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Funding Recommendations Approved by Higher Education Commission

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BATON ROUGE, La. – Members of the Postsecondary Education Review Commission approved recommendations today which would adjust the performance-based funding formula and possibly change tuition setting authority for colleges and universities in Louisiana. The four recommendations came at the end of a two-day meeting which focused on funding and student financial aid.

The approved motions are as follows:

I. Performance-Based Funding Formula: The Board of Regents shall develop and use a new formula for the distribution of both self-generated and state provided funding.

Such formula shall:

- 1) Be revised to emphasize support for undergraduate education, to reward success in undergraduate education (performance funding). Incremental increases in graduate degree production and enrollment at institutions whose mission is overwhelmingly undergraduate would not result in overall institutional funding increases based on formula factors. This should not be interpreted to imply that established graduate programs of high quality shall be diminished in support.
- 2) To achieve the goal of No. 1, the formula should direct 25% of funding to be based on the performance components used in the 2009-2010 formula rather than the 2% used in that formula. To the existing eight components should be added such factors as graduation rates and time to completion rates. The board in defining the additional components should include metrics that reflect both completion and legitimate progress toward completion.
- 3) The formula shall provide for a base comparability amount for infrastructure of Southern University and A&M College and Grambling State University until the infrastructure is adequate to accomplish the mission of those schools.

4) The formula should provide for mission-centered funding that provides a competitively directed element for productivity and provides reasonable protection via an intentional reduction strategy for schools that lose money.

II. Tuition and Fee Policy: The Legislature should authorize the management boards to establish tuition and fees through the 2018-2019 academic year, subject to a policy developed by the Board of Regents. Such policy must require, at a minimum, that:

- a. Tuition and fees for residents shall be benchmarked against the Southern Regional Education Board medians.
- b. Once an institution reaches the SREB median of peer institutions, annual increases in tuition and fees shall not exceed, without a two-thirds vote of the Legislature, the most recently published yearly percentage change in the Higher Education Price Index or five percent, whichever is greater, per academic year;
- c. Increases in tuition shall be granted only if institutions are demonstrating substantial increases in retention rates toward achieving the following graduation rate goals:
 - i. SREB I: 75% by 2018
 - ii. SREB II: 60% by 2018
 - iii. All other institutions: 50% by 2018
- d. Institutions granted the authority to increase tuition shall certify that tuition increase waivers are available for students who demonstrate economic hardship.

III. Non-resident Tuition: The authority granted in R.S. 17:3351(A)(5)(b)(i) be used to implement the intent of the Legislature as expressed in three resolutions, the most recent being HCR NO. 298 of the 2004 Regular Session.

IV. Definition of Resident: A statewide policy for residence regulations and fee waivers be established and applied to all public higher education institutions in Louisiana.

The next meeting of the Postsecondary Education Review Commission will be January 11-12, 2009. The topic will be Governance.

Those unable to attend the meetings in person can watch the proceedings live via the internet by logging onto the Postsecondary Education Review Commission's website, www.laperc.org. Additionally, the public may provide input to the commission in two ways – by attending the meeting, or by clicking on the “Tell Us What You Think” section of the website.

The 2009 Louisiana Legislature, with strong support from Governor Jindal, passed legislation sponsored by House Speaker Jim Tucker (Act 309) creating the Postsecondary Education Review Commission to study the governance, facilities, funding, operations, and number and alignment of degree programs at Louisiana public colleges, and to provide a written report of findings and recommendations to the Board of Regents by February 12, 2010. The Board of Regents will review the report and submit comments to the Legislature no later than February 26, 2010.

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