



# Regents Recap

MARCH 23, 2011

## **Board of Regents**

### **Jim Purcell**

*Commissioner of  
Higher Education*

### **Robert W. Levy**

*Chair*

### **Mary Ellen Roy**

*Vice Chair*

### **Charlotte A. Bollinger**

*Secretary*

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### **Chris D. Gorman**

### **Donna G. Klein**

### **W. Clinton Rasberry**

### **Victor T. Stelly**

### **Harold M. Stokes**

### **Albert D. Sam**

### **Joseph C. Wiley**

### **Demetrius Sumner**

*Student*

## **REGENTS ADOPT REVAMPED FORMULA**

BATON ROUGE, La –The Board of Regents today adopted a revamped performance-based funding formula and a proposed formula distribution model that aligns fiscal policies with academic improvement goals.

The formula, approved by the Board of Regents, includes three main modifications from last year. Those changes include:

- Alignment of the 25 % performance calculation to the GRAD Act.
- Funding student credit hours (SCH) based on course completions (known as “end of course” measures).
- Calculation of a stand alone formula for 2-year institutions.

“Regents has emphasized for several years that we intend to fund our institutions based up their output rather than their input,” said Board of Regents Chairman Bob Levy. “This formula simplifies the performance measures and rewards what matters, requiring campuses to perform in order to receive state funding.”

The Regents’ approved formula includes two components – cost and performance. Using the new formula, 85% of the total state general funds will be distributed based on the cost model and the remaining funds will be distributed based on performance.

The performance component has been simplified and aligned with the GRAD Act. State general funds will be awarded based upon an institution’s performance on the student success measures outlined in the GRAD Act.

Those measures include graduation rate, retention rate and number of completers. Campuses can achieve an additional 10% in tuition funding if they meet their annual GRAD Act targets for a total performance component of 25%.

Funding using the “end of course” measures is the only change from last year’s cost model of the funding formula. This change funds the number of student credit hours (SCH) institutions report at the end of the semester or “end of course” rather than those reported after the 14th class day. It is designed to reward course completion by students rather than course enrollment. The amount of funding for SCH’s will be based upon an institutions’ Southern Regional Education Board’s (SREB) peer faculty costs comparisons by discipline. This change, which aligns with best practices in other states and a recommendation by the Postsecondary Education Review Commission, will apply to all two-year and four-year institutions—Louisiana’s technical colleges are exempt.

Using the Governor’s proposed Executive Budget, a total of \$699,384,595 could be distributed to systems using the approved formula. Final allocations will be determined once the state’s budget is finalized in the upcoming legislative session which ends on June 23, 2011.

The newly adopted funding formula is a result of many months of collaborative meetings coordinated by Regents’ staff with key stakeholders including state and higher education leaders as well as finance officers from each college and university system.

A breakdown of the Preliminary Formula Funding Distribution Model by system is available on page 3.

**UPCOMING  
REGENTS  
MEETINGS:**

**April 27-28**

**May 25-26**

**Joint Regents/BESE**

**June 15**

**EPSCoR/Regents  
Oil Spill**

**Conference**

**Proceedings**

**available online:**

[http://web.laregents.org/  
program-evaluations/  
oilspill2010/](http://web.laregents.org/program-evaluations/oilspill2010/)

## Regents Highlights

The Board of Regents approved the following license renewals:

- Texas Christian University
- Texas Wesleyan University
- Baton Rouge School of Court Reporting
- Blue Cliff College-Lafayette
- Central Louisiana School for Dental Assistants
- Coastal College-Hammond
- Creative Floral Design School, LLC
- Dryades YMCA School of Commerce
- ITI Technical College
- Kaplan, Inc.,-Baton Rouge, New Orleans
- Lafourche Merchant Marine Training Services
- Louisiana Dental Assistant School, LLC
- Moore Career College, Inc.
- Multi-Cultural Educational Community Center of Achievement, Inc. (MECCA)
- Remington College-Baton Rouge, Lafayette and Shreveport Campuses
- Tulsa Welding School-Jacksonville Campus
- WyoTech-Florida

The Board of Regents approved the following initial licenses:

- Blue Cliff College-Metairie Satellite
- Livingston Parish Technical College, LLC

The Board of Regents approved the following GRAD Act Agreements:

- Louisiana State University Health Sciences Center New Orleans

The Board of Regents approved the TOPS equivalency course request.

The Board of Regents approved the division of the Harold J. Callais Endowed Chair in Economic Development into three Endowed Professorships.

The Board of Regents approved continued support for all Post-Katrina Support Fund Initiative primarily research and primarily education subprogram projects.

The Board of Regents adopted their Bylaws for the Internal Operation and the Transaction of Business.

## Regents Honor Toups



The Board recognized and thanked Regent Roland Toups for more than 14 years of dedicated service to the state. Toups was a driving force in the development of Louisiana's community college system, accountability in both funding and academic performance, and most importantly, ensuring that postsecondary education responded to the needs of the business community.

## BILD Coalition Supports Regents

Members from the Businesses for Improving Louisiana’s Development coalition attended Wednesday’s meeting to present their Policy Principles and lend their support to the Regents’ Leadership Agenda. BILD is a statewide coalition of civic, business and economic development organizations that support strategic reforms in higher education. BILD was formed in 2010 and worked successfully at the Legislature to pass the LA GRAD Act. BILD supports reforms that will increase the educational attainment of Louisiana’s citizens, improve institutional performance, and drive economic and workforce development in the state. BILD members in attendance included:

Dr. Phillip Rozeman of Shreveport, Meg Mahoney from the Baton Rouge Chamber of Commerce, and Barry Erwin from the Council for a Better Louisiana.

### Proposed Funding Formula Distribution Model

System	FY 11-12 State General Funds Formula Base	15% Performance Tied to GRAD Act	85% Distribution on Cost Metrics	Proposed FY 11-12 Distribution	Distribution Difference
LCTC	132,903,576	19,935,536	116,274,713	136,210,249	3,306,673
LSU	225,403,538	33,810,531	191,341,548	225,152,079	-251,459
SU	48,339,361	7,250,904	39,462,903	46,713,807	-1,625,554
UL	292,738,121	43,910,718	247,397,743	291,308,461	-1,429,660
<b>Total</b>	<b>699,384,596</b>	<b>104,907,689</b>	<b>594,476,907</b>	<b>699,384,596</b>	<b>-</b>

### Higher Education Attrition Plan

The Board of Regents adopted its response to Act 1000 of the 2010 Regular Session which called for the development of an agency attrition plan with a goal of reducing higher education positions by 5% each year for three years. The baseline year for reporting is 2007-08. In its response Regents reports that higher education has reduced its employee ranks by 6.17% or 2,126 full time equivalent positions since the baseline year. In addition, Regents will be working with Civil Service to create standardized reporting guidelines to remedy data gaps that currently exist.

### LOUIS Update

Board of Regents Chairman Bob Levy shared with the board a letter sent to Speaker of the House Jim Tucker concerning funding for Louisiana’s library network, LOUIS. Chairman Levy emphasized that LOUIS is a prime example of efficient cost sharing and should receive the maximum funding possible given the state’s current budget constraints. The letter specifically asks that the legislature provide for the current funding level of \$500,000 if no new revenue is available.

In prior years, the operating budget for LOUIS was approximately \$3.9 million, with 70% coming from Regents and 30% paid through public and private member campus fees. After sustaining two years of budget reductions totaling \$30 million in two years, Regents reduced LOUIS funding to \$500,000 and asked the LOUIS Executive Committee to seek the remaining costs from participating campuses.

Created in 1992 by the Board of Regents, LOUIS is a consortium that comprises two decades of collective collaboration and cooperation among Louisiana’s academic libraries.