funds to strategically and timely address conditions which prevent students from enrolling in high-demand programs and their ability to complete these programs in a timely manner. A lack of funding has hindered the institutions’ ability to offer adequate course sections, the availability of such offerings on a more timely basis, and the recruitment and retention of trained faculty to administer these programs. These conditions have resulted in eligible students delaying enrollment, or not enrolling at all, in program areas of great need for growing the state’s economy.

V. CONCLUSION:

Louisiana is at a critical point as the state looks to its future in rapidly changing times. The challenges are staggering as it prepares to compete effectively in the global knowledge economy. This requires effective strategies to capture and commercialize innovation and advance the competitiveness of both traditional industries and new knowledge-based enterprises. The most important determinant will be the state’s success or failure in creating and sustaining a highly skilled workforce to accomplish these purposes.

Given these challenges to the state and to maximize access, affordability, quality and fiscal stability, the Tuition Task Force identifies the following as the most significant of its recommendations: (a) the state should initiate reforms to the TOPS program and strengthen the GO Grant program; (b) institutions should be allowed to retain any additional revenues from any tuition increases authorized under the GRAD Act; (c) management boards should be authorized to charge differential tuition at their respective institutions; (d) management boards should be
authorized to charge per-credit-hour tuition at their respective institutions; (e) management boards should be authorized to set tuition at their respective institutions; and (f) the state should provide predictable, adequate and stable funding to the institutions and should pursue any and all systemic changes to the budget process to ensure a core level of higher education funding.

The Tuition Task Force understands the importance of providing greater autonomy and accountability in postsecondary education policy by developing tuition and financial aid policy that supports the “new normal” of greater dependence on market-based principles. The current situation will not produce the results needed to keep up with the rapidly changing marketplace and it will not suffice in a time when Louisiana must grow, not shrink, the postsecondary education enterprise.

This Task Force understands the importance of viewing postsecondary education as an investment and not as an expense. Higher Education is an investment that the state makes in its citizens in terms of higher salaries and savings, greater productivity, skilled workforce and better health. It translates into an investment in terms of increased tax revenues, workforce productivity, and decreased reliance on government financial support.

With this as context, the Tuition Task Force produced these findings and recommendations. These tactics are a first step to lay the foundation for much higher future targets for enrollment and education attainment in Louisiana.