

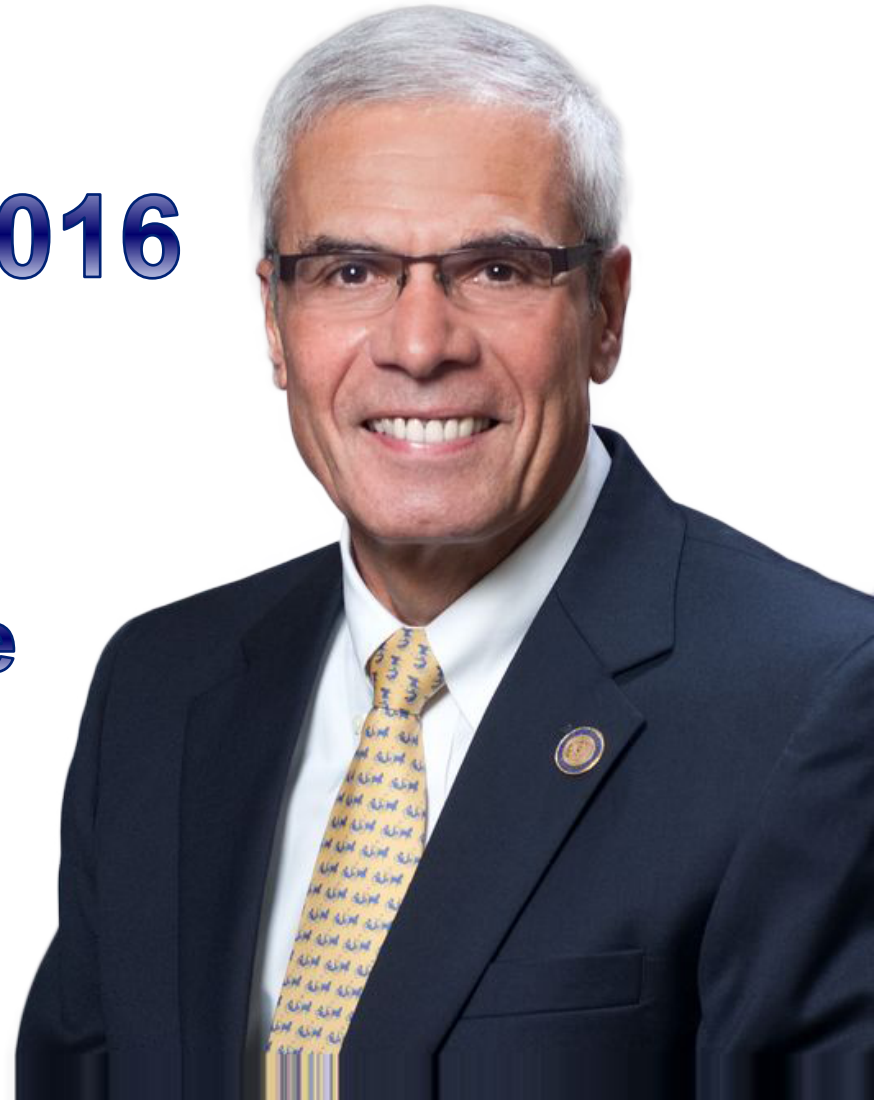


BOARD of REGENTS
STATE OF LOUISIANA

Welcome to the 2016

#RalloTour

A Public Forum and Information Exchange



Louisiana Higher Education

FISCAL YEAR 2017 OVERVIEW

Joseph C. Rallo, Ph.D.
Commissioner of Higher Education





BOARD of REGENTS
of LOUISIANA

Elevate Louisiana!

Educate & Innovate

Louisiana's goals for higher education



Educate

“Educate through Higher Education to Improve Lives and Create a Strong Workforce.”

Enable Louisiana's working age population to participate in and complete a degree/credential program to improve their lives and deliver the workforce needed to support the state's economic expansion.



Innovate

“Innovate to Build Louisiana's Economy.”

Invest strategically in research that supports innovation and economic development.



Louisiana Higher Education: The True Picture

Higher Education Institutions (Excluding LOSFA and Hospitals)

Fiscal Year	Total State Funds	Self Generated Funds	Federal Funds and Interagency Transfers	Total
FY 08-09	\$1,571,583,691	\$721,868,856	\$142,575,679	\$2,436,028,226
<i>FY 08-09 Mandated Costs Paid Back To The State</i>				<i>(\$445,116,071)</i>
<i>*FY 08-09 Scholarships and Fellowships</i>				<i>(\$110,069,018)</i>
<i>Dollars available for operations</i>				<i>\$1,880,843,137</i>
Fiscal Year	Total State Funds	Self Generated Funds	Federal Funds and Interagency Transfers	Total
FY 16-17	\$852,272,018	\$1,389,538,245	\$55,570,405	\$2,297,380,668
<i>FY 16-17 Mandated Costs Paid Back To The State</i>				<i>(\$565,451,384)</i>
<i>*FY 16-17 Scholarships and Fellowships</i>				<i>(\$215,139,268)</i>
<i>Proposed FY 16-17 Mid-Year Budget Cut</i>				<i>(\$18,244,266)</i>
<i>Dollars available for operations</i>				<i>\$1,498,545,750</i>
Change in 9 years: \$382M Less for operations†				(\$382,297,387)

*Institutions provide scholarships/fellowships to attract the best students and to abide by legislative mandates at the expense of not receiving all budgeted tuition/fees.

Note: Self generated funds include \$123 million of TOPS awards in FY 09 and \$209 million in FY 17.



.68¢ of every \$1 in state higher education funding goes back to the state for mandated costs



		
State Support		\$834,027,752
Mandated Costs	-	<u>\$565,451,384</u>
		\$268,576,368

Remaining state support for higher education

Source: Board of Regents Average Tuition and Fees Comparison



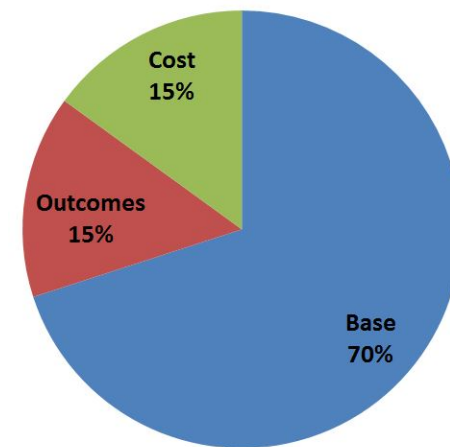
Decisions

FROM THE 2016 LEGISLATIVE SESSION

- Changes to the funding formula for higher education



- Act 462 of 2014 requires the Board of Regents to develop an outcomes based funding formula for the 2 and 4 year institutions by FY17.
- The outcomes based formula methodology has been lauded by advocacy groups such as a Council for a Better Louisiana (CABL) and the Louisiana Association of Business & Industry (LABI) as the new model seeks to reward outcomes.
- Since July 23, 2015, the BoR finance team has met regularly with system financial officers, the Workforce Commission and Louisiana Economic Development to collaboratively develop an Outcomes Based funding formula methodology.
- Due to Higher Education being appropriated slightly less in FY17 than the amount provided in FY16, the distribution methodology adopted by board is as follows: 70% weight – base funding, 15% weight – cost formula, 15% weight – outcomes based formula.
- As with any formula model, there are institutions that fare better than others. For those institutions that lost funds, the significant reasons include loss of enrollment and low cost program mix.



Decisions

FROM THE 2016 LEGISLATIVE SESSION

- Changes to the funding formula for higher education
- Revisions to the TOPS program





TOPS: 2016 -17

ACADEMIC YEAR 2016-17 TIMELINE:

August 22, 2016:	Fall 2016 Opt-Out Deadline 93.06% of Award payable for Fall 2016 46 Students chose to Opt-Out
October 14, 2016:	Fall TOPS billing deadline
November 1, 2016:	Publish Winter Quarter, Spring Quarter/ Semester payment amounts 47.63% Current Estimated Award Amount
November 30, 2016:	Winter 2016 Quarter Opt-Out Deadline
January 6, 2017:	Winter TOPS billing deadline
January 13, 2017:	Spring 2017 Semester Opt-Out Deadline
March 8, 2017:	Spring 2017 Quarter Opt-Out Deadline
March 31, 2017:	Spring TOPS billing deadline
*April/May 2017:	Evaluate 2016-17 TOPS Appropriation to determine if dollars are available to Refund Winter/Spring or fund Summer

TOPS PROJECTIONS TIMELINE

October 2016:	TOPS Projection run for 2017-18 Budget Submission (based on prior year actuals)
February 2017:	Revised TOPS Projection run in anticipation of 2017 Legislative Session (based on Fall billing data)

Additional revisions will be necessary based on Student behavior – Winter/Spring & Legislative instruments filed affecting TOPS.

*OPTIONS IF DOLLARS ARE AVAILABLE

- 1) **Refund Dollars** to Students/Parents for **Winter/Spring** (\$300 per federal aid recipient allowed within Federal Financial Aid Guidelines before Aid has to be recalculated)
- 2) **Fund Summer** Semester/Term/Quarter



Decisions

FROM THE 2016 LEGISLATIVE SESSION

- Changes to the funding formula for higher education
- Revisions to the TOPS program
- Act 619 Senator Hewitt



EDUCATE



INNOVATE

The New Fiscal Realities



Preparing

FOR THE 2017 LEGISLATIVE SESSION

- High School to College partnership
- Increase educational attainment to meet new and emerging jobs
- Open source text material
- Financial stress test
- Other recommendations



2015 Southwest Region Concerns/Recommendations

#	Concerns Raised/Recommendations Made During the 2015 #RalloTour
1	Stability of state funding for all college and universities
2	Creation of a new and stable funding formula for all institution types
3	Tuition autonomy
4	Decoupling of TOPS from tuition so there is a mechanism to begin to control the growth
5	More need-based financial aid and aid provided to non-traditional students. Specifically, Expand and reform Go Grant to meet the needs of adults returning to school
6	Permanent solution to the continued situation in funding formula that punishes success of fastest growing and most efficient schools



Public Higher Education is an INVESTMENT NOT A COST TO THE STATE

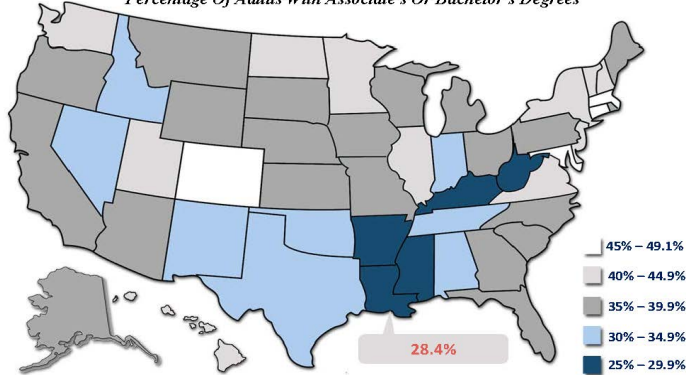
- Our graduates take jobs, create more opportunities and pay taxes
- Our graduates are essential to attract and retain business and industry
- Higher Education versus incarceration: where is public funding better spent?



How does Louisiana rank nationally?

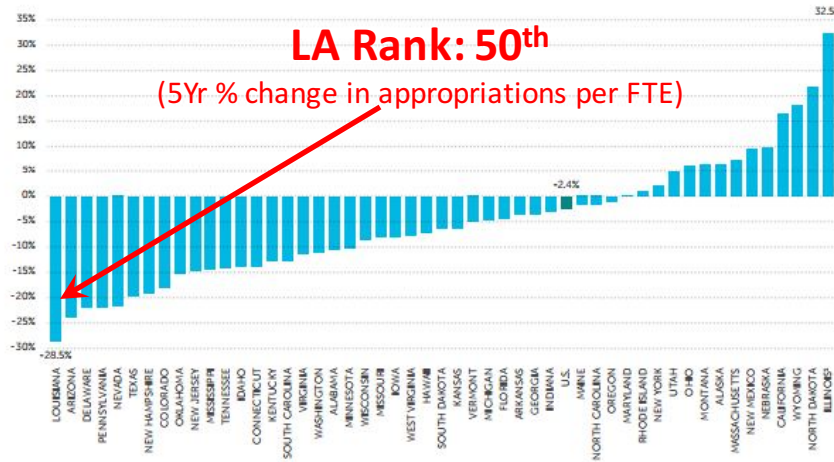
Louisiana Ranks 48th Nationally In Educational Attainment

Percentage Of Adults With Associate's Or Bachelor's Degrees



Source: US Census Bureau

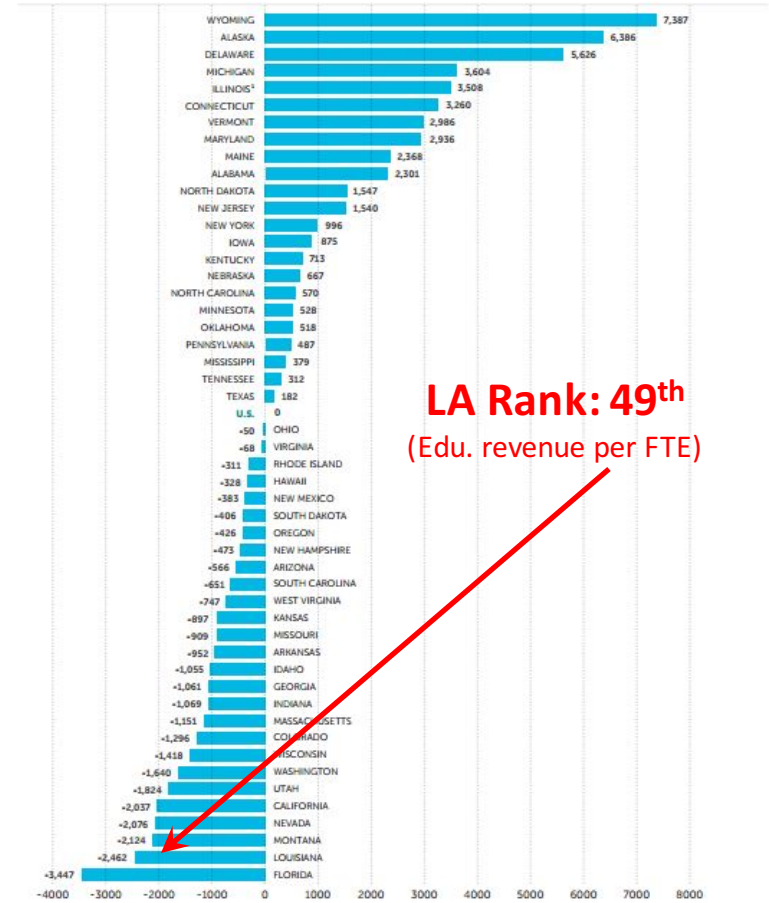
PUBLIC HIGHER EDUCATION EDUCATIONAL APPROPRIATIONS PER FTE: PERCENT CHANGE, FY 2010-2015



NOTE: 1) For Illinois, a \$1.08 billion back payment in FY 2015 to their historically underfunded higher education pension program resulted in past legacy pension funds accounting for 37% of all educational appropriations. Dollars adjusted by 2015 HECA, Cost of Living Adjustment, and Enrollment Index.

SOURCE: State Higher Education Executive Officers

TOTAL EDUCATIONAL REVENUE PER FTE (ADJUSTED) – DIFFERENCE FROM U.S. AVERAGE, FY 2015



NOTE: 1) For Illinois, a \$1.08 billion back-payment in FY 2015 to their historically underfunded higher education pension program resulted in past legacy pension funds accounting for 37% of all educational appropriations. Dollars adjusted by Cost of Living Adjustment and Enrollment Index Total educational revenue is the sum of educational appropriations and net tuition excluding net tuition revenue used for capital debt service

SOURCE: State Higher Education Executive Officers

Are the State's Funding Priorities in line with its Growth Priorities?

FY 17 State General Funds Appropriated to Corrections/Housing	\$623,652,332
Offenders in State/Local Prisons, and Transitional Work Programs	36,280
SGF appropriated per offender	\$17,190

Source: DOA FY 17 State Budget/DOC population statistics (6/30/16)

FY 17 State General Funds Appropriated to Youth Services/Housing	\$108,788,843
Youth Population under Supervision	2,924
SGF appropriated per youth offender	\$37,205

Source: DOA FY 17 State Budget/OJJ population statistics (10/1/2016)

FY 17 State General Funds Appropriated to Colleges and Universities	\$477,845,579
Full-time Equivalent students	168,647
SGF appropriated per Full-Time Equivalent student	\$2,833.40

Source: BOR budget documents/Higher Education Factbook AY 15-16



Thank You!



THANK YOU FOR SUPPORTING LOUISIANA HIGHER EDUCATION

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