

**RESPONSE TO HOUSE CONCURRENT RESOLUTION 110  
OF THE 2011 REGULAR SESSION  
OF THE LOUISIANA LEGISLATURE**

**LOUISIANA BOARD OF REGENTS**



December 7, 2011

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## EXECUTIVE SUMMARY

House Concurrent Resolution 110 of the 2011 Regular Session by Rep. John Schroder and Sen. Ben Nevers requests the Board of Regents (BOR) to report in writing to the legislature a proposal for amending the GRAD Act in a way that will mitigate the disparity in tuition charged at public four-year universities as compared to their Southern Regional Educational Board (SREB) peers.

BOR staff conducted a study of tuition and mandatory fees charged at Louisiana institutions as compared to their SREB peers. The main finding was that the tuition and mandatory fees charged by Louisiana's fourteen four-year institutions lags far behind their SREB peers. Some institutions are much closer to their peer medians than their fellow Louisiana institutions. Many of Louisiana's four-year institutions are clustered around an average distance of 26.4%. There are a wide range of results. For example, for fiscal year 2011-12, Louisiana Tech University is projected to be 9.04% behind its SREB Four-Year 2 peer institutions, while on the other end of the range, Southern University New Orleans is projected to be 39.25% behind its SREB Four-Year 4 peers. As a result, it is clear that as the GRAD Act is applied to authorize institutions that successfully meet their targets the authority to increase tuition by up to 10%, some institutions will reach their SREB peer medians much quicker than others. Once an institution reaches its GRAD Act peers, there is no authority for tuition increases above their SREB peers.

In 2005, the BOR approved a Tuition and Fee Policy that established SREB targets for each institution and set a six year plan to reach those targets. Under the BoR Policy, the annual increase percentages and corresponding dollar amounts

varied for each institution because each had a different distance from their SREB targets. However, if the policy had been put into effect, at the end of six years, all institutions would have been at their SREB peer tuition and mandatory fee median targets. The BOR recommends that the Tuition and Fee Policy be updated and that either tuition be decoupled from the GRAD Act performance, or that the Tuition and Fee Policy be used to set the annual tuition increase amount at each institution so that at the end of a six year period, all four-year institutions are at the SREB median by category. As Louisiana's universities plan for future budget cycles, it is important that statewide policies on state funding and tuition and fees provide a stable and predictable model for planned revenues in future years, particularly in the three areas critical for universities to predict and plan for: enrollment trends, workforce needs, and finally, future revenue streams.

## INTRODUCTION AND BACKGROUND

House Concurrent Resolution 110 of the 2011 Regular Session by Rep. John Schroder and Sen. Ben Nevers requests the Board of Regents (BOR) to “report in writing to the legislature a proposal for amending the GRAD Act in a way that will mitigate the disparity in tuition charged at public four-year universities as compared to their Southern Regional Educational Board (SREB) peers.”

When analyzing Louisiana’s four-year institutions in comparison to their SREB peers, there is a wide range of variance (see Table 1)<sup>2</sup> The tuition and fees that each institution charges are mainly controlled by the legislature. In 1995, a constitutional amendment was adopted requiring that all fees be approved by two-thirds vote of the legislature. This change has made it very difficult to set tuition for four-year universities at a rate that is comparable to SREB peers. Since 1995, tuition and fee increases have been tightly controlled by the Legislature. For example, Act 1450 of the 1997 Regular session of the Legislature established a \$5 per credit hour Technology Fee that is paid by all students; House Bill No. 186 of the First Extraordinary Session of the 2000 Legislature allowed Louisiana State University to assess an academic excellence fee totaling \$125 per semester for all full-time students; House Bill 1786, of the 2003

**Table 1**  
**Comparison of Actual Tuition and Fees with Projected SERB Peer Targets**  
**(Annual)**

<u>Institution Name</u>	<u>Projected 2011- 2012 Tuition Peer Target</u>	<u>Actual 2011-2012 Tuition</u>	<u>Difference</u>	<u>% Difference</u>
L.S.U. and A&M College	8,501	6,318	(2,183)	-25.68%
<b>Four-Year 1</b>				
Louisiana Tech University	6,449	5,866	(583)	-9.04%
University of Louisiana at Lafayette	6,449	4,852	(1,597)	-24.76%
University of New Orleans	6,449	5,214	(1,235)	-19.15%
<b>Four-Year 2</b>				
Southeastern Louisiana University	6,891	4,604	(2,287)	-33.19%
Southern University and A&M College	6,891	5,074	(1,817)	-26.37%
University of Louisiana at Monroe	6,891	5,101	(1,790)	-25.98%
<b>Four-Year 3</b>				
Grambling State University	6,597	4,886	(1,711)	-25.94%
L.S.U. in Shreveport	6,597	4,494	(2,103)	-31.88%
McNeese State University	6,597	4,353	(2,244)	-34.02%
Nicholls State University	6,597	4,737	(1,860)	-28.20%
Northwestern State University	6,597	4,972	(1,625)	-24.64%
Southern University in New Orleans	6,597	4,008	(2,589)	-39.25%
<b>Four-Year 4</b>				
L.S.U. at Alexandria	5,560	4,334	(1,226)	-22.05%
<b>Four-Year 6</b>				

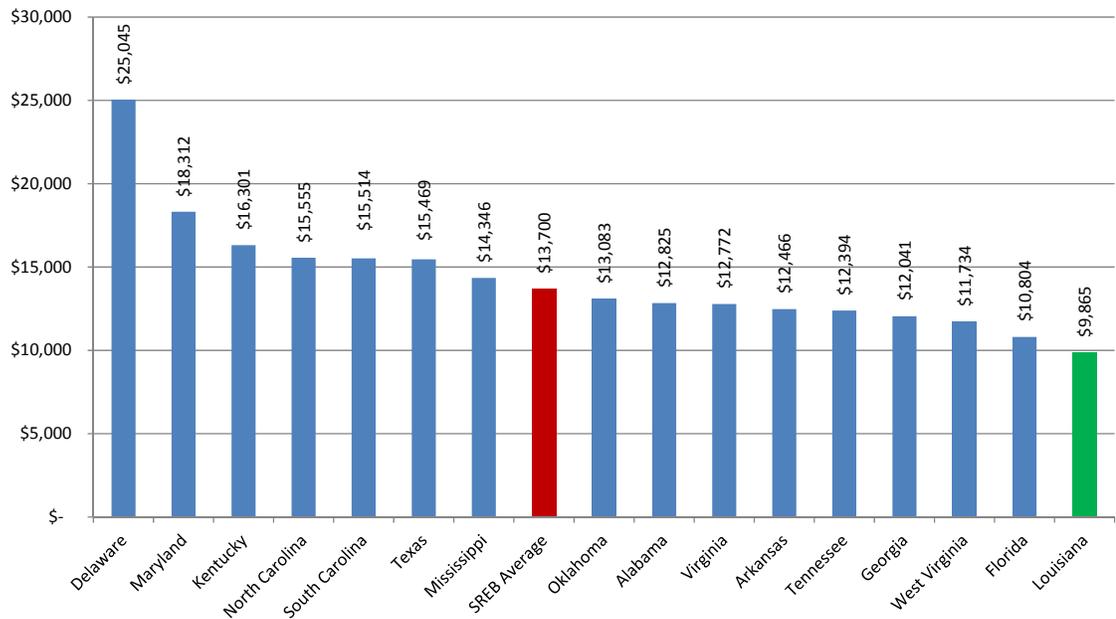
Full time undergraduate tuition and fees for 12 hours/semester.

Regular Session of the Louisiana Legislature authorized all management boards to assess an academic excellence fee beginning the Fall 2003, not to exceed \$10 per credit hour per academic session or \$120 per academic session; House Bill 1062 of the Regular Session of 2004 enacted Louisiana Revised Statute 17:3351(A)(5)(d) to authorize the postsecondary management boards to impose an operational fee for its students, not to exceed four percent of the total mandatory tuition and fee amount in effect for each institution on August 15, 2004; and Act 915 of the 2008 Regular Session established that the Board of Regents establish a tuition schedule for participating institutions based on each campus' distance from their peers, based on which, each campus would be authorized to increase tuition either 3, 4, or 5%.

There have also been various legislative approvals for fee increases authorized for only law schools, medical schools, or veterinary schools. Before the law requiring legislative approval by two-thirds vote took effect, some institutions had very low tuition compared to their SREB peers. There are several reasons that tuition and fees may have been kept low: regional market value, low tuition to compete with other state institutions with higher fees, etc. This law change trapped many four-year universities with low tuition, and as state support has declined, most Louisiana four-year institutions suffer from a combination of low state appropriations and tuition and fee revenues (see Chart 1)<sup>1</sup>.

In the 2011 Regular Legislative Session, Act 196 was passed allowing Louisiana's two-year institutions within the Louisiana Community and Technical College System (LCTCS) to "levelize" fees. This allows those schools, no matter what region of the State, to generate comparable self-generated revenues per full-time equivalent student (FTE). Giving four-year institutions the ability to generate revenue from students comparable to their SREB and in-state peer groups would help those universities remain competitive and generate the income needed to ensure the quality of their programmatic offerings.

**Chart 1**  
**Total Funds for E&G Operations Per Full-time-Equivalent Student**  
**Public Four-Year, 2009-10**



Source: SREB Data Exchange 2009-2010

## OVERVIEW OF STUDY

The BOR staff conducted an extensive review of comparable tuition and mandatory fees charged at Louisiana's four-year peers in other SREB states. The SREB benchmark is median tuition. SREB data collection and publication lags behind two years, so BOR staff needed to project the SREB median by category (four-year 1, four-year 2, etc.) for fiscal year 2010-11 and fiscal year 2011-12. In an effort to be as conservative as possible, a 10-year average change in SREB median tuition and mandatory fees was calculated. The resulting average change value was then used to project where SREB tuition by category would be for fiscal years 2010-11 and 2011-12. Each Louisiana four-year university's current tuition and mandatory fees were compared to their appropriate peer group to determine the distance from SREB peer institutions (See Appendix A)<sup>2</sup>.

## FINDINGS

### **Distance from SREB Peers**

BOR staff found that when examining the distance that each four-year institution was from its SREB peers, a wide variance existed for Louisiana institutions. As shown in Appendix A, while the distance from SREB peers of many of Louisiana's four-year institutions is clustered around an average distance of 26.4%, there is a wide range of results. For example, for fiscal year 2011-12, Louisiana Tech University is projected to be 9.04% behind its SREB Four-Year 2 peer institutions, while on the other end of the range, Southern University New Orleans is projected to be 39.25% behind its SREB Four-Year 4 peers.

When the dollar value of the shortfall is multiplied by the number of FTE students enrolled at a given institution, the negative impact of the support funding shortfall is quite significant. This also contributes to self-generated support funding disparities among Louisiana universities, which impacts their ability to offer competitive programs.

## SUMMARY AND CONCLUSION

Public institutions of postsecondary education are supported primarily by two core revenue sources: state appropriations and tuition and fees paid by students and families. Both revenue streams must be maintained at appropriate levels if institutions are to fulfill their assigned role, scope and mission.

Institutions are faced with rapidly rising costs associated with maintaining state-of-the-art equipment and keeping pace with new technology and salary requirements of highly competitive and mobile faculty. To sustain services, the financial resources supporting institutional operations must retain their purchasing power, contain cost and ensure student access and affordability. Allowing tuition and fees to increase in a reasonable and timely manner is one component in preserving purchasing power.

Louisiana, like many states in the South, has historically kept tuition rates low in an effort to afford its citizens maximum access to public postsecondary education. Since Louisiana is a relatively poor state, unchecked tuition increases could substantially reduce postsecondary access.

Louisiana is the only state in the nation which requires a two-thirds approval of the legislature to increase any existing fee assessed by the state or any board, department, or agency of the state. This requirement was established in 1995 by Article VII, Section 2.1 of the Constitution, and has been applied to tuition and fees charged by public universities. Since that time, specific legislative authority has

been deemed necessary and sporadically granted to increase tuition and mandatory fees within specified parameters. In 2010, the Louisiana Granting Resources and Autonomy for Diplomas Act (GRAD Act) was enacted providing participating institutions the ability to increase tuition for committing to meet established performance targets.

The Board of Regents, as required by Act 1105 of 2003, studies and formulates a state tuition and fee policy applicable to each public postsecondary education institution and system in the state. As directed in the Act, the Board takes into consideration the cost of education provided by each type of institution, the proportion of such costs typically paid by students, the economic status of the state's citizens, the overall rates of increase in public postsecondary education costs and tuition, the existing status of tuition and fees in Louisiana relative to its peer states, as well as other pertinent factors. Offsetting tuition increases with need-based grants has been shown to have a substantial, positive influence on the enrollment rates of low-income students; therefore, the Board addresses financial aid policy in order to ensure the net cost of attendance at Louisiana colleges and universities is affordable to the citizens of the state.

Prior to implementation of any increase in tuition or fees pursuant to such policy, the policy must be approved by the legislature by law with the favorable vote of two-thirds of the elected members of both houses of the legislature to constitute compliance with the requirements of the Constitution.

In conclusion, a review of tuition and mandatory fees currently charged by Louisiana's public four-year institutions compared to the projected fees charged by

their SREB peers indicates that there is a wide range in the individual distance from each Louisiana university's peers. This creates disparities in the ability for some institutions to generate an equal amount of tuition and fee revenue per FTE student. The combination of state and student support funding is vital to each institution as they struggle to maintain attractive and competitive academic offerings. Each institution must have the ability to charge market rates for tuition and mandatory fees.

## RECOMMENDATIONS

The Board of Regents recommends that ultimate tuition setting authority should reside with the higher education management boards under strict guidelines established by the Board of Regents. The Board of Regents further recommends that the 2005 Board of Regents Tuition and Fee Policy be updated and presented to the Board of Regents and the Louisiana Legislature for consideration and approval, and further that tuition either be decoupled from the GRAD Act, or that the Board of Regents Tuition and Fee Policy be utilized within the GRAD Act to set appropriate tuition targets and annual amounts of increase so that each four-year institution can reach its SREB peer tuition targets within a six-year period of time.

## **APPENDICES**

- House Concurrent Resolution 110 of the 2011 Regular Session
- Appendix A – Distance from SREB Peer Tuition and Mandatory Fees
- Appendix B – 2005 Board of Regents Tuition and Fee Policy
- Reference List

Regular Session, 2011

HOUSE CONCURRENT RESOLUTION NO. 110

BY REPRESENTATIVE SCHRODER AND SENATOR NEVERS

A CONCURRENT RESOLUTION

To urge and request the Board of Regents to study the disparity in tuition charged at public four-year universities as compared to their Southern Regional Education Board peers, to develop a proposal for amending the GRAD Act in a way that will mitigate the disparity, and to submit the proposal to the legislature.

WHEREAS, in 2010, the Legislature of Louisiana authorized the postsecondary education management boards to institute substantial tuition increases at their respective institutions as an element of the Granting Resources and Autonomy for Diplomas (GRAD) Act; and

WHEREAS, for institutions that meet their GRAD Act performance targets, the law authorizes tuition increases of ten percent per year until tuition at an institution reaches the average tuition charged at its Southern Regional Education Board peer institutions; and

WHEREAS, though the legislature continues to stand behind the policy direction established in the GRAD Act, it also recognizes that authorizing the same tuition increase at all institutions does not treat these institutions equally because presently there is such a wide disparity among the institutions in the gap between their tuition and the peer average tuition; and

WHEREAS, to consider but one example, tuition and fees at Southeastern Louisiana University, according to data from the Southern Regional Education Board for the 2009-2010 academic year, was about sixty-three percent of the median tuition and fees charged by its peer institutions while Louisiana State University was charging tuition and fees at a rate that was over seventy-three percent of those charged by its peers and Louisiana Tech University at nearly ninety percent of its peers; and

WHEREAS, the GRAD Act does not discriminate between institutions in its expectation for continuous improvement of performance, but a plan is needed to eliminate the discrimination in tuition and to reduce the disparity in the time it will take institutions to reach the tuition level that is authorized by the GRAD Act.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the Board of Regents to study the disparity in tuition charged at public four-year universities as compared to their Southern Regional Education Board peers, to develop a proposal for amending the GRAD Act in a way that will mitigate the disparity, and to submit the proposal to the legislature not later than sixty days prior to the beginning of the 2012 Regular Session of the Legislature.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the chairman of the Board of Regents and the commissioner of higher education.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

**Appendix A**  
**Comparison of Actual Tuition and Fees with Projected SERB Peer Targets (Annual)**

<b>Institution Name</b>	<b>Projected 2010- 2011 Tuition Peer Target</b>	<b>Actual 2010- 2011 Tuition</b>	<b>Difference</b>	<b>% Difference</b>	<b>Projected 2011- 2012 Tuition Peer Target</b>	<b>Actual 2011- 2012 Tuition</b>	<b>Difference</b>	<b>% Difference</b>
L.S.U. and A&M College <b>Four-Year 1</b>	7,797	5,731	(2,066)	-26.50%	8,501	6,318	(2,183)	-25.68%
Louisiana Tech University	6,065	5,484	(581)	-9.59%	6,449	5,866	(583)	-9.04%
University of Louisiana at Lafayette	6,065	4,426	(1,639)	-27.03%	6,449	4,852	(1,597)	-24.76%
University of New Orleans <b>Four-Year 2</b>	6,065	4,759	(1,306)	-21.54%	6,449	5,214	(1,235)	-19.15%
Southeastern Louisiana University	6,324	4,000	(2,324)	-36.75%	6,891	4,604	(2,287)	-33.19%
Southern University and A&M College	6,324	4,584	(1,740)	-27.52%	6,891	5,074	(1,817)	-26.37%
University of Louisiana at Monroe <b>Four-Year 3</b>	6,324	4,635	(1,689)	-26.71%	6,891	5,101	(1,790)	-25.98%
Grambling State University	6,084	4,428	(1,656)	-27.22%	6,597	4,886	(1,711)	-25.94%
L.S.U. in Shreveport	6,084	4,120	(1,964)	-32.28%	6,597	4,494	(2,103)	-31.88%
McNeese State University	6,084	3,957	(2,127)	-34.96%	6,597	4,353	(2,244)	-34.02%
Nicholls State University	6,084	4,292	(1,792)	-29.46%	6,597	4,737	(1,860)	-28.20%
Northwestern State University	6,084	4,384	(1,700)	-27.95%	6,597	4,972	(1,625)	-24.64%
Southern University in New Orleans <b>Four-Year 4</b>	6,084	3,508	(2,576)	-42.34%	6,597	4,008	(2,589)	-39.25%
L.S.U. at Alexandria <b>Four-Year 6</b>	5,186	3,817	(1,369)	-26.40%	5,560	4,334	(1,226)	-22.05%

Full time undergraduate tuition and fees for 12 hours/semester.

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Louisiana Postsecondary Education  
Tuition and Fee Policy

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.....'Adopted by the Board of Regents

.....'April 28, 2005

.....'As Revised May 10, 2005

# LOUISIANA POSTSECONDARY EDUCATION TUITION AND FEE POLICY

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# **Louisiana Postsecondary Education Tuition and Fee Policy**

## **Background and Context for Louisiana's Policy**

Louisiana has never had a comprehensive statewide policy to guide the setting of tuition and fees at its postsecondary education institutions. With adoption of the state's current constitution in 1974, and the enactment of Act 313 of 1975, system management boards were charged with the authority and responsibility to set tuition and fee rates for postsecondary education institutions. The management boards did so unilaterally and independently until a constitutional amendment was adopted in 1995 which imposed a requirement of a two-thirds vote of the legislature to increase fees (which was determined to encompass both tuition and fees). This constitutional amendment followed years of state budget difficulties which caused many agencies, higher education institutions included, to impose and/or increase charges for services in order to offset state funding reductions and help finance their operations.

Louisiana, like many states in the south, has generally maintained a history and tradition of low tuition rates in an effort to provide affordable access to public postsecondary education. Unlike most states, Louisiana had, until recently, focused almost exclusively on providing access through four-year institutions, where tuition and fee rates are typically higher than those of two-year institutions. The creation of the Louisiana Community and Technical College System in 1998 and corresponding establishment of several new community colleges has provided a new array of institutions with considerably lower tuition rates.

With the establishment of the Louisiana Community and Technical College System, the adoption of the *Master Plan for Postsecondary Education, 2001*, and the requirements it imposes on the state's four-year institutions, a comprehensive review and approach to tuition and fee

policy is in order.

Act 1105 of 2003 recognized the need for such a policy and requires the Board of Regents to study and formulate a state tuition and fee policy applicable to each public postsecondary education institution and system in the state. In developing the policy, the Board is directed to take into consideration the cost of education provided by each type of institution, the proportion of such costs typically paid by students, the economic status of the state's citizens, the overall rates of increase in public postsecondary education costs and tuition, the existing status of tuition and fees in Louisiana relative to its peer states, and other pertinent factors.

Act 1105 further provides that "the tuition and fee policy shall establish a framework for the imposition of student tuition and fees by the respective postsecondary education management boards," but that prior to implementation of any increase in tuition or fees pursuant to such policy, "the authority for the postsecondary education management boards to increase tuition or fees consistent with the policy shall be approved by the legislature by law by the favorable vote of two-thirds of the elected members of both houses of the legislature." Such approval by the legislature shall constitute compliance with the requirements of Article VII, Section 2.1 of the Constitution. Finally, Act 1105 provides that the Board of Regents and each of the management boards report to the Joint Legislative Committee on the Budget by not later than February 1<sup>st</sup> of each year on the status of the implementation of the state tuition and fee policy.

Additionally, Louisiana is currently participating in a national research project funded by the Lumina Foundation for Education entitled "Changing Direction: Integrating Higher Education Financial Aid and Financing Policies." This project seeks to connect and align state policy on higher education funding, tuition, and student financial assistance in order to better

address the needs, goals, and objectives of the state for postsecondary education services.

While the tuition and fee component of the Changing Direction project is the subject of this particular policy proposal, it should be considered within the broader context of overall state policy in guiding the development the postsecondary education system and in reaching the state's goals and objectives.

A primary goal of the *Master Plan* is to increase opportunities for student access and success. Objectives in support of this goal focus on specific areas of identified need: (1) increasing participation in postsecondary education, particularly in under-represented groups of citizens, (2) insuring that students progress and graduate with meaningful credentials, and (3) preparing citizens for the challenges of today's workforce needs.

In order to accomplish these objectives, it is necessary to craft a set of coordinated state policies that:

- Provide adequate funding to the institutions -- the combination of state appropriations and tuition revenues must yield sufficient revenue for institutions to fulfill their differing missions.
- Result in tuition levels and programs of financial assistance that make the net cost of attendance at Louisiana colleges and universities affordable to the citizens of the state.
- Are sensitive to the fiscal realities/limitations of the state -- and ensure that the available state resources are utilized in the most effective way.
- Leverage federal financial aid programs to the greatest extent possible.
- Provide incentives for institutions to improve the performance of students.

### **Financing of Public Postsecondary Education**

Public institutions of postsecondary education are supported primarily by two core

revenue sources: state appropriations and tuition and fees paid by students and families. Both revenue streams must be maintained at appropriate levels if institutions are to fulfill their assigned role, scope and mission. Total available revenue should be considered in relation to the role, scope and mission of each type of institution, the cost to operate each type of institution, the public and private benefits derived from institutional activities, and the financial status of students, particularly in terms of the type of institution they attend.

Data available from the Southern Regional Education Board (SREB) can be used to demonstrate the relationships between the types of institutions, costs of education, and the respective sharing of costs between the state and the student. Table 1 provides data from the SREB’s Data Exchange for FY2003-04 which can be used to develop profiles of funding for different types of postsecondary education institutions. The SREB data clearly indicate that the cost of education (both to the state and students) is a function of the type of institution. For example, total costs average \$4,348 per student for all technical colleges in the SREB, \$5,532 per student for all two-year institutions in the SREB, and \$10,214 for all four-year institutions in the SREB.

**Table 1**

<b>Southern Regional Education Board States</b>		
<b>Cost of Education at Differing Levels of Institution</b>		
Total Funding Per Full-Time Equivalent Student		
	Total \$ Per FTE	% of Four- Year Rate
Four-Year Institutions	\$ 10,214	100%
Two-Year Institutions	\$ 5,532	54%
Technical Colleges	\$ 4,348	43%

Similarly, as the breadth and depth of program offering increases, so does the cost. The data on funding for four-year institutions by SREB category indicate that as institutions offer a greater range of graduate programs and produce more graduate degrees, the average cost of education generally increases. Cost per student for four-year institutions, as reflected in Table 2, ranges from about \$8,300 per student for Category 6 four-year institutions (those with the fewest graduate programs and graduate degrees awarded) to over \$12,000 per student for Category 1 four-year institutions (those with the greatest number of graduate programs and graduate degrees awarded).

**Table 2**

<b>Southern Regional Education Board States</b>	
<b>Cost of Education at Differing Levels of Four-Year Institutions</b>	
Total Funding Per Full-Time Equivalent Student	
<u>SREB Four-Year Category</u>	<u>Total \$ Per FTE</u>
4YR-1	\$ 12,031
4YR-2	\$ 10,628
4YR-3	\$ 8,709
4YR-4	\$ 9,026
4YR-5	\$ 8,102
4YR-6	\$ 8,345

Note: Excludes "State Special Purpose" funding

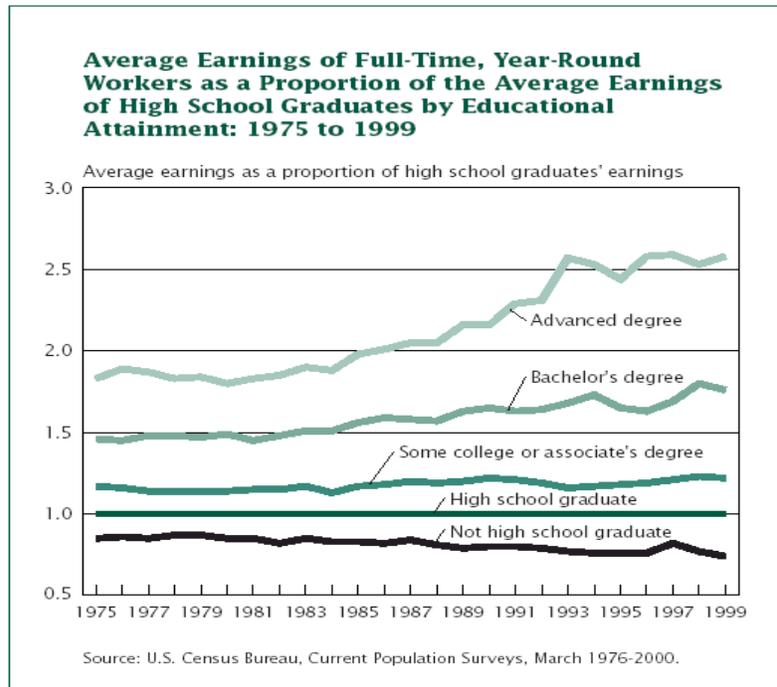
The SREB data presented in Table 3 indicate that the average proportional contribution by states to the total cost of education on a per student basis is greatest for technical colleges (78%), next largest for two-year institutions (67%), and decreases for four-year institutions to the point that they, on the average, receive only about 56% of total costs from the state. Conversely, a student's contribution to total costs typically decreases as the type of institution attended becomes less complex in terms of role, scope and mission.

**Table 3**

<b>Southern Regional Education Board States</b>			
<b>Share of Cost for State and Student</b>			
State vs. Student Funding Per Full-Time Equivalent Student			
	State Funds	Student Funds	Total Funds
<b>Technical Colleges</b>			
SREB Average	\$ 3,391	\$ 957	\$ 4,348
% of Total Funding	78%	22%	100%
<b>Two-Year Institutions</b>			
SREB Average *	\$ 3,683	\$ 1,849	\$ 5,532
% of Total Funding	67%	33%	100%
<b>Four-Years Institutions</b>			
SREB Average **	\$ 5,742	\$ 4,472	\$ 10,214
% of Total Funding	56%	44%	100%
* Includes \$769 of Local Support			
** Excludes State Special Purpose funding			

The relationship between types of institution and the sharing of cost indicated by the data are consistent with general perceptions of the sharing of benefits derived from the various levels of education. Having a larger proportion of a state's population with collegiate levels of education generates significant economic and social benefits and should therefore be subsidized by the state to a large extent. However, as individuals attain higher levels of education, a larger relative proportion of the benefits of such education also accrues to the individual. Figure 1 demonstrates that, on average, not only do individual salaries increase by degree level, but the gap between income levels associated with higher degrees is expanding. It is therefore reasonable that a larger proportion of cost incurred to attain higher levels of education be assigned to the individual who benefits from the educational attainment.

**Figure 1**



**Financing of Louisiana Postsecondary Education**

Table 4 presents summary data on how Louisiana’s current funding of postsecondary education by level of institution compares with average funding rates for the SREB. Louisiana’s funding for the various types of four-year institutions ranges from 67% to 94% of the SREB in state-provided funding on a per student basis and from 67% to 81% of the SREB average net tuition and fee funding. For Louisiana two-year institutions, state funding averages about 82% of SREB counterparts on a per student basis, and student funding through tuition and fees averages 114% of SREB. For technical colleges, Louisiana’s state funding is 137% of the SREB average and 81% of the SREB average for net tuition and fee revenue.

**Table 4**

<b>Funding Per Full-Time-Equivalent Student Louisiana Compared to SREB</b>			
	State Funds	Net Tuition & Fee Revenue	Total
<b>Technical Colleges</b>			
SREB Average	\$ 3,391	\$ 957	\$ 4,348
% of Total Funding	78%	22%	100%
Louisiana	\$ 4,646	\$ 778	\$ 5,424
% of Total Funding	86%	14%	100%
LA as % of SREB	137%	81%	125%
<b>Two-Year Institutions</b>			
SREB Average *	\$ 3,683	\$ 1,849	\$ 5,532
% of Total Funding	67%	33%	100%
Louisiana	\$ 3,032	\$ 2,111	\$ 5,143
% of Total Funding	59%	41%	100%
LA as % of SREB	82%	114%	93%
<b>Four-Year Institutions</b>			
SREB Average **	\$ 5,742	\$ 4,472	\$ 10,214
% of Total Funding	56%	44%	100%
Louisiana **	\$ 4,332	\$ 3,196	\$ 7,528
% of Total Funding	58%	42%	100%
LA as % of SREB	75%	71%	74%
* Includes \$769 of Local Support			
** Excludes State Special Purpose funding			

There are a number of factors which affect the average appropriation per student in SREB states and the values for Louisiana institutions. The values for Louisiana institutions, particularly the state funding amounts, do not fully reflect the condition of transition in which the state's postsecondary education system currently exists. Louisiana's four-year institutions are undergoing changes in traditional enrollment patterns as they adapt to admissions criteria (with anticipated reductions in first-time freshmen). There are also several relatively new community colleges which have yet to reach an operational level that allows for some realization of economies of scale. Funding rates per student for four-year institutions in Louisiana have the potential to increase as enrollments decline, while funding rates for two-year institutions will likely decline as enrollment at these institutions grow. As the entire system advances and matures, there is likely to be some degree of realignment of state resources as measured on a "per student" basis which should bring those measures more in line with SREB norms.

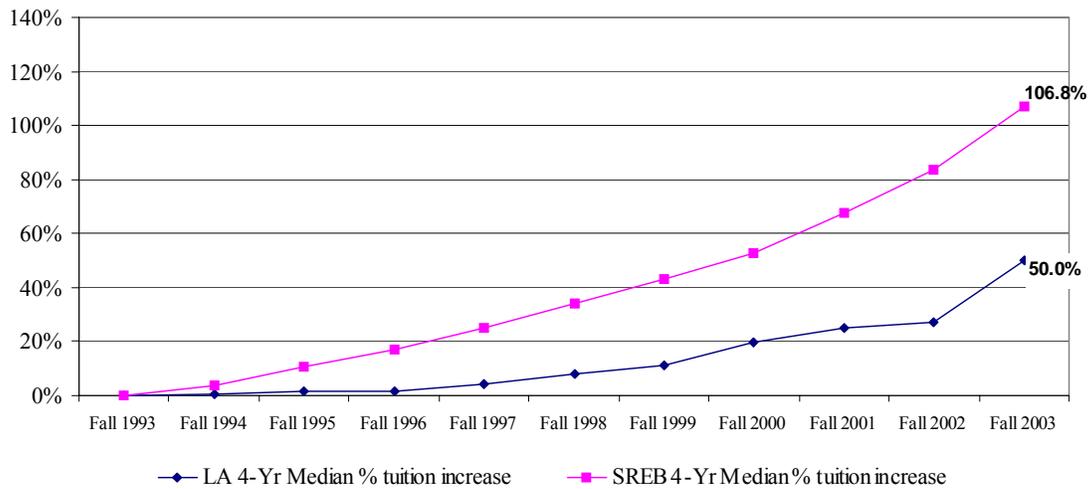
With respect to tuition and fee rates and revenues, there is a need for policy guidance to insure that these critical components of institutional finance and student contribution are appropriate for each type of institution and their expected student clientele. Tuition rates at technical and community colleges should reflect their "open admissions" and access mission, but must also address the expensive nature of technical programs and provide needed revenues for new and growing institutions. Tuition rates at four-year institutions should be appropriate to the cost of providing a broad array of baccalaureate degrees and appropriate graduate programs.

All tuition and fee rates must be maintained at levels which yield adequate revenue while affording students predictable and reasonable charges. Figures 2 and 3 provide some historical perspective on cumulative rates of increase for Louisiana four-year and two-year tuition and fee

rates and how they compare to SREB rates for the most recent 10 years. The data indicate that Louisiana's rate of increase in tuition and fees for both types of institutions has been significantly less than that of the SREB.

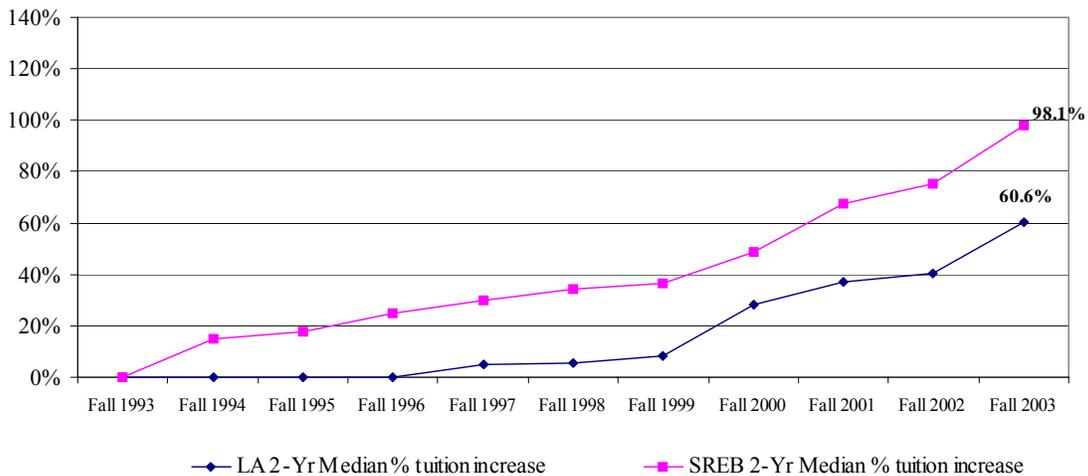
**Figure 2**

**Comparison of Cumulative 4-Year SREB and Louisiana Tuition and Fee Increases**



**Figure 3**

**Comparison of Cumulative 2-Year SREB and Louisiana Tuition and Fee Increases**



Louisiana has been making significant strides in raising the state funding level of its postsecondary education system over the past several years. According to the *Grapevine* report, an annual compilation of data on state tax appropriations for the general operation of higher education, Louisiana ranked fourth in the nation in increased state appropriations for the period FY1999-00 to FY2004-05. However, financial demands in other areas of state governmental services, particularly health care, will likely limit such future continued growth. Meanwhile, cost demands related to enrollment growth, competitive levels of faculty pay and fringe benefits in the form of health insurance and retirement contributions, investments in technology and other factors will not abate.

Costs for postsecondary education institutions typically increase greater than inflation due to the nature of the resources for which funds are used. Institutions must meet the demands of faculty and support personnel who are often mobile and command greater salaries than other categories of employees. Additionally, institutions are faced with maintaining state-of-the-art equipment and keeping pace with new technology.

These factors require that financial resources supporting institutional operations maintain their purchasing power, while at the same time allowing institutions to improve and expand on the services they are called upon to provide. Tuition and fees must therefore be allowed to increase in a reasonable and timely manner.

### **The TOPS/Tuition Dilemma**

Louisiana's state-funded financial aid effort focuses almost exclusively on the Tuition Opportunity Program for Students (TOPS), a merit-based financial aid program. An assessment

of the TOPS program (see Board of Regents Report to the House Education Committee, November 16, 2004) indicates that it is “meeting the generally accepted purposes for which it was developed.” However, because each one percent increase in tuition currently results in an estimated \$1 million additional cost to the TOPS program, it has also created a dilemma. The direct linkage between TOPS and tuition results in strong legislative pressure to keep tuition low, denying colleges and universities tuition revenue which is becoming increasingly important to provide quality educational services. This linkage has also led to the proliferation of “fees” not covered by TOPS, but used for general operational expenses.

### **Lack of Need-Based Aid**

Louisiana is generous in providing grant aid to college students, ranking 5<sup>th</sup> among all states in grant dollars per population in 2002-2003, according to the National Association of State Student Grant and Aid Programs (NASSGAP) annual survey. But as previously indicated, while some TOPS recipients are from low-income families, the state’s effort is focused almost exclusively on merit-based aid. In fact, Louisiana’s grant aid to students based on financial need represents less than 1% of its total grant aid investment, and its assistance to low income families ranks 44<sup>th</sup> among the 50 states again according to the NASSGAP survey.

The State Higher Education Finance Report (FY2004), as indicated in Figure 4, further demonstrates Louisiana’s low ranking in need-based financial aid. In total grant aid per full-time equivalent student as a percent of the U.S. average, Louisiana awards nearly 178% of the U.S. average. However, when broken down between need-based and merit-based aid, Louisiana invests just 2.4% of the national average on need-based aid and 651% of the national average on merit-based aid.

**Figure 4**

**State-Funded Student Financial Aid for Public Tuition and Fees  
by State, Fiscal 2004**

State	State-Funded Tuition Aid per FTE	% of U.S. Average	Need-Based Tuition Aid per FTE	% of U.S. Average	Non-Need Tuition Aid per FTE	% of U.S. Average
Alabama	94	30.9%	13	5.8%	81	98.4%
Alaska	0	0.0%	0	0.0%	0	0.0%
Arizona	24	8.0%	24	11.0%	0	0.0%
Arkansas	0	0.0%	0	0.0%	0	0.0%
California	123	40.4%	123	55.4%	0	0.0%
Colorado	472	154.8%	270	121.5%	202	244.8%
Connecticut	0	0.0%	0	0.0%	0	0.0%
Delaware	334	109.4%	55	24.8%	279	337.5%
Florida	520	170.5%	157	70.7%	363	439.4%
Georgia	1,266	415.0%	5	2.1%	1,261	1,527.6%
Hawaii	0	0.0%	0	0.0%	0	0.0%
Idaho	123	40.2%	23	10.3%	100	120.7%
Illinois	509	167.0%	469	210.6%	41	49.6%
Indiana	463	151.6%	439	197.1%	24	29.1%
Iowa	31	10.2%	29	13.2%	2	1.9%
Kansas	54	17.7%	54	24.1%	0	0.6%
Kentucky	798	261.5%	366	164.5%	432	523.2%
<b>Louisiana</b>	<b>543</b>	<b>178.0%</b>	<b>5</b>	<b>2.4%</b>	<b>538</b>	<b>651.2%</b>
Maine	229	75.2%	223	100.0%	7	8.2%
Maryland	348	114.2%	301	135.1%	48	57.6%
Massachusetts	476	156.0%	471	211.4%	5	6.6%
Michigan	277	90.7%	134	60.1%	143	173.4%
Minnesota	328	107.6%	328	147.6%	0	0.0%
Mississippi	194	63.4%	13	5.7%	181	219.0%
Missouri	160	52.5%	82	36.8%	78	94.7%
Montana	0	0.0%	0	0.0%	0	0.0%
Nebraska	0	0.0%	0	0.0%	0	0.0%
Nevada	0	0.0%	0	0.0%	0	0.0%
New Hampshire	0	0.0%	0	0.0%	0	0.0%
New Jersey	683	223.9%	604	271.3%	79	96.0%
New Mexico	391	128.1%	125	56.0%	266	322.3%
New York	844	276.7%	821	369.1%	23	27.6%
North Carolina	298	97.7%	174	78.4%	124	149.7%
North Dakota	41	13.3%	31	13.9%	10	11.7%
Ohio	345	113.1%	217	97.5%	128	155.2%
Oklahoma	284	93.2%	199	89.3%	86	103.6%
Oregon	0	0.0%	0	0.0%	0	0.0%
Pennsylvania	529	173.3%	529	237.5%	0	0.2%
Rhode Island	0	0.0%	0	0.0%	0	0.0%
South Carolina	0	0.0%	0	0.0%	0	0.0%
South Dakota	3	1.0%	0	0.0%	0	0.0%
Tennessee	167	54.6%	165	74.1%	2	2.3%
Texas	28	9.0%	27	12.2%	0	0.4%
Utah	56	18.4%	44	19.7%	12	14.7%
Vermont	0	0.0%	0	0.0%	0	0.0%
Virginia	320	105.0%	185	83.1%	136	164.1%
Washington	540	177.2%	532	239.1%	9	10.3%
West Virginia	499	163.5%	251	112.6%	248	300.7%
Wisconsin	0	0.0%	0	0.0%	0	0.0%
Wyoming	427	140.1%	427	192.1%	0	0.0%
<b>U.S.</b>	<b>\$305</b>	<b>100.0%</b>	<b>\$223</b>	<b>100.0%</b>	<b>\$83</b>	<b>100.0%</b>

This one-sided grant aid strategy led to Louisiana’s grade of “F” in affordability on the 2004 National Report Card on Higher Education produced by the National Center for Public Policy and Higher Education. The report noted that the “net college costs for low- and middle-income students to attend public four-year colleges represent about a third of their annual family incomes. This population earns an average of \$15,600 annually (Net college costs equal tuition, room and board minus financial aid.)”

**Figure 5**  
**Measuring Up 2004 - Affordability in Louisiana**

<b>A CLOSER LOOK AT FAMILY ABILITY TO PAY</b>	<b>Average family income</b>	<b>Community colleges</b>		<b>Public 4-year colleges/universities</b>		<b>Private 4-year colleges/universities</b>	
		<b>Net college cost*</b>	<b>Percent of income needed to pay net college cost</b>	<b>Net college cost*</b>	<b>Percent of income needed to pay net college cost</b>	<b>Net college cost*</b>	<b>Percent of income needed to pay net college cost</b>
<b>Income groups used to calculate 2004 family ability to pay</b>							
20% of the population with the lowest income	<b>\$9,180</b>	<b>\$4,021</b>	<b>44%</b>	<b>\$4,924</b>	<b>54%</b>	<b>\$21,175</b>	<b>231%</b>
20% of the population with lower-middle income	<b>\$22,044</b>	<b>\$4,657</b>	<b>21%</b>	<b>\$5,601</b>	<b>25%</b>	<b>\$21,079</b>	<b>96%</b>
20% of the population with middle income	<b>\$37,300</b>	<b>\$5,041</b>	<b>14%</b>	<b>\$6,199</b>	<b>17%</b>	<b>\$20,480</b>	<b>55%</b>
20% of the population with upper-middle income	<b>\$60,050</b>	<b>\$5,149</b>	<b>9%</b>	<b>\$6,565</b>	<b>11%</b>	<b>\$20,249</b>	<b>34%</b>
20% of the population with the highest income	<b>\$101,200</b>	<b>\$5,197</b>	<b>5%</b>	<b>\$6,557</b>	<b>6%</b>	<b>\$21,599</b>	<b>21%</b>
<b>40% of the population with the lowest income</b>	<b>\$15,612</b>	<b>\$4,339</b>	<b>28%</b>	<b>\$5,262</b>	<b>34%</b>	<b>\$21,127</b>	<b>135%</b>

\*Net college cost equals tuition, room, and board, minus financial aid.

Louisiana’s per capita income is currently only about 84% of that of the US and 93% of the per capita income of SREB states. Further, Louisiana’s distribution of income is such that Louisiana’s two lowest quintiles of income are considerably lower than that of the SREB. Table 5 presents Louisiana income compared to that of the SREB and the US by quintile. Research

indicates that need-based grants have a substantial, positive influence on the enrollment rates of low-income students. As stewards of the public trust and investment, state colleges and universities are obligated to effectively respond to public needs. Policy direction which coordinates need-based grants with a tuition policy is an appropriate response to public need and an effective use of public investment.

**Table 5**

<b>Median Family Income By Quintiles 1999-2001 *</b>					
	Low	2nd	3rd	4th	High
US Average	\$ 11,400	\$ 26,010	\$ 43,000	\$ 65,248	\$ 110,400
SREB Median	\$ 10,943	\$ 24,257	\$ 39,001	\$ 60,000	\$ 101,076
Percent of US Avg.	96.0%	93.3%	90.7%	92.0%	91.6%
Louisiana	\$ 7,950	\$ 21,000	\$ 35,000	\$ 55,734	\$ 94,479
Percent of US Avg	69.7%	80.7%	81.4%	85.4%	85.6%
Percent of SREB Median	72.6%	86.6%	89.7%	92.9%	93.5%

\* Three year averages are used to make the data more reliable

Source: SREB Data Library/National Center for Public Policy and Higher Education and based on US Dept. of Commerce Bureau of the Census Current Population Surveys

**Louisiana’s Approach to Setting Tuition and Fees**

The extent to which Louisiana currently restricts the ability of college and university system management boards and their institutions to set tuition and fee rates is rare. According to the report, “State Tuition, Fees and Financial Assistance Policies, 2002-03,” prepared by the State Higher Education Executive Officers Association, Louisiana was one of only four states in which the *primary* authority for establishing tuition rested with the legislature. Since that report, tuition reform in at least two of those four states has resulted in a portion of tuition setting

authority being transferred to boards and/or institutions. Louisiana is the only state in which a two-thirds approval of the legislature must be obtained to increase tuition or fees.

Just as there have been significant changes over the past several years in Louisiana's the postsecondary education system and its component parts, this policy proposes to establish a more typical and reasonable approach to setting tuition and fee rates.

## **State Tuition and Fee Policy Principles**

A state tuition and fee policy should be guided by the identification of certain principles upon which it is based and which recognizes the conditions and context within which postsecondary education operates and functions. Additionally, the policy should consider the economic and fiscal realities of the state and its citizens, while addressing the financial needs of the institutions which depend in part upon revenues generated by the beneficiaries of the educational services.

The tuition and fee policy should:

- Maintain affordable resident undergraduate tuition and fee rates.
- Afford students at the undergraduate level an opportunity to pursue individual academic interests at the same tuition rate irrespective of differing program costs.
- Recognize the differences in public versus private benefit between undergraduate and post-graduate education.
- Provide the financial resources needed by all students to attend institutions for which they qualify.
- Work in conjunction with state appropriations to insure adequate levels of total financial resources for each institution to fulfill its role, scope and mission.
- Allow systems flexibility in setting charges for their member institutions within specified parameters and assure that Louisiana institutions with similar missions and programs have similar tuition and fee rates for Louisiana residents.
- Allow reasonable differences in undergraduate rates between institutions in different institutional classifications.

- Provide for predictable tuition and fee charges for students, their families, and the state so that planning for the costs of postsecondary education can be facilitated.
- Increase awareness of the availability of financial assistance in a timely fashion.

### **Performance Improvement Plans**

Since student tuition income is a primary source of institutional revenue, linking increased tuition income to improving the performance of students is an appropriate expectation of a progressive tuition policy.

System management boards should coordinate the development of multi-year individual institutional improvement plans that contain measurable improvement benchmarks consistent with Louisiana's *Master Plan for Public Postsecondary Education* and the role, scope and mission of each institution.

An institution's annual authorization from its board to increase tuition consistent with this policy is made contingent on that institution meeting its performance improvement benchmarks.

## **Benchmark Data**

The Southern Regional Education Board, an unparalleled source of data for postsecondary education financial analysis, has been used historically and extensively by the Board of Regents for formula funding and other purposes. SREB data is, for example, currently referenced in Louisiana law as a source of data for setting nonresident tuition rates. In addition to being composed of states in the same geographical region, the SREB encompasses several states with a history and tradition similar to Louisiana for maintaining relatively low tuition and fee rates. Likewise, although there is a fairly broad range of states comprising the SREB, those states

collectively reflect a similar approach to the balance between state funding responsibility and the financial contribution expected of students and their families. In looking to establish broad parameters within which Louisiana tuition and fee rates should be structured, it is therefore reasonable and appropriate to use SREB tuition and fee data as primary benchmarks in the establishment of this policy.

An exception to the use of the SREB for benchmark data will be Louisiana State University at Baton Rouge, the state's flagship institution. This policy will instead utilize data from the Washington Higher Education Coordinating Board's annual State Tuition and Fee Report, which collects tuition data on public state flagship institutions.

### **Structuring Tuition and Fee Rate Parameters**

Comprehensive SREB tuition and fee rate data for the current year are not available for the current year, much less the ensuing academic year for which tuition and fee rates must be established. It is thus necessary to employ a method that provides a reasonable and effective means for setting rates in a timely manner. Since both historical SREB and national flagship data are available in a consistent format and structure for many years, it is possible to establish long-term trends for tuition and fee rates.

A ten-year history of SREB tuition and fee rates for each category of institution has been compiled and serves as the basis upon which estimates of SREB prospective rates (limits) have been determined. Using such a long-term trend analysis serves to smooth the year-to-year fluctuations of actual rates and provide a stable and consistent means of prescribing rates for use in this policy over time. Likewise, a ten-year trend analysis is available for national flagship tuition and fee rates. The actual historical trends for these tuition and fee rates, and their

presently projected rates, are illustrated in Appendix A.

## **Tuition and Fee Policy Elements**

### **General Provisions**

This tuition and fee policy provides that:

- Tuition and fees will be set by system management boards in accordance with the parameters of this policy, effective January 1, 2006, to address the 2006-07 academic year.
- Tuition and fee rates shall be limited to projections of SREB and flagship peer rates by category of institution and phased-in over a minimum of six years.
- Projections of SREB and flagship peer rates, and allowed progress toward the target rates, will be recalculated every three years to reflect the most recent ten-year trend of such rates.
- Reclassification of an institution to a new SREB category will result in a recalculation of that institution's target, and allowed progress toward that target, based upon its new classification as soon as the reclassification is documented by SREB.
- System management boards are authorized to establish tuition and fee amounts proportional to the rates allowed by this policy for part-time students and for students enrolled in summer and inter-session terms.
- System management boards shall establish a structured and scheduled process for setting tuition and fees that allows for adequate notice to, and input from, students.

This policy is predicated on the state providing adequate support to all institutions as appropriate for costs which are unavoidable such as group insurance, retirement contributions, risk management, and classified staff salary increases.

### **Louisiana Technical College Rates**

Tuition and fee rates for the Louisiana Technical College (LTC) have historically been maintained at very low levels. Although low tuition and fee rates allow for affordable access, they become disadvantages when they jeopardize the ability of the campuses to provide the range and quality of education services needed by students. Additionally, federal funds available

to low income students to cover the costs of their education are not being maximized.

Data from SREB for all aspects of technical colleges continue to improve, but remain limited due simply to the fewer number of states reporting on technical college operations. However, available SREB data on technical colleges indicates that LTC tuition and fee rates were the lowest in the SREB and only 61% of the SREB median.

This tuition and fee policy provides that:

- Resident LTC tuition and fee rates are limited to no more than 93% of the projected SREB median rate for technical colleges.
- Increasing the resident LTC tuition and fee rates up to the level of 93% of the projected SREB median rate must be phased-in over a minimum of six years (illustrated in Appendix B).

### **Two-Year Institution Rates**

Louisiana's two-year institutions consist of a wide range of schools in terms of size, maturity, and program offerings. Several are experiencing rapid enrollment growth, but have yet to reach a size which allows for meaningful economies of scale. While tuition revenue is a critical component of their financial base as they struggle to accommodate their rapid enrollment growth, two-year institutions and their management boards must be sensitive to the access role that these institutions fulfill.

In general, Louisiana's two-year institutions have tuition and fee rates which are considerably closer to SREB medians than those of the four-year institutions. Using projected SREB median rates as limits for tuition and fee rates results in very modest increases for Louisiana's two-year institutions.

This tuition and fee policy provides that:

- Resident tuition and fee rates for two-year institutions, inclusive of community-technical colleges, are limited to no more than the projected SREB median rate for two-year institutions.
- Increasing the resident two-year institution tuition and fee rates up to the level of the projected SREB median rate must be phased-in over a minimum of six years (illustrated in Appendix B).

### **Four-Year Resident Undergraduate Rates**

Basic “resident undergraduate” mandatory tuition and fee rates at four-year institutions are key in establishing a tuition and fee policy. They apply to and impact the largest number of postsecondary students, are critical to maintaining access, and provide a significant amount of self-generated revenue in support of the institutions. This revenue is particularly important as four-year institutions adjust to new enrollment patterns as a result of admissions criteria.

This tuition and fee policy provides that:

- Resident undergraduate tuition and fee rates for four-year institutions are limited to no more than 93% of the projected SREB median rate by category of each four-year institution.
- Increasing the resident undergraduates four-year institution tuition and fee rates up to the level of 93% of the projected SREB median rate must be phased-in over a minimum of six years (illustrated in Appendix B).

### **National Flagship Rates**

Louisiana State University at Baton Rouge is designated as Louisiana’s premier research university. As such, it has the responsibility to fashion itself as a nationally competitive research institution in an array of indicators that includes the profile of its student body. Nationally competitive research institutions are the most expensive to operate, have proportionately significant graduate student enrollments, generally have the largest expected student contribution to cost of education, and typically have the most affluent student body of public institutions in a

state. Given LSU's mission to compete with peers not only within the SREB but nationally, its system management board is authorized to establish tuition and fee rates that take cognizance that mission.

This tuition and fee policy provides that:

- Resident undergraduate tuition and fee rates for LSU at Baton Rouge are limited to 93% of the average rate for national flagship universities as reflected in the Washington State Tuition and Fee Report issued annually by the Washington Higher Education Coordinating Board.
- Increasing the resident tuition and fee rates up to the level of 93% of the projected national flagship rate for LSU at Baton Rouge must be phased-in over a period of six years (illustrated in Appendix B).

### **Graduate and Professional Rates**

The costs, sources of funds, and educational purposes of graduate and professional education significantly differ from those of undergraduate education. Distinct tuition and fee rates should be established for these programs. While tuition and fee rates should reflect the individual benefits derived from these types of educational investments, institutions should insure that access to these programs is available regardless of the financial status of qualified students.

Graduate program tuition and fees should be higher than undergraduate tuition and fee rates, should reflect program cost and market demand, but must not exceed 120% of an institution's resident undergraduate tuition and fee rate. However, if the system management board and the Board of Regents, after consideration of SREB peer and/or a set of national peers deemed appropriate by both boards, agree to a rate based upon the peer analysis, the tuition and fee rate for a program may not exceed 100% of such peer rate.

Tuition and fees for professional schools and programs should be set within explicit parameters as determined by an appropriate peer analysis conducted by the institution and its system management board, approved by the Board of Regents, and submitted to the legislature.

### **Self-Assessed Fees**

A special characteristic of some fees is that they must be approved by a student referendum whereby students themselves decide whether they accept the fee and its proposed use. Such “self-assessed fees” are generally within the areas covered by general fees for specified activities and capital fees and provide a mechanism for students to determine what services and facilities are needed for quality of student life.

System management boards are authorized to approve student self-assessed fees for their constituent campuses as long as the combination of mandatory tuition and fees, inclusive of any self-assessed fees, do not exceed an institution’s peer median or average tuition and fee rates, as applicable. For two-year institutions excluding the LTC, an allowance of 7% above the SREB peer median will be available for student self-assessed fees.

### **Nonresident Rates**

Setting nonresident tuition and fee rates involves multiple factors and considerations. Foremost is the protection of a state’s investment in higher education for its’ citizens. Institutions should also capitalize on the educational and financial benefits of attracting nonresident students to Louisiana. There is a market on a regional, national and international basis for students who seek educational opportunities in states other than those of their residence. These students bring with them resources that pay for tuition, purchase goods and services in Louisiana’s communities, and contribute to the academic diversity and vitality of their campus. There is

evidence that they often establish permanent residence in the state in which they have completed their postsecondary education experience. Louisiana, with its recent out-migration of college educated citizens, should be sensitive to this opportunity and make reasonable efforts to attract nonresident students of appropriate academic preparation and quality.

This policy requires that out-of-state undergraduate tuition rates be set at a minimum of 200% of the in-state undergraduate tuition rate and provides that out-of-state graduate and professional school tuition rates be set at a level consistent with similar SREB peer rates.

### **Tuition Discounts and Waivers**

Charging lower tuition rates to graduate students serving as graduate or research assistants, as well as certain nonresident undergraduates recruited for their special talents, including academic, performing arts and athletic abilities, has long been a common practice at universities across the nation.

In order to improve Louisiana's competitiveness in recruiting qualified and desirable undergraduate and graduate students from both in-state and out-of-state, system management boards are authorized to adopt tuition discounting and waiver policies consistent with the desired student body profile of its campuses and the *Master Plan for Postsecondary Education*. These policies should be judicious in order to maximize results and minimize loss of income.

### **Financial Aid Allocations**

As tuition and fee charges increase to contribute to the financial viability of postsecondary education institutions, access must be insured for the most economically needy students for whom those charges could become a serious deterrent to access or the expectations

of access. Tuition increases fall disproportionately on the lowest income students especially if student aid funding is not increased to provide a safety net for these students.

This policy requires an allocation of funds from within the operating budget of an institution of an amount not less than five percent (5%) of additional net revenues resulting from this policy into a need based financial assistance fund at each postsecondary education institution. Policies regarding the allocation and use of the financial assistance fund shall be approved by the management boards and considered by the Board of Regents during its annual institutional budget review.

## **Appendix A**

### **SREB and National Flagship Tuition and Fee Rates**

**Ten Year Historical Trend Data**

**Six Year Projections**

# Tuition Trends and Projections

Actual

Peer Tuition Groups	Fall 1995	Fall 1996	Fall 1997	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
<b>National Flagship</b>	<b>3,187</b>	<b>3,360</b>	<b>3,517</b>	<b>3,689</b>	<b>3,809</b>	<b>4,003</b>	<b>4,259</b>	<b>4,692</b>	<b>5,221</b>	<b>5,724</b>
% inc	12.3%	5.4%	4.7%	4.9%	3.2%	5.1%	6.4%	10.2%	11.3%	9.6%
	<b>Fall 1994</b>	<b>Fall 1995</b>	<b>Fall 1996</b>	<b>Fall 1997</b>	<b>Fall 1998</b>	<b>Fall 1999</b>	<b>Fall 2000</b>	<b>Fall 2001</b>	<b>Fall 2002</b>	<b>Fall 2003</b>
<b>SREB 4 Yr 2</b>	<b>2,367</b>	<b>2,463</b>	<b>2,570</b>	<b>2,616</b>	<b>2,942</b>	<b>3,107</b>	<b>3,219</b>	<b>3,581</b>	<b>3,840</b>	<b>4,126</b>
% inc	6.4%	4.1%	4.3%	1.8%	12.5%	5.6%	3.6%	11.2%	7.2%	7.4%
<b>SREB 4 Yr 3</b>	<b>1,774</b>	<b>1,917</b>	<b>2,012</b>	<b>2,184</b>	<b>2,348</b>	<b>2,468</b>	<b>2,646</b>	<b>2,845</b>	<b>3,152</b>	<b>3,618</b>
% inc	5.8%	8.1%	5.0%	8.5%	7.5%	5.1%	7.2%	7.5%	10.8%	14.8%
<b>SREB 4 Yr 4</b>	<b>1,846</b>	<b>1,932</b>	<b>2,054</b>	<b>2,195</b>	<b>2,333</b>	<b>2,503</b>	<b>2,682</b>	<b>3,032</b>	<b>3,294</b>	<b>3,598</b>
% inc	4.2%	4.7%	6.3%	6.9%	6.3%	7.3%	7.2%	13.0%	8.6%	9.2%
<b>SREB 4 Yr 5</b>	<b>1,800</b>	<b>1,900</b>	<b>2,011</b>	<b>2,100</b>	<b>2,154</b>	<b>2,252</b>	<b>2,448</b>	<b>2,524</b>	<b>2,769</b>	<b>3,355</b>
% inc	5.7%	5.6%	5.8%	4.4%	2.6%	4.5%	8.7%	3.1%	9.7%	21.2%
<b>SREB 4 Yr 6</b>	<b>1,837</b>	<b>1,925</b>	<b>1,963</b>	<b>2,184</b>	<b>2,222</b>	<b>2,430</b>	<b>2,494</b>	<b>2,556</b>	<b>2,884</b>	<b>3,234</b>
% inc	3.7%	4.8%	2.0%	11.3%	1.7%	9.4%	2.6%	2.5%	12.8%	12.1%
<b>SREB 2-Yr</b>	<b>976</b>	<b>1,000</b>	<b>1,060</b>	<b>1,100</b>	<b>1,140</b>	<b>1,159</b>	<b>1,260</b>	<b>1,420</b>	<b>1,488</b>	<b>1,680</b>
% inc	15.1%	2.5%	6.0%	3.8%	3.6%	1.7%	8.7%	12.7%	4.8%	12.9%
<b>SREB 2-Yr Tech</b>	<b>420</b>	<b>786</b>	<b>448</b>	<b>858</b>	<b>894</b>	<b>877</b>	<b>960</b>	<b>1,038</b>	<b>1,083</b>	<b>1,110</b>
% inc	-27.1%	87.1%	-43.0%	91.5%	4.2%	-1.9%	9.5%	8.1%	4.3%	2.5%

# Tuition Trends and Projections

*Projected*

Peer Tuition Groups	Based on 10-year trend		Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	
<b>National Flagship</b>	Slope	265	5,989	6,254	6,519	6,784	7,049	7,314	7,579	
% inc	Intercept	2,691	4.6%	4.4%	4.2%	4.1%	3.9%	3.8%	3.6%	
			<b>Fall 2004</b>	<b>Fall 2005</b>	<b>Fall 2006</b>	<b>Fall 2007</b>	<b>Fall 2008</b>	<b>Fall 2009</b>	<b>Fall 2010</b>	<b>Fall 2011</b>
<b>SREB 4 Yr 2</b>	Slope	197	4,323	4,520	4,717	4,914	5,111	5,308	5,505	5,702
% inc	Intercept	2,000	4.8%	4.6%	4.4%	4.2%	4.0%	3.9%	3.7%	3.6%
<b>SREB 4 Yr 3</b>	Slope	187	3,805	3,992	4,179	4,366	4,553	4,740	4,927	5,114
% inc	Intercept	1,466	5.2%	4.9%	4.7%	4.5%	4.3%	4.1%	3.9%	3.8%
<b>SREB 4 Yr 4</b>	Slope	193	3,791	3,984	4,177	4,370	4,563	4,756	4,949	5,142
% inc	Intercept	1,486	5.4%	5.1%	4.8%	4.6%	4.4%	4.2%	4.1%	3.9%
<b>SREB 4 Yr 5</b>	Slope	144	3,499	3,643	3,787	3,931	4,075	4,219	4,363	4,507
% inc	Intercept	1,538	4.3%	4.1%	4.0%	3.8%	3.7%	3.5%	3.4%	3.3%
<b>SREB 4 Yr 6</b>	Slope	142	3,376	3,518	3,660	3,802	3,944	4,086	4,228	4,370
% inc	Intercept	1,593	4.4%	4.2%	4.0%	3.9%	3.7%	3.6%	3.5%	3.4%
<b>SREB 2-Yr</b>	Slope	73	1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
% inc	Intercept	827	4.3%	4.2%	4.0%	3.8%	3.7%	3.6%	3.4%	3.3%
<b>SREB 2-Yr Tech</b>	Slope	70	1,180	1,250	1,320	1,390	1,460	1,530	1,600	1,670
% inc	Intercept	463	6.3%	5.9%	5.6%	5.3%	5.0%	4.8%	4.6%	4.4%

## **Appendix B**

### Schedules of Maximum Tuition Authority

Technical College

Two-Year Institutions

Four-Year Institutions

Flagship Institution

## Maximum Tuition Authority Based on Projected Peer Tuition Levels

### Two-Year Technical Institutions

*Projections*

LTC	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Tech Inst. Median	1,180	1,250	1,320	1,390	1,460	1,530	1,600	1,670
93%	1,097	1,163	1,228	1,293	1,358	1,423	1,488	<b>1,553</b>
Distance (fr Fall 2005)								598
Increase (6 yr phase in)			100	100	100	100	100	100
LTC Maximum Rates Allowed (6 yr phase in)	927	955	1,055	1,154	1,254	1,354	1,453	<b>1,553</b>

## Maximum Tuition Authority Based on Projected Peer Tuition Levels

### Two-Year Institutions

#### *Projections*

<b>Delgado</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)				61	61	61	61	61	365
Increase (6 yr phase in)									61
Delgado Maximum Rates Allowed (6 yr phase in)		1,844	1,899	1,960	2,021	2,082	2,142	2,203	2,264

#### *Projections*

<b>BRCC</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									589
Increase (6 yr phase in)				98	98	98	98	98	98
BRCC Maximum Rates Allowed (6 yr phase in)		1,626	1,675	1,773	1,871	1,969	2,068	2,166	2,264

#### *Projections*

<b>BPCC</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									532
Increase (6 yr phase in)				89	89	89	89	89	89
BPCC Maximum Rates Allowed (6 yr phase in)		1,682	1,732	1,821	1,910	1,998	2,087	2,175	2,264

#### *Projections*

<b>LSU at Eunice</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									216
Increase (6 yr phase in)				36	36	36	36	36	36
LSU at Eunice Maximum Rates Allowed (6 yr phase in)		1,988	2,048	2,084	2,120	2,156	2,192	2,228	2,264

#### *Projections*

<b>LDCC</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									332
Increase (6 yr phase in)				55	55	55	55	55	55
LDCC Maximum Rates Allowed (6 yr phase in)		1,876	1,932	1,988	2,043	2,098	2,153	2,209	2,264

#### *Projections*

<b>Nunez</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									494
Increase (6 yr phase in)				82	82	82	82	82	82
Nunez Maximum Rates Allowed (6 yr phase in)		1,718	1,770	1,852	1,934	2,017	2,099	2,182	2,264

## Maximum Tuition Authority Based on Projected Peer Tuition Levels

### Two-Year Institutions (cont.)

#### *Projections*

<b>RPCC</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)				64	64	64	64	64	381
Increase (6 yr phase in)									64
RPCC Maximum Rates Allowed (6 yr phase in)		1,828	1,883	1,946	2,010	2,073	2,137	2,200	2,264

#### *Projections*

<b>SLCC</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									400
Increase (6 yr phase in)				67	67	67	67	67	67
SLCC Maximum Rates Allowed (6 yr phase in)		1,810	1,864	1,931	1,998	2,064	2,131	2,197	2,264

#### *Projections*

<b>Southern - Shreveport</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									10
Increase (6 yr phase in)				2	2	2	2	2	2
Southern - Shreveport Maximum Rates Allowed (6 yr phase in)		2,188	2,254	2,255	2,257	2,259	2,261	2,262	2,264

#### *Projections*

<b>Fletcher Tech CC</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									1,269
Increase (6 yr phase in)				212	212	212	212	212	212
Fletcher Tech CC Maximum Rates Allowed (6 yr phase in)		966	995	1,206	1,418	1,629	1,841	2,052	2,264

#### *Projections*

<b>Sowela Tech CC</b>		Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 2-Yr Median		1,753	1,826	1,899	1,972	2,045	2,118	2,191	2,264
	93%	1,630	1,698	1,766	1,834	1,902	1,970	2,038	2,106
Distance (fr Fall 2005)									1,279
Increase (6 yr phase in)				213	213	213	213	213	213
Sowela Tech CC Maximum Rates Allowed (6 yr phase in)		956	985	1,198	1,411	1,624	1,838	2,051	2,264

## Maximum Tuition Authority Based on Projected Peer Tuition Levels

### Four-Year 6 Institutions

*Projections*

<b>LSU at Alexandria</b>	<b>Fall 2004</b>	<b>Fall 2005</b>	<b>Fall 2006</b>	<b>Fall 2007</b>	<b>Fall 2008</b>	<b>Fall 2009</b>	<b>Fall 2010</b>	<b>Fall 2011</b>
Proj. SREB 4 Yr 6 Median	3,376	3,518	3,660	3,802	3,944	4,086	4,228	4,370
93%	3,140	3,272	3,404	3,536	3,668	3,800	3,932	<b>4,064</b>
Distance (fr Fall 2005)			175	175	175	175	175	1,052
Increase (6 yr phase in)								175
LSU at Alexandria Maximum Rates Allowed (6 yr phase in)	2,925	3,012	3,188	3,363	3,538	3,713	3,889	<b>4,064</b>

## Maximum Tuition Authority Based on Projected Peer Tuition Levels

### Four-Year 5 Institutions

*Projections*

<b>Nicholls</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 5 Median	3,499	3,643	3,787	3,931	4,075	4,219	4,363	4,507
93%	3,254	3,388	3,522	3,656	3,790	3,924	4,058	<b>4,192</b>
Distance (fr Fall 2005)			142	142	142	142	142	854
Increase (6 yr phase in)								142
Nicholls Maximum Rates Allowed (6 yr phase in)	3,240	3,337	3,480	3,622	3,764	3,907	4,049	<b>4,192</b>

*Projections*

<b>Southern at NO</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 5 Median	3,499	3,643	3,787	3,931	4,075	4,219	4,363	4,507
93%	3,254	3,388	3,522	3,656	3,790	3,924	4,058	<b>4,192</b>
Distance (fr Fall 2005)								1,233
Increase (6 yr phase in)			206	206	206	206	206	206
Southern at NO Maximum Rates Allowed (6 yr phase in)	2,872	2,958	3,164	3,369	3,575	3,780	3,986	<b>4,192</b>

**Maximum Tuition Authority  
Based on Projected Peer Tuition Levels**

**Four-Year 4 Institutions**

**Projections**

<b>Grambling</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 4 Median	3,791	3,984	4,177	4,370	4,563	4,756	4,949	5,142
93%	3,526	3,705	3,885	4,064	4,244	4,423	4,603	<b>4,782</b>
Distance (fr Fall 2005)			212	212	212	212	212	1,270
Increase (6 yr phase in)								212
Grambling Maximum Rates Allowed (6 yr phase in)	3,410	3,512	3,724	3,936	4,147	4,359	4,570	<b>4,782</b>

**Projections**

<b>McNeese</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 4 Median	3,791	3,984	4,177	4,370	4,563	4,756	4,949	5,142
93%	3,526	3,705	3,885	4,064	4,244	4,423	4,603	<b>4,782</b>
Distance (fr Fall 2005)			271	271	271	271	271	1,623
Increase (6 yr phase in)								271
McNeese Maximum Rates Allowed (6 yr phase in)	3,067	3,159	3,430	3,700	3,971	4,241	4,512	<b>4,782</b>

**Projections**

<b>Northwestern</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 4 Median	3,791	3,984	4,177	4,370	4,563	4,756	4,949	5,142
93%	3,526	3,705	3,885	4,064	4,244	4,423	4,603	<b>4,782</b>
Distance (fr Fall 2005)			241	241	241	241	241	1,444
Increase (6 yr phase in)								241
Northwestern Maximum Rates Allowed (6 yr phase in)	3,241	3,338	3,579	3,820	4,060	4,301	4,541	<b>4,782</b>

**Projections**

<b>Southeastern</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 4 Median	3,791	3,984	4,177	4,370	4,563	4,756	4,949	5,142
93%	3,526	3,705	3,885	4,064	4,244	4,423	4,603	<b>4,782</b>
Distance (fr Fall 2005)			282	282	282	282	282	1,690
Increase (6 yr phase in)								282
Southeastern Maximum Rates Allowed (6 yr phase in)	3,002	3,092	3,374	3,655	3,937	4,219	4,500	<b>4,782</b>

**Projections**

<b>LSU in Shreveport</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 4 Median	3,791	3,984	4,177	4,370	4,563	4,756	4,949	5,142
93%	3,526	3,705	3,885	4,064	4,244	4,423	4,603	<b>4,782</b>
Distance (fr Fall 2005)			267	267	267	267	267	1,599
Increase (6 yr phase in)								267
LSU in Shreveport Maximum Rates Allowed (6 yr phase in)	3,090	3,183	3,449	3,716	3,982	4,249	4,516	<b>4,782</b>

## Maximum Tuition Authority Based on Projected Peer Tuition Levels

### Four-Year 3 Institutions

#### *Projections*

<b>Louisiana Tech</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 3 Median	3,805	3,992	4,179	4,366	4,553	4,740	4,927	5,114
93%	3,539	3,713	3,886	4,060	4,234	4,408	4,582	<b>4,756</b>
Distance (fr Fall 2005)			146	146	146	146	146	878
Increase (6 yr phase in)								146
Louisiana Tech Maximum Rates Allowed (6 yr phase in)	3,765	3,878	4,024	4,171	4,317	4,463	4,610	<b>4,756</b>

#### *Projections*

<b>Southern A&amp;M</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 3 Median	3,805	3,992	4,179	4,366	4,553	4,740	4,927	5,114
93%	3,539	3,713	3,886	4,060	4,234	4,408	4,582	<b>4,756</b>
Distance (fr Fall 2005)								1,213
Increase (6 yr phase in)			202	202	202	202	202	202
Southern A&M Maximum Rates Allowed (6 yr phase in)	3,440	3,543	3,745	3,947	4,150	4,352	4,554	<b>4,756</b>

#### *Projections*

<b>U of La Monroe</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 3 Median	3,805	3,992	4,179	4,366	4,553	4,740	4,927	5,114
93%	3,539	3,713	3,886	4,060	4,234	4,408	4,582	<b>4,756</b>
Distance (fr Fall 2005)								1,464
Increase (6 yr phase in)			244	244	244	244	244	244
U of La Monroe Maximum Rates Allowed (6 yr phase in)	3,196	3,292	3,536	3,780	4,024	4,268	4,512	<b>4,756</b>

**Maximum Tuition Authority  
Based on Projected Peer Tuition Levels**

**Four-Year 2 Institutions**

*Projections*

<b>U of La Lafayette</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 2 Median	4,323	4,520	4,717	4,914	5,111	5,308	5,505	5,702
93%	4,020	4,204	4,387	4,570	4,753	4,936	5,120	5,303
Distance (fr Fall 2005)								1,990
Increase (6 yr phase in)			332	332	332	332	332	332
U of La Lafayette Maximum Rates Allowed (6 yr phase in)	3,216	3,312	3,644	3,976	4,308	4,639	4,971	5,303

*Projections*

<b>UNO</b>	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011
Proj. SREB 4 Yr 2 Median	4,323	4,520	4,717	4,914	5,111	5,308	5,505	5,702
93%	4,020	4,204	4,387	4,570	4,753	4,936	5,120	5,303
Distance (fr Fall 2005)								1,490
Increase (6 yr phase in)			248	248	248	248	248	248
UNO Maximum Rates Allowed (6 yr phase in)	3,702	3,813	4,061	4,310	4,558	4,806	5,055	5,303

## Maximum Tuition Authority Based on Projected Peer Tuition Levels

### National Flagship

*Projections*

<b>LSU A&amp;M</b>	<b>Fall 2004</b>	<b>Fall 2005</b>	<b>Fall 2006</b>	<b>Fall 2007</b>	<b>Fall 2008</b>	<b>Fall 2009</b>	<b>Fall 2010</b>	<b>Fall 2011</b>
Proj. National Flagship Average	5,724	5,989	6,254	6,519	6,784	7,049	7,314	7,579
Distance (fr Fall 2005) 93%	5,323	5,570	5,816	6,063	6,309	6,556	6,802	<b>7,048</b>
Increase (6 yr phase in)			438	438	438	438	438	438
LSU A&M Maximum Rates Allowed (6 yr phase in)	4,292	4,421	4,859	5,297	5,735	6,173	6,611	<b>7,048</b>

## **Appendix C**

### **SREB Institutional Categories**

# SREB Institutional Categories

## Definitions

### Four-Year Universities and Colleges

<u>Category</u>	<u>Definitions</u>
<b>Four-Year 1</b>	Institutions awarding at least 100 doctoral degrees that are distributed among at least 10 CIP categories (2-digit classification) with no more than 50 percent in any one category.
<b>Four-Year 2</b>	Institutions awarding at least 30 doctoral degrees that are distributed among at least 5 CIP categories (2-digit classification).
<b>Four-Year 3</b>	Institutions awarding at least 100 master's, education specialist, post-master's, or doctoral degrees with master's, education specialist, and post-master's degrees distributed among at least 10 CIP categories (2-digit classification).
<b>Four-Year 4</b>	Institutions awarding at least 30 master's, education specialist, post-master's, or doctoral degrees with master's, education specialist, and post-master's degrees distributed among at least 5 CIP categories (2-digit classification).
<b>Four-Year 5</b>	Institutions awarding at least 30 master's, education specialist, post-master's or doctoral degrees.
<b>Four-Year 6</b>	Institutions awarding less than 30 master's, education specialist, post-master's or doctoral degrees.

### Two-Year Colleges

<b>Two-Year with Bachelor's</b>	Institutions awarding primarily associate degrees and offering college transfer courses; some bachelor's degrees may also be awarded.
<b>Two-Year 1</b>	Institutions awarding associate degrees and offering college transfer courses with FTE enrollment of 5,000 or more; some certificates and diplomas may also be awarded.
<b>Two-Year 2</b>	Institutions awarding associate degrees and offering college transfer courses with FTE enrollment of between 2,000 and 4,999; some certificates and diplomas may also be awarded.
<b>Two-Year 3</b>	Institutions awarding associate degrees and offering college transfer courses with FTE enrollment of less than 2,000; some certificates and diplomas may also be awarded.

## **Technical Institutes or Colleges**

### **Technical Institute or College 1**

Institutions awarding vocational-technical certificates and diplomas with FTE enrollment of 1,000 or more; some vocational-technical associate degrees may also be awarded.

### **Technical Institute or College 2**

Institutions awarding vocational-technical certificates and diplomas with FTE enrollment less than 1,000; some vocational-technical associate degrees may also be awarded.

### **Technical Institute or College -- size unknown**

Institutions awarding vocational-technical certificates and diplomas whose FTE enrollment was not reported; some vocational-technical associate degrees may also be awarded.

## **Specialized**

### **Specialized**

Specialized Special purpose institutions with specialized degree programs. These may include medical or health science centers and, in some instances, fine arts schools or military academies.

## REFERENCE LIST

- <sup>1</sup> Southern Regional Education Board Data Exchange – *Total Funds for E&G Operations Per Full-Time Equivalent Student, 2009-10*
- <sup>2</sup> Board of Regents Annual Collection of Tuition and Mandatory Fees and Southern Regional Education Board Data Exchange – *Median Annual Tuition and Required Fees, Full-Time In-State Undergraduate Students, Public Institutions*