

TUITION TASK FORCE

House
Resolution 206
By
Representative
Ortego

TUITION TASK FORCE

The Legislature of Louisiana does hereby create a task force to study issues relative to tuition costs at public postsecondary education institutions and to submit a written report of task force findings and recommendations, including any recommendations for legislation, to the House Committee on Education not later than sixty days prior to the beginning of the 2014 Regular Session of the Legislature of Louisiana.

TUITION TASK FORCE MEMBERSHIP

- **Commissioner of Higher Education**
- **Chairman of the Board of Regents**
- **Board Chairs for LSU, Southern, ULS and LCTC Systems**
- **Faculty from public 4-year and public 2-year institutions**
- **Chairman of LOSFA**
- **Five students from public postsecondary institutions**
- **Five public high school students**
- **State Superintendent of Education**
- **President of BESE**

A NEW PARADIGM IN FUNDING HIGHER EDUCATION

Barbara Goodson
Deputy Commissioner
for Finance and
Administration,
Louisiana Board of
Regents

A REASON FOR TRANSFORMATION

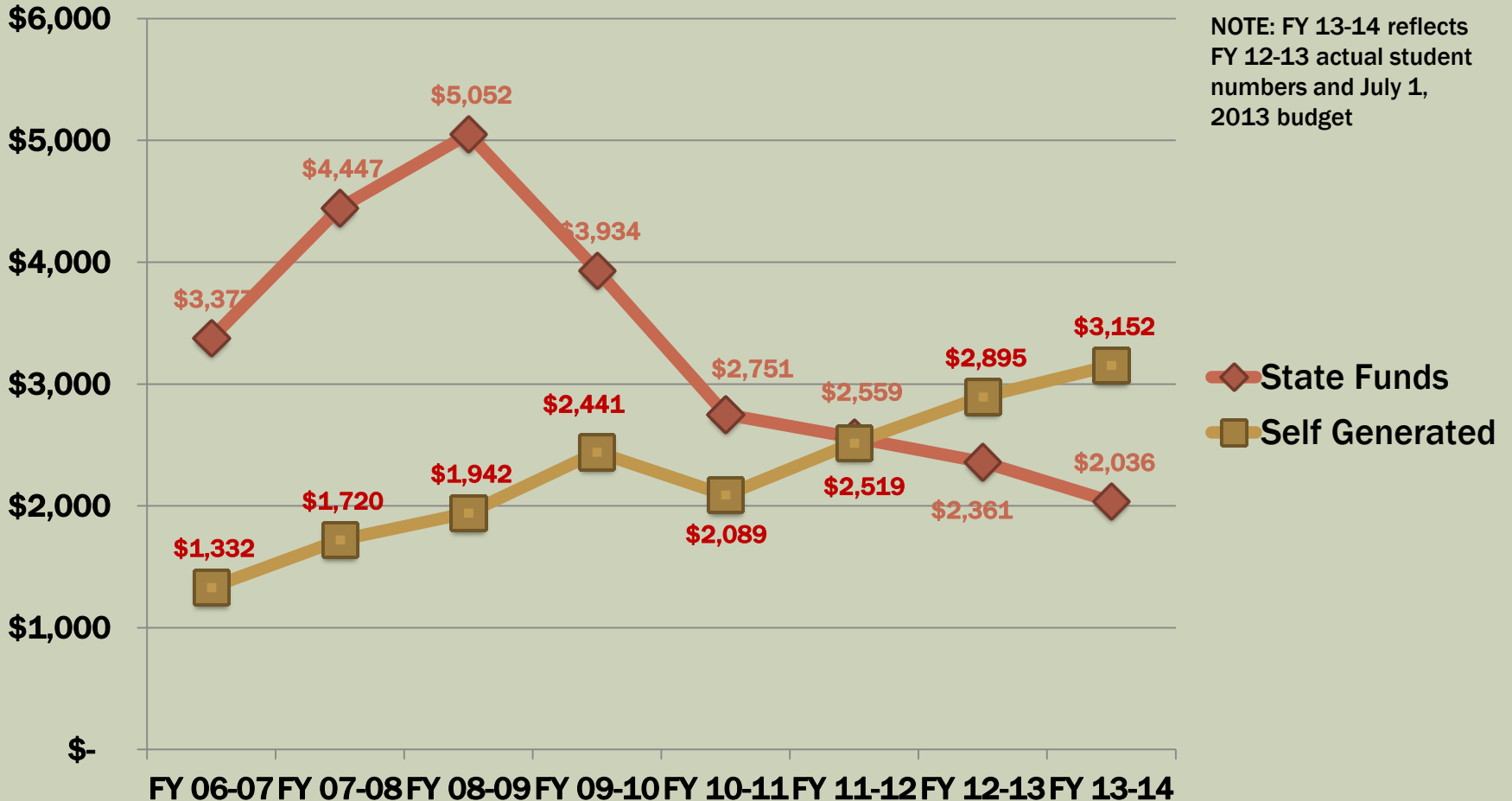
- Louisiana has had to reconsider the role of state government because of recent events such as the **the prevalent number of hurricanes, natural disasters and the extended downturn in the economy.**
- Recent legislative interest is in being fiscally conservative.
- **Providing the appropriate state services in the most efficient way possible is the way of the future** for Louisiana and all governmental entities--local, state or national.

A Reason for Transformation

- **Transforming Higher Education will be the key to building a new future for Louisiana**

Total Funding Per FTE Student By Source

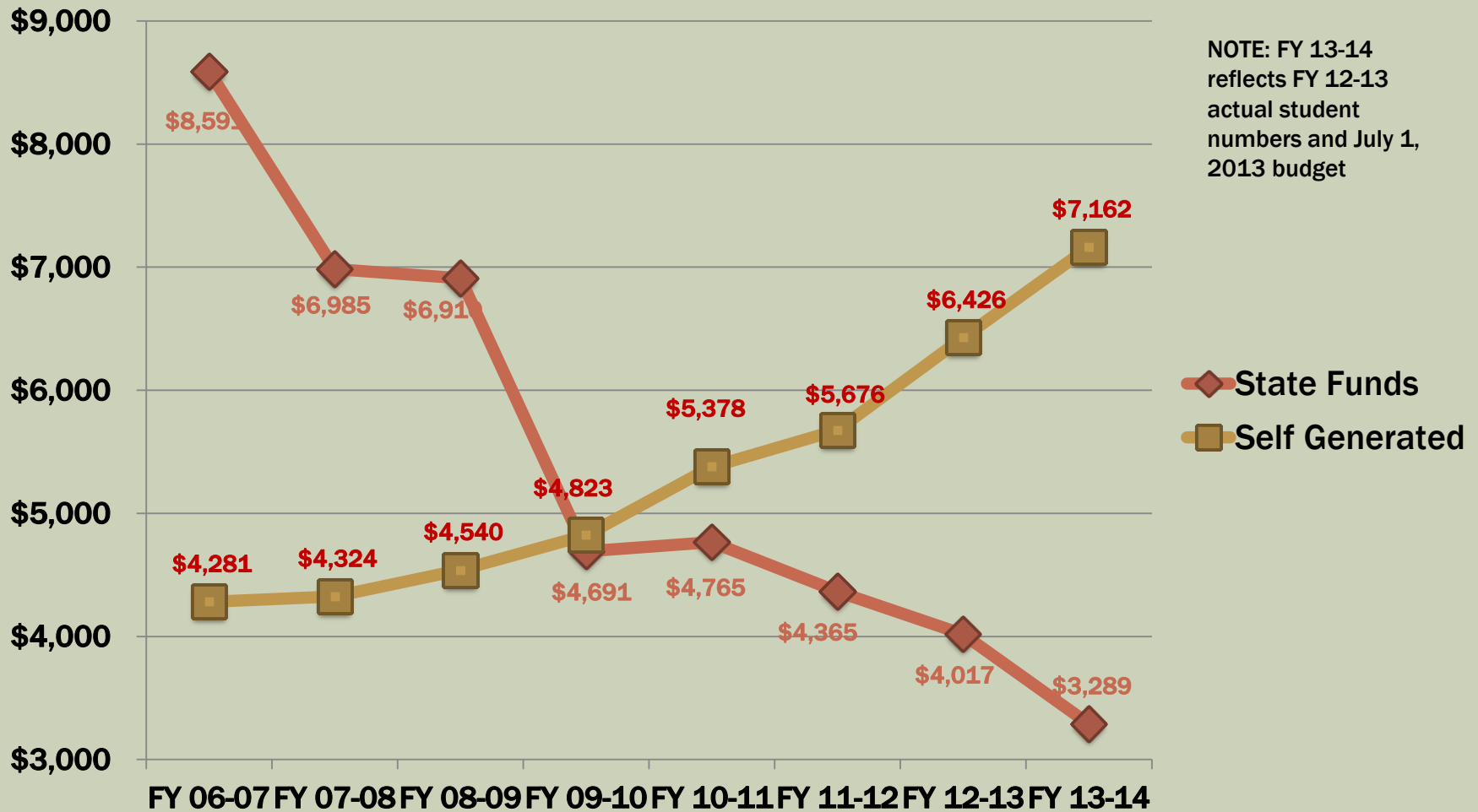
2 Year Institutions



State support has declined and tuition has increased. However, tuition is not increasing at the pace that state funding is being reduced.

Total Funding Per FTE Student By Source

4 Year Institutions



**A similar pattern for universities exists.
Tuition has sustained Louisiana higher education**



Southern Association of
Colleges and Schools

The **cost** of higher education **has not gone up** –
the **price** has gone up -- because of the reduction of
state support.



Belle Wheelan
President, SACS
Keynote Address to the
Southern Association of Institutional Research

FY 2013-14 HIED Budget Overview

- For FY 13-14 the total budget is \$2.628 billion
- This is a decrease of \$329 million from FY 12-13
 - Within the LSU system, hospitals were reduced \$362.4 million
 - An additional \$10 million per system was provided during the legislative process
 - The Southern system also received supplemental funding of \$6.5 million

FY 2013-14 HIED Budget Overview

- For all institutions and agencies within HIED:
 - State funding from General Fund Direct is reduced by \$455.7M (-46.48%)
 - Statutory Dedications is increased by \$401.4M (207.3%). Funding from the Overcollections Fund (one-time funds) is \$340M
 - Self-generated funds increased by \$80M (6.6%)
- When compared to the FY 13-14 formula funding request, General Funds and Overcollections Funds cover 25% of requested need.

COST VS. REVENUE

Institution Name	Total Cost Generated	General Fund	Over Collections	Self-Generated	TOTAL	Shortage / Overage
L.S.U. and A&M College	511,943,856	62,823,923	45,172,475	321,098,673	429,095,071	-82,848,785
University of Louisiana-Lafayette	177,184,280	26,163,476	18,812,403	81,631,027	126,606,906	-50,577,374
University of Louisiana at Monroe	101,031,197	14,256,559	10,250,936	45,315,204	69,822,699	-31,208,498
Louisiana Tech University	117,755,962	16,130,352	11,598,255	64,795,999	92,524,606	-25,231,356
Louisiana Technical College	47,379,815	9,705,543	6,978,605	8,439,526	25,123,674	-22,256,141
McNeese State University	74,982,727	10,224,503	7,351,755	39,992,371	57,568,629	-17,414,098
Northwestern State University	84,028,003	11,875,901	8,539,165	46,977,354	67,392,420	-16,635,583
South Louisiana Community Coll.	42,227,029	7,387,532	5,311,879	13,665,719	26,365,130	-15,861,899
Southern University and A&M Coll.	78,743,313	13,957,823	8,957,585	44,550,362	67,465,770	-11,277,543
University of New Orleans	113,510,414	17,566,678	12,631,022	72,566,669	102,764,369	-10,746,046

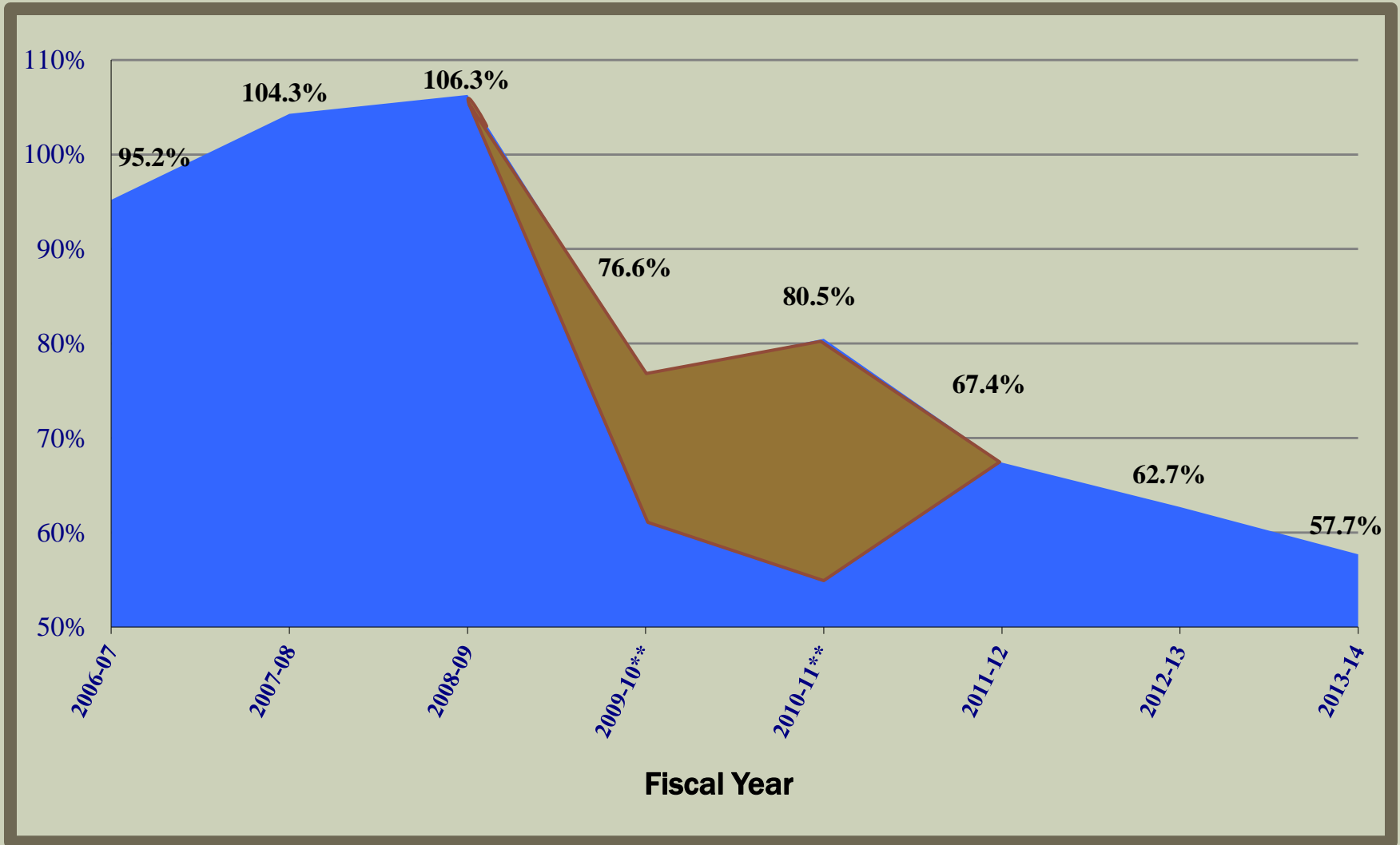
COST VS. REVENUE

Institution Name	Total Cost Generated	General Fund	Over Collections	Self-Generated	TOTAL	Shortage / Overage
Central LA Tech Community College	19,166,817	3,355,444	2,412,675	3,622,581	9,390,700	-9,776,117
Louisiana Delta Community Coll.	27,079,067	4,535,097	3,260,884	9,507,432	17,303,413	-9,775,654
Northshore Technical Community College	19,126,993	2,924,432	2,102,763	4,611,135	9,638,330	-9,488,663
Delgado Community College	89,779,202	15,009,174	10,792,092	54,678,415	80,479,681	-9,299,521
Southeastern Louisiana University	114,086,023	17,188,149	12,358,846	75,842,388	105,389,383	-8,696,640
Grambling State University	55,991,571	7,483,700	5,381,028	35,275,334	48,140,062	-7,851,509
Nicholls State University	57,139,253	8,709,396	6,262,344	35,800,390	50,772,130	-6,367,123
Sowela Technical Community Coll.	18,241,897	3,054,942	2,196,604	6,725,517	11,977,063	-6,264,834
Baton Rouge Community College	33,852,710	5,471,468	3,934,167	19,120,619	28,526,254	-5,326,456

COST VS. REVENUE

Institution Name	Total Cost Generated	General Fund	Over Collections	Self-Generated	TOTAL	Shortage / Overage
Bossier Parish Community College	34,787,369	4,473,025	3,216,253	22,209,905	29,899,183	-4,888,186
Southern University in Shreveport	18,364,082	4,745,980	2,333,967	7,058,418	14,138,365	-4,225,717
Elaine P. Nunez Community Coll.	10,978,018	1,793,205	1,289,373	4,241,631	7,324,209	-3,653,809
L.S.U. at Eunice	14,910,932	2,722,468	1,957,544	7,529,837	12,209,849	-2,701,083
L.S.U. in Shreveport	30,347,626	4,201,974	3,021,358	20,594,929	27,818,261	-2,529,365
River Parishes Community Coll.	9,534,394	1,613,063	1,159,845	4,885,686	7,658,594	-1,875,800
Southern University in New Orleans	20,858,468	4,971,070	2,495,814	11,665,746	19,132,630	-1,725,838
L.E. Fletcher Technical Comm. Coll.	9,505,370	1,532,128	1,101,650	5,270,138	7,903,916	-1,601,454
L.S.U. at Alexandria	15,875,599	3,057,546	2,198,476	10,450,447	15,706,469	-169,130

Formula Implementation Rates



** Includes ARRA Funds (area shaded in brown shows impact of ARRA funds)

STATE GENERAL FUNDING OF HIGHER EDUCATION

	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY 2013-14
BOR	\$50,237,106	\$41,567,731	\$17,980,343	\$18,444,775	\$14,624,521	\$8,229,791
LOSFA/ TOPS	\$0	\$0	\$158,155,057	\$84,337,798	\$132,137,556	\$102,217,150
LUMCON	\$3,178,545	\$2,920,703	\$2,702,185	\$2,612,402	\$2,399,849	\$1,360,036
LCTCS	\$191,889,704	\$176,611,325	\$176,293,996	\$143,360,562	\$121,099,139	\$64,961,839
LSU	\$619,269,308	\$546,842,929	\$505,162,759	\$415,778,105	\$384,241,684	\$185,907,517
SUS	\$92,252,120	\$78,320,760	\$72,461,483	\$57,508,557	\$50,795,124	\$31,792,040
ULS	\$519,859,024	\$455,106,429	\$430,700,751	\$336,231,112	\$278,012,636	\$130,200,280
Total	\$1,476,685,807	\$1,301,369,877	\$1,363,456,574	\$1,058,273,311	\$983,310,509	\$524,668,653
ARRA Stimulus included in state funds above			189,700,000	289,592,480		

FROM JULY 1, 2008 TO JULY 1, 2013 STATE GENERAL FUNDING TO LOUISIANA'S HIGHER EDUCATION HAS DECLINED \$1.0 B.

■ The breakdown is as follows:

■ 2008-2009 beginning budget	\$ 1,476,685,807
■ 2013-2014 beginning budget	<u>\$ 524,668,653</u>
■ Reduction	-\$ 952,017,154
■ LOSFA (includes TOPS)	<u>-\$ 102,217,150</u>
■ Reduction since 2008	-\$1,054,234,304

FY 2013-14 Formula Units

FY 2013-14 Revenues by Source of Funds

(In millions)

Total = \$1.625b

\$252
15%

\$286
18%

\$9
1%

Self Generated Revenues —
includes Tuition

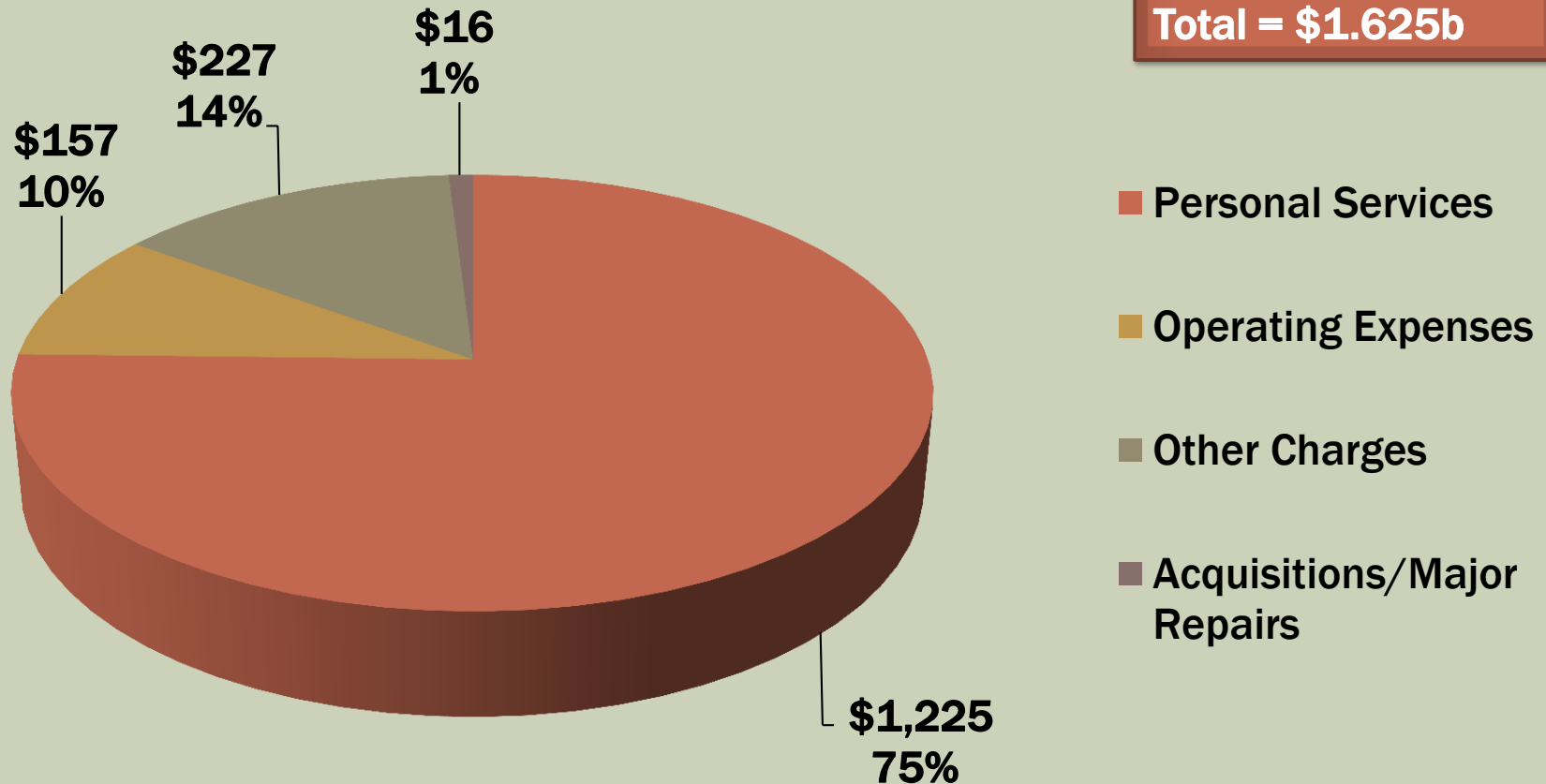
\$1,078
66%

- State General Funds
- Interagency Transfer
- Self Generated
- Statutory Dedications

FY 2013-14 Formula Units

FY 2013-14 Expenditures by Object Category (In millions)

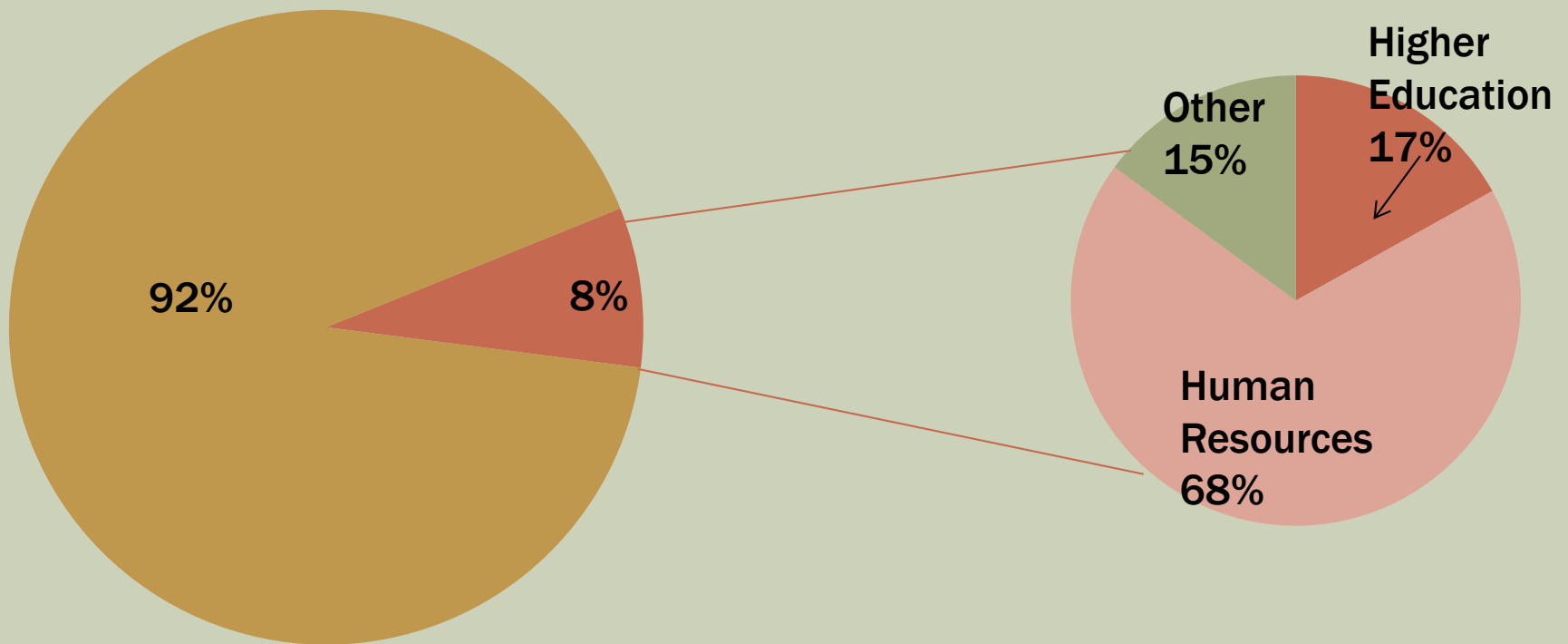
Total = \$1.625b



LIMITATIONS TO INCREASING STATE SUPPORT FOR HIGHER EDUCATION

2007-2008 General Fund Total: \$9,021,123,490

2013-2014 General Fund Total: \$8,225,500,000



COMPARE AND CONTRAST HIGHER EDUCATION FUNDING

- **State-to-state**
- **Over time**



State Profile Report

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How is Your State Doing?

Educational Attainment

College Access

College Affordability

Persistence and Completion

Efficiency and Effectiveness

Higher Education Finance

Workforce Conditions

Economic Conditions

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Louisiana State Profile

Year: 2011

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Measure	Rank	State Value	U.S. Avg.	Lowest Value	Highest Value
Higher Education Finance, Revenues and Support					
State and Local Support for Higher Education Operating Expenses Per Capita	14	282.54	242.45	104.35	605.97
State and Local Support for Higher Education Operating Expenses Per \$1,000 of Personal Income	11	7.32	5.82	2.28	12.81
State and Local Public Higher Education Support Per Full-Time Equivalent Student	12	6904	6290	3025	14837
Net Tuition and Fees per Full-Time Student	46	2534	4774	1794	13402
Total Educational Revenues Per Full-Time Equivalent Student	43	9438	11016	8149	20348

Looking at all means of financing:

- In Louisiana the balance of Tuition revenue and State investment is out of kilter and thus cannot meet institutional needs
- All colleges and universities are underfunded
- As a result, there are competing interests for funds

LATEST RANKINGS (2012)

Year	Measure	Rank	State Value	US AVG	Lowest Value	Highest Value
	Higher Education Finance Revenues and Support	2011				
2011	State and Local Support for Higher Education Operating Expenses per Capita	14 10	346	281	104	728
2011	State and Local Support for Higher Education Operating Expenses Per \$1,000 of Personal Income	11 10	8.97	6.77	2.27	15.20
2012	State and Local Public Higher Education Support Per Full-Time Equivalent Student	12 27	5,551	5,906	1,583	14,105
2012	Net Tuition and Fees per Full-Time Student	46 42	3,587	5,189	2,193	12,330
2012	Total Educational Revenues Per Full-Time Equivalent Student	43 44	9,138	11,043	8,213	16,913
Source: SHEEO SHEF FY12						

Louisiana dropped in the ranking for “State Support per FTE Student” from 12th to 27th in one year. Other rankings remained about the same.

State Funding also includes state sponsored scholarships (e.g., TOPS)

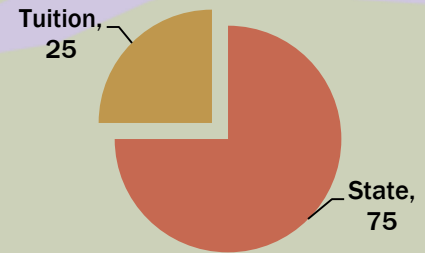
Impact of the Changing Funding Scenarios on Addressing Workforce Needs

- **State funding formulas direct funds toward high-cost programs** such as engineering and healthcare by applying a multiplier to the credit hours produced.
- **The change from a funding construct dominated with state revenues to that which is dominated by tuition** requires a rethinking of how institutions operate.
- Historically, colleges and universities were predominantly funded by allocation from states. In the U.S., **75%** of higher education cost was covered from state allocations and **25%** from student tuition and fees. This was basically true throughout the country until the late 1990's.
- Currently only **32%** of Louisiana college and university funding come from state funds and total funding is less than needed to cover cost.

WHY DOES THE REVENUE SOURCE CHANGE CAMPUS OPERATIONS?



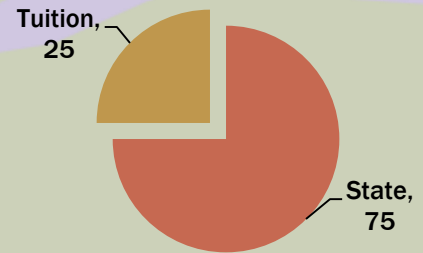
- In state funding models, distribution of available state funding is based upon the cost of course credit hours taught at the different institutions (instructor salaries, supplies, etc).
- Higher state funding is given for courses in high cost programs. For example, in Louisiana a Freshman English credit hour is given a weight of 1 and a PhD Physics course has a weight of 20.



- Using 75% state and 25% tuition funding model:
 - 1 English credit state funded at a weight of 1 *\$75 = \$75
 - Add tuition of \$25 = \$100
 - 1 PhD Physics credit is state funded at a weight of 20 *\$75 =\$1,500
 - Add tuition of \$25 = \$1,525

UNDER THE OLD FUNDING MODEL:

- There is an incentive to offer high cost (and often high demand) programs
 - (\$1,500 a credit hour > \$100 a credit hour)
 - It is easier to find cost savings out of a high revenue course than a low revenue course
- Tuition is low because it has a marginal impact on actually covering cost.
- Providing a scholarship to a student is inexpensive and is easily done by a foundation or the state via TOPS or the Go Grant.



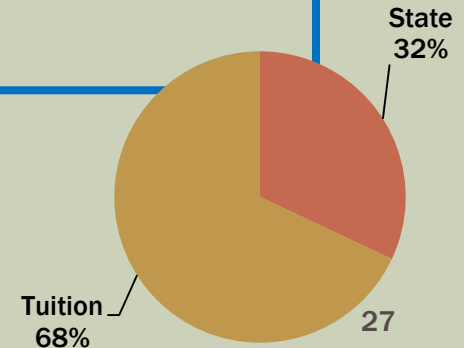
WHY DOES THE REVENUE SOURCE CHANGE CAMPUS OPERATIONS?

- **When state funding changes, the ability to supplement high cost programs is reduced.**
- Using the current Louisiana cost structure of 32% paid by the state and 68% paid by the student, the following scenario occurs:

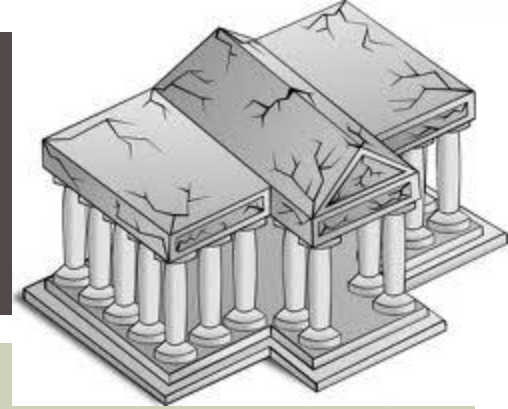


- 1 English credit is state funded at a weight of $1 * \$32 = \32
 - Add tuition of $\$68 = \100
- 1 PhD physics credit is state funded at a weight of $20 * \$32 = \640
 - Add tuition of $\$68 = \708

While the cost for PhD Physics is still \$1525, the possible revenue is \$708. *How does a campus keep offering high cost courses and programs?*



MAKING THE FORMULA WORK



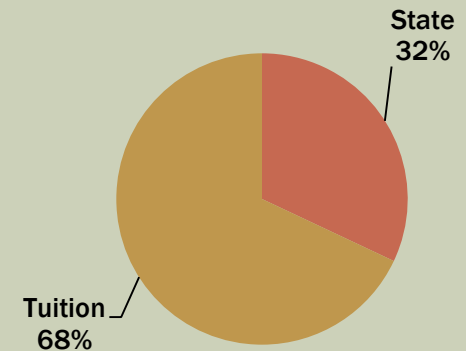
■ Requires the cutting of corners:

- Cut expenses in the less expensive classes so you can redirect funds for more costly courses
 - i.e., Increase class size, adjunct faculty, alternative instruction, less classroom materials
- Offer many courses with higher revenue returns and minimize high cost courses

■ Increase tuition

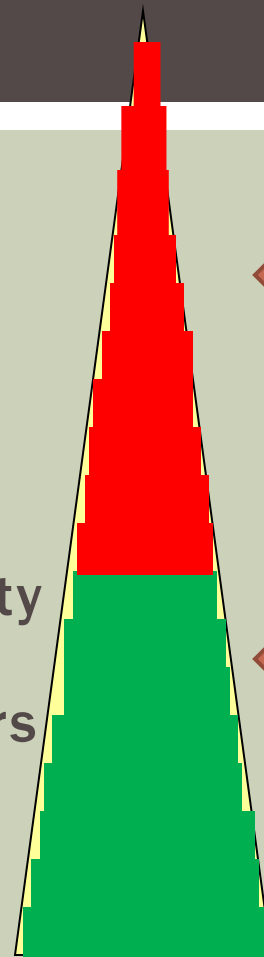
- Per credit hour, differential tuition

■ Increase state funds



OLD HIGHER EDUCATION BUSINESS MODEL

- Cheap To Teach **CTT**
 - Lower level
 - General education
 - Lecture
- Expensive To Teach **ETT**
 - Requires lower student-to-faculty ratios
 - Requires experienced instructors
 - Requires labs
 - Requires lots of square footage



The revenue was gained from the state funding formula and therefore the emphasis was on offering expensive programs

General education courses were easily self-sustained with small class sizes and with fulltime faculty.

CURRENT HIGHER EDUCATION BUSINESS MODEL, BASED UPON CHANGE IN FUNDING

■ Cheap To Teach

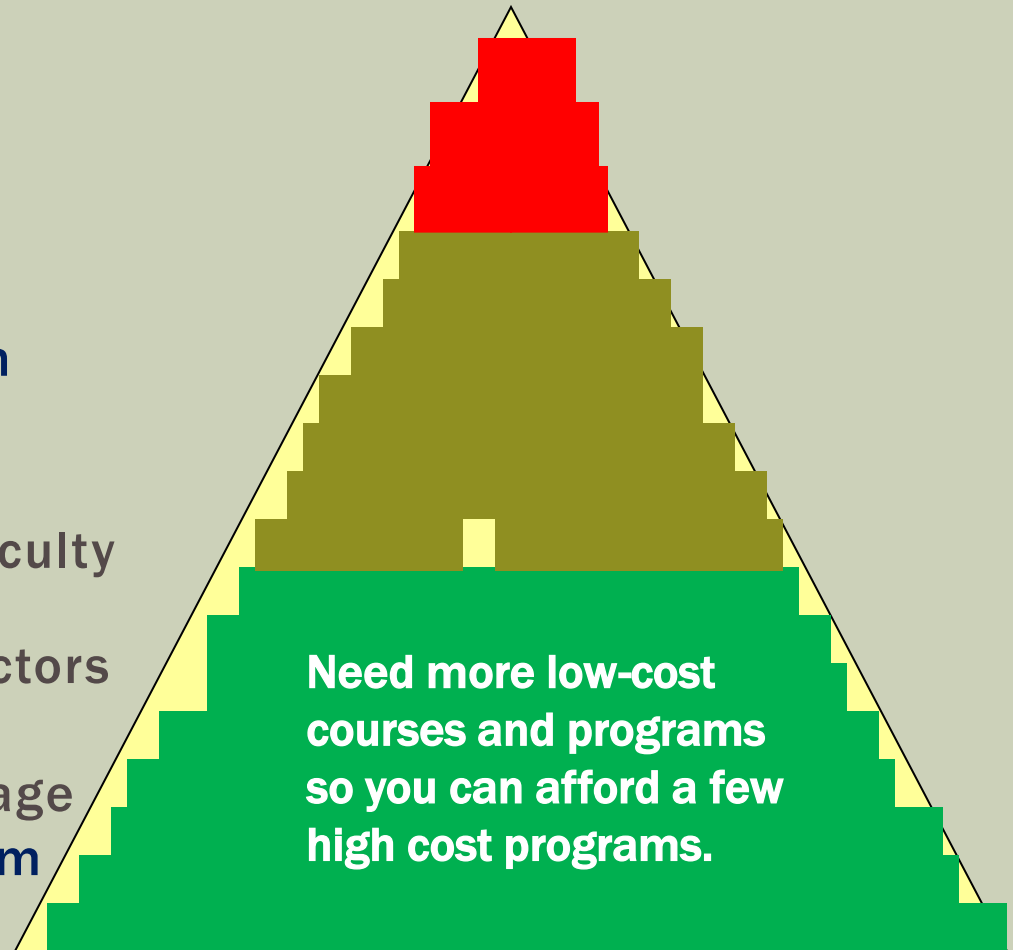
CTT

- Lower level
- General education
- Lecture
- Large # of students
- Often less faculty interaction
- Can use adjunct faculty

■ Expensive To Teach

ETT

- Requires lower student-to-faculty ratios
- Requires experienced instructors
- Requires labs
- Requires lots of square footage
- Requires expensive classroom equipment or supplies
- Accredited programs



FINANCIAL

- Because of the significant declines in state funding, institutions are limited in their ability to offer high-cost programs
- Higher education will have to be less reliant on state funds to fund high-cost programs.
- Higher education will have to become a more market driven enterprise.

Tuition Task Force

October 10, 2013

Sujuan W. Boutté, Ed.D.
Executive Director – LOSFA

Larry Tremblay, Ph.D.
Deputy Commissioner - BOR

Financial Aid and Tuition

TOPICS TO BE DISCUSSED:

TOPS

GO Grant

Institutional Aid

- **LOSFA's Role**

To Promote & Provide College Access

- Administer TOPS, GO Grant & Other Financial Aid Programs

- **BOR's Role**

Coordinates all Public Higher Education in Louisiana

- Creates Statewide Financial Aid Policy

TOPS Statutory Authority

Title 17, Chapter 20-G § 3048.1. General Provisions

§3048.1.

A.(1) ...Louisiana Taylor Opportunity Program for Students, the state shall financially assist any student who enrolls on a full-time basis in a public college or university in this state ... to pursue an academic undergraduate degree or ..., skill or occupational training ..., including a vocational or technical education certificate or diploma program or a nonacademic undergraduate degree.

- Opportunity Award, student “shall be awarded by the state an amount determined by the administering agency to equal the tuition charged by the public college or university attended in the state”
- Performance Award, student “shall be awarded an amount equal to the tuition charged by the public college or university attended in the state, plus the sum of two hundred dollars per semester or four hundred dollars per academic year”
- Honors Award, student “shall be awarded an amount determined by the administering agency to equal the tuition charged by the public college or university attended in the state, plus the sum of four hundred dollars per semester or eight hundred dollars per academic year”

Purpose of TOPS

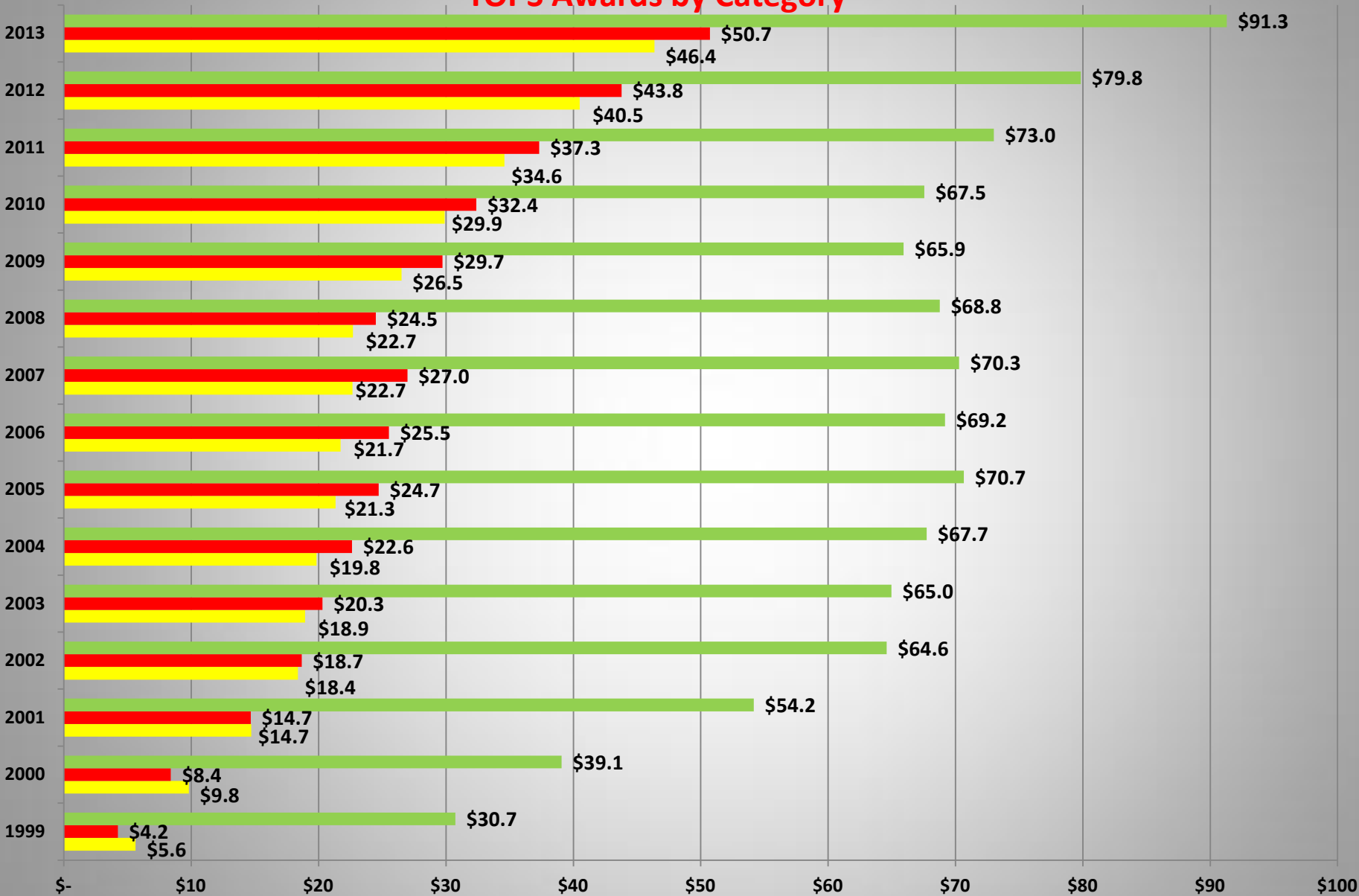
- To provide financial incentives as a reward for good academic performance;
- To promote academic success by requiring completion of a rigorous high school core curriculum;
- To keep Louisiana's best and brightest in the state to pursue postsecondary educational opportunities; and
- To promote access to postsecondary educational opportunities.

TOPS Awards

- Opportunity Award (tuition amount)
 - 2.50 core curriculum GPA on a 4.00 scale
 - A minimum score of a 20 on the ACT (940 SAT)
- Performance Award (tuition plus \$400 annual stipend)
 - 3.00 core curriculum GPA on a 4.00 scale
 - A minimum score of 23 on the ACT (1060 SAT)
- Honors Award (tuition plus \$800 annual stipend)
 - 3.00 core curriculum GPA on a 4.00 scale
 - A minimum score of 27 on the ACT (1210 SAT)

Financial Incentives for Good Academic Performance

TOPS Awards by Category



Opportunity

Performance

Honors

Millions

Percentage Increase 1999-2013

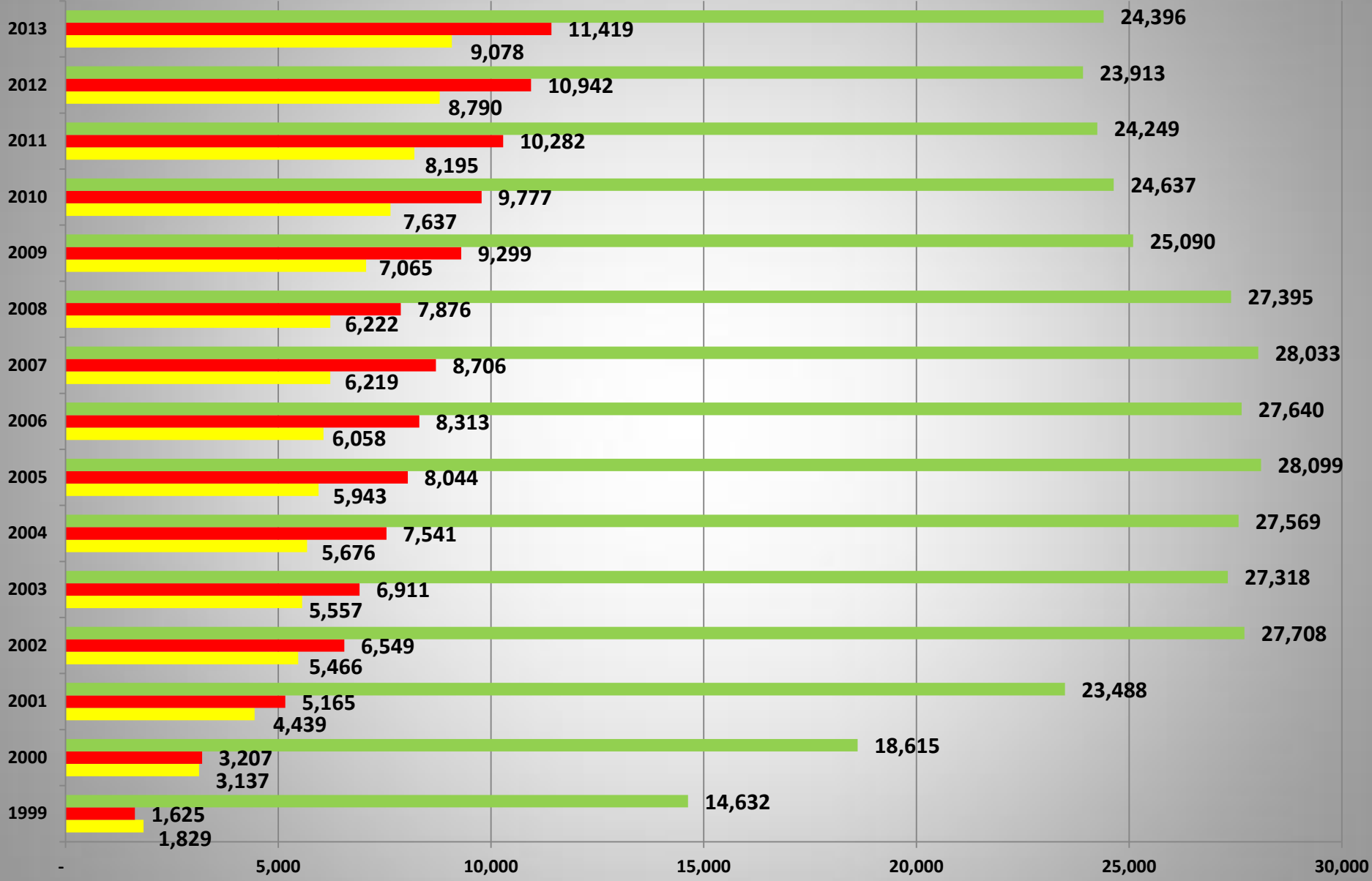
197%

1,100%

724%

Financial Incentives for Good Academic Performance

TOPS Recipients by Category



Percentage Increase 1999-2013

■ Opportunity 67%
 ■ Performance 603%
 ■ Honors 396%



TOPS Core Curriculum

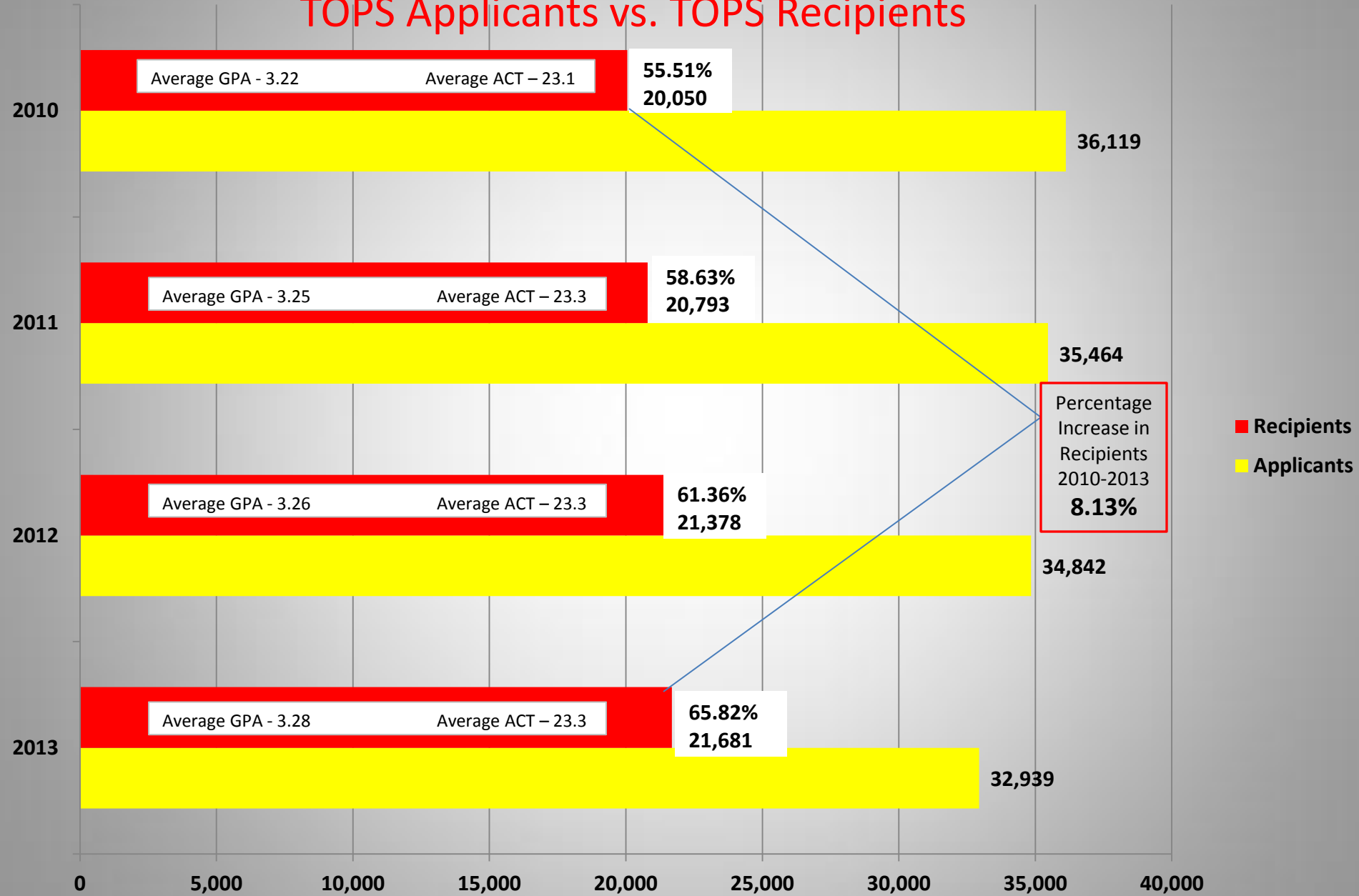
For the Opportunity, Performance, and Honors Awards
For High School graduates of 2014 through 2017.

Units	Courses ¹
ENGLISH = 4 Units	
4 units	English I, II, III, & IV
MATH = 4 Units	
1 unit	Algebra I, or Integrated Mathematics I, or Applied Algebra I or Algebra I - Parts 1 & 2 (two units) or Applied Mathematics I & II (two units) or Applied Algebra 1A and 1B (two units)
1 unit	Algebra II or Integrated Mathematics II
2 units	Geometry, Pre-Calculus, Advanced Math-Pre-Calculus, Calculus, Advanced Math-Functions and Statistics, Probability and Statistics, Discrete Mathematics, Applied Mathematics III, Integrated Mathematics III, or Algebra III
SCIENCE = 4 Units	
1 unit	Biology I or II
1 unit	Chemistry I or II, or Chemistry Com
2 units	Earth Science, Physical Science, Environmental Science, Integrated Science, Biology II, Chemistry II, Physics, Physics II, Physics for Technology I or II, or Anatomy and Physiology or both Agriscience I & II (both for 1 unit)
SOCIAL STUDIES = 4 Units	
1 unit	United States History
1 unit	Civics and Free Enterprise (1 unit, combined), ² Civics (1 year), or AP Government and Politics: United States
2 units	World History, Western Civilization, World Geography, European History, History of Religion or AP Human Geography
FOREIGN LANGUAGE = 2 Units	
2 units	Foreign Language (2 units in the same language)
FINE ARTS = 1 Unit	
1 unit	Fine Arts Survey or 1 unit of a performance course in music, or dance, or theater or 1 unit of studio art or 1 unit of visual art or both Speech III & IV (both for 1 unit)
TOTAL = 19 Units	

¹ Advanced Placement (AP) courses and International Baccalaureate (IB) courses with the same name as a course listed in the TOPS Core Curriculum may be substituted.

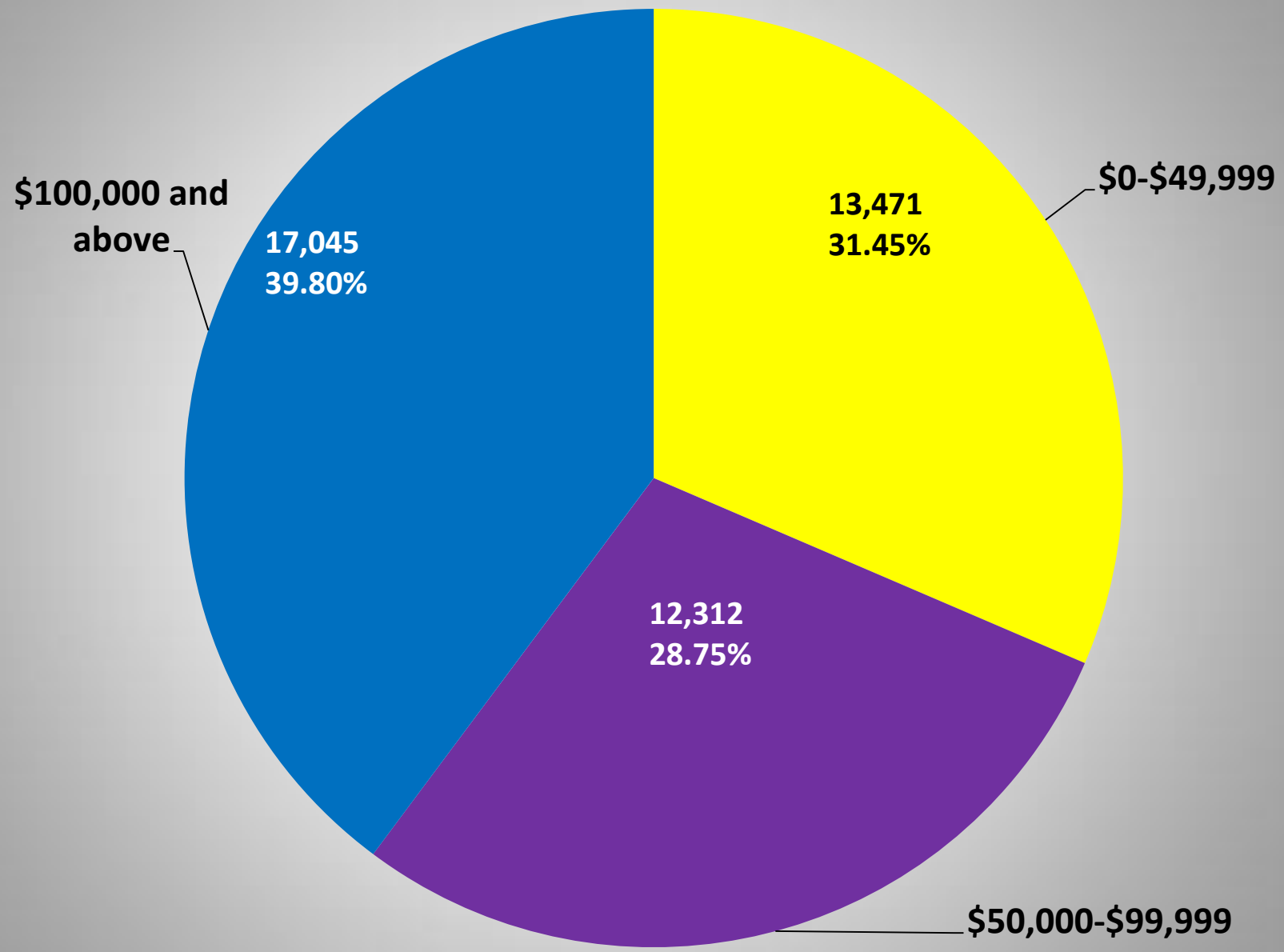
² Can be used only by students who entered the 9th grade before July 1, 2011. (See R.S.17:274.1)

TOPS Applicants vs. TOPS Recipients



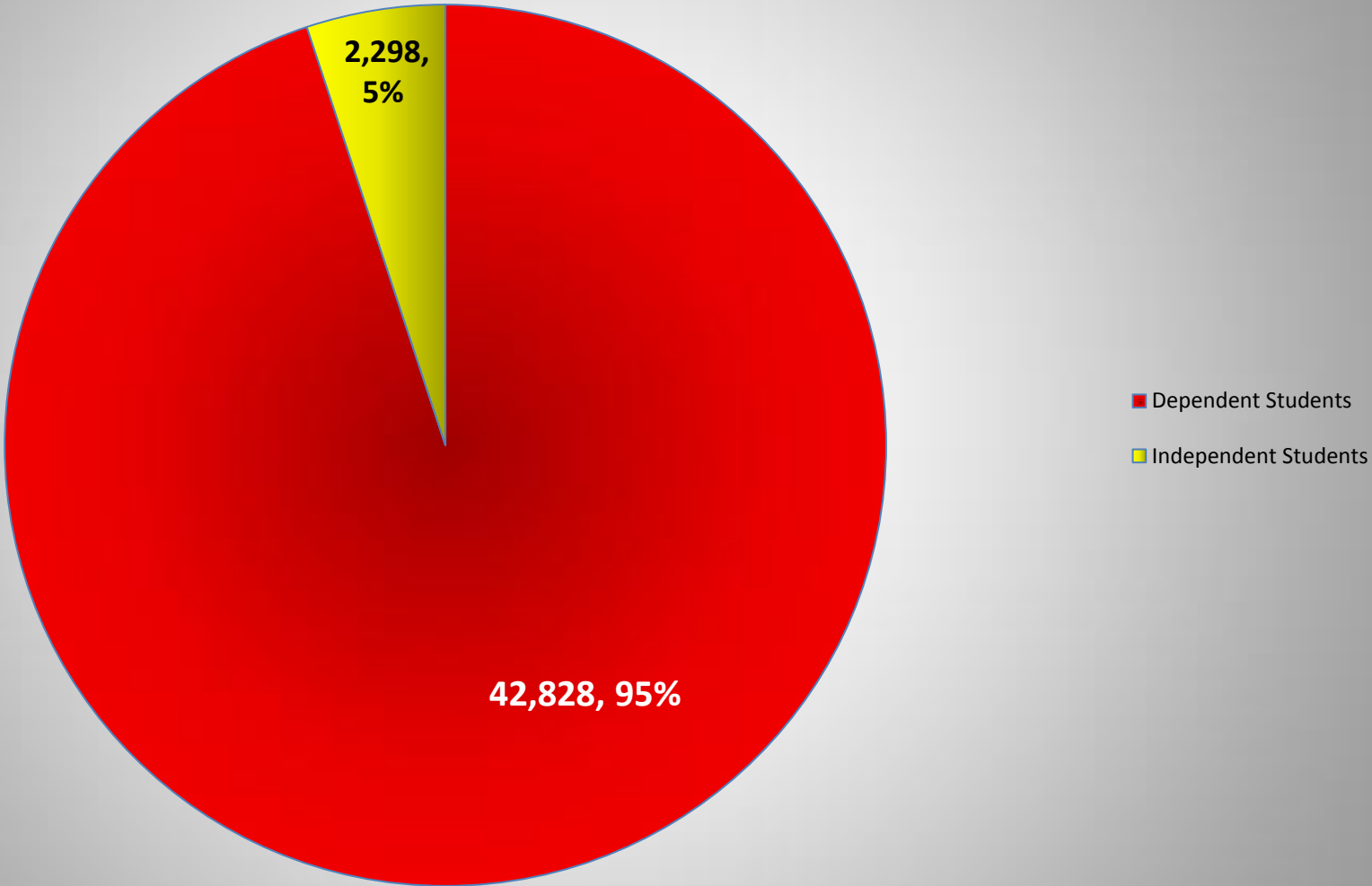
* Applicants depict – Initial applicants in year of graduation

Parental Income* for TOPS Recipients - AY 2012-13

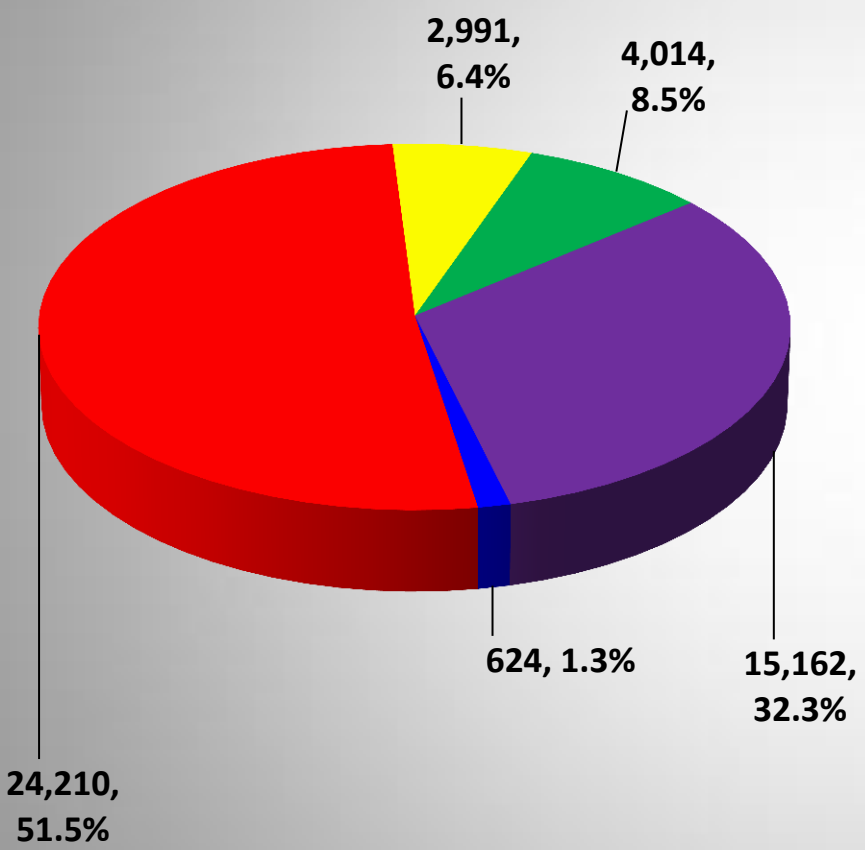


*Only includes Dependent Students, Independent Students do not report Parental Income.

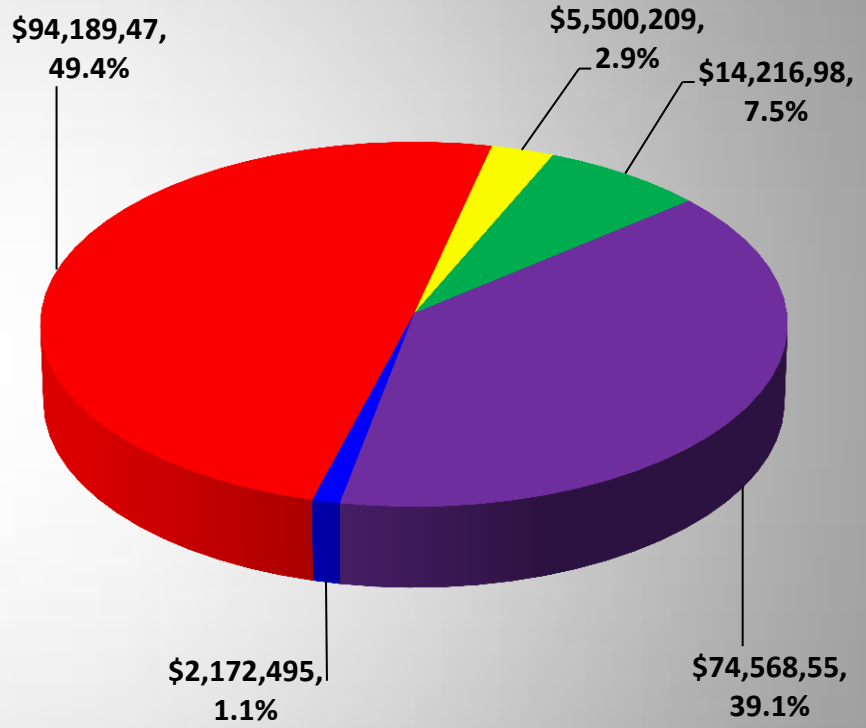
Dependent & Independent TOPS Recipients - AY 2012-13



TOPS Recipients - AY 2012-13



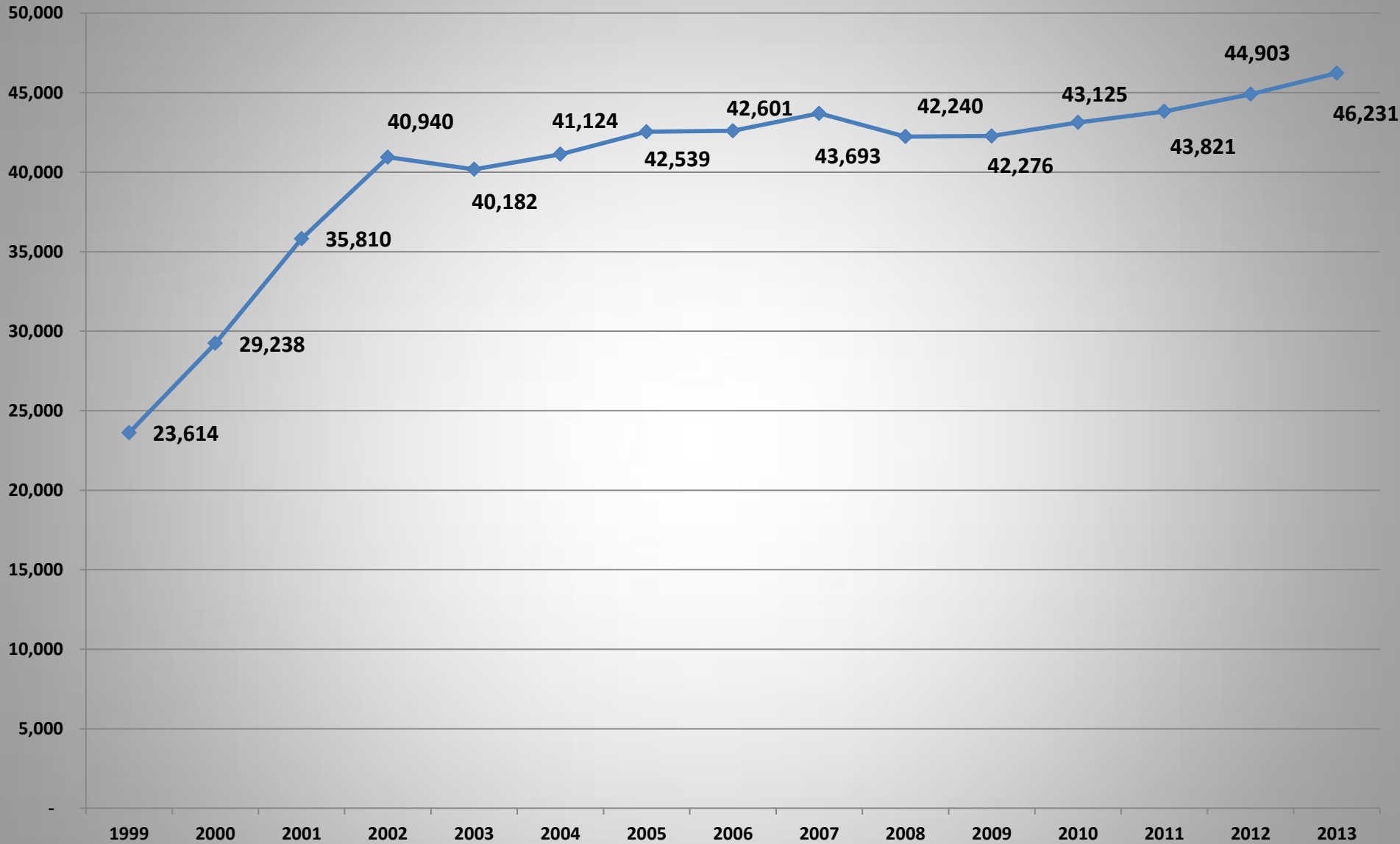
TOPS Awards - AY 2012-13



■ LSU System ■ SU System ■ UL System ■ LCTC System ■ Independents'

Independents' include Louisiana Association of Independent Colleges and Universities (LAICU) schools and Proprietary schools.

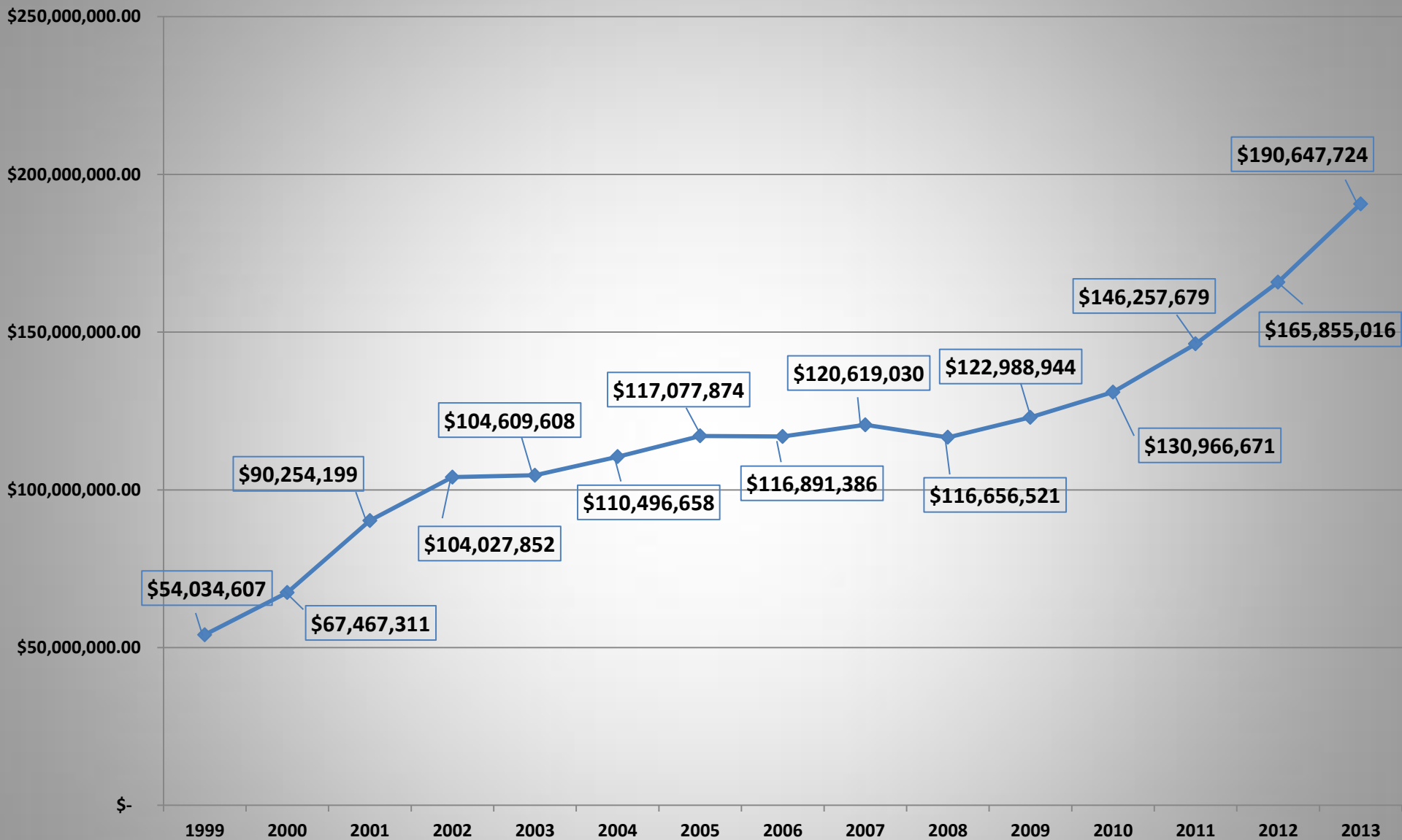
TOPS Recipients



• Data from 1999-2005 includes LA Honors and LA TAP Awards.

TOPS recipients have increased by 96% since 1999

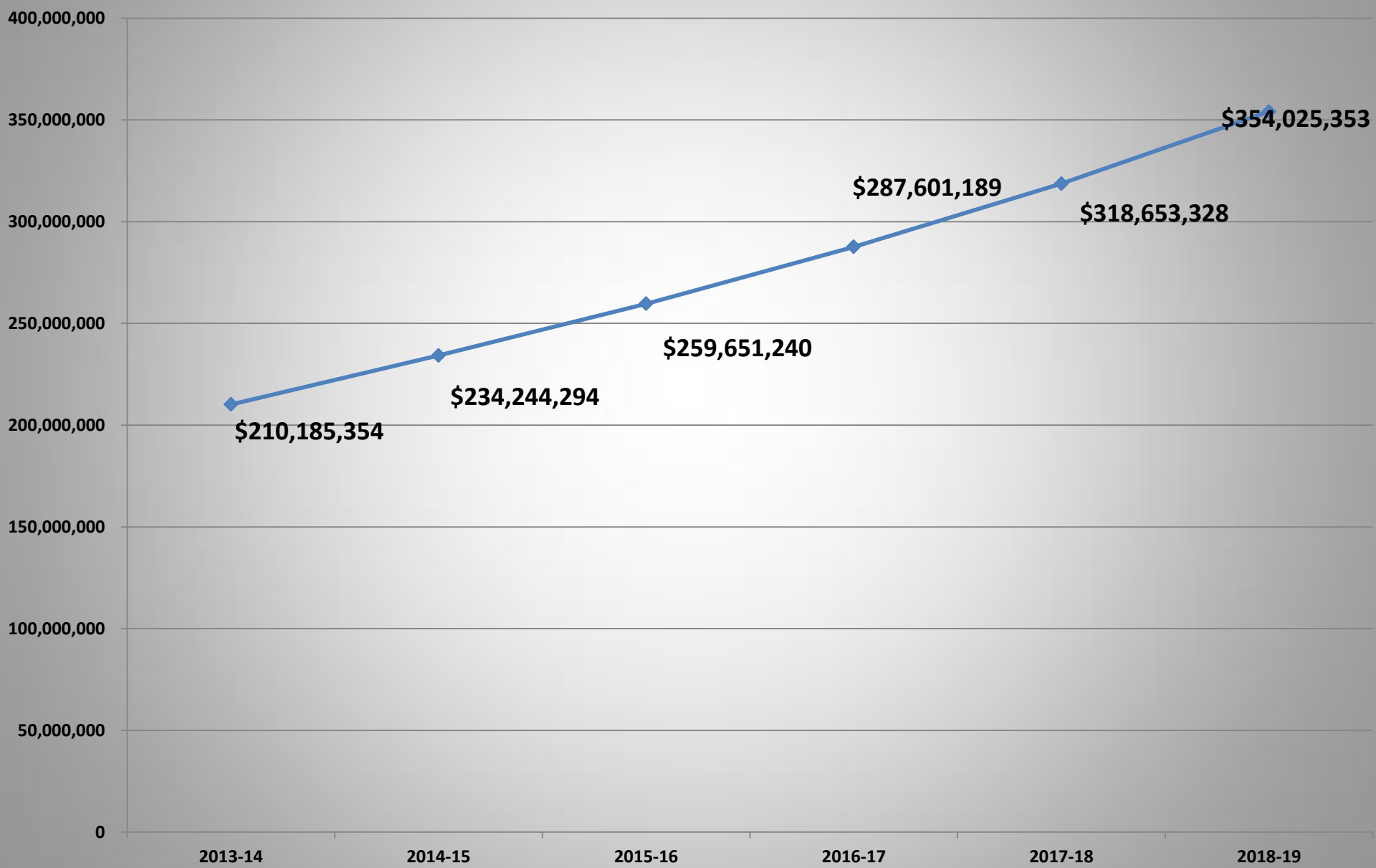
TOPS Expenditures



- Data from 1999-2005 includes LA Honors and LA TAP Awards.

TOPS expenditures have increased by 253% since 1999

TOPS PROJECTIONS with 10% Annual Increase



TOPS RECAP

- Provides financial incentives for good academic performance through –
 - Opportunity, Performance & Honors Awards
 - \$190 million of awards in 2013
- Promotes academic success by rigorous high school preparation–
 - TOPS Core curriculum
 - Minimum: 20 ACT/940 SAT & 2.50 GPA
- Keeps LA's best & brightest in higher education in La–
 - 65.82% of initially eligible TOPS students (2013) attend La institutions
- Promotes access to postsecondary opportunities–
 - Number of TOPS recipients has almost doubled since 1999

Other State Comparisons

Minimum Initial Eligibility Criteria for Base Lottery Scholarship Program¹

	States that require both ACT/SAT and HSGPA		States that require either ACT/SAT or HSGPA				Other	
	FL	WV	GA	TN	AR	KY	NM	SC ⁵
High School GPA	3.0	3.0	3.0 ²	3.0	2.5	2.5 (for base award)		3.0
ACT/SAT	20 ACT	22 ACT/ 1020 SAT	85% or higher on SAT /ACT ³	21 ACT/ 980 SAT	19	15 ACT/ 710 SAT (for bonus award)		24 ACT/ 1100 SAT
Core Course Requirements	Yes	Yes			Yes	Yes		
College GPA							2.5	
High School Ranking								Top 30%
Community Service	75 hours required	20 hours encouraged						

**Louisiana
Requires both
ACT/SAT and
HSGPA**

**2.5 (Opportunity)
3.0 (Performance)
3.0 (Honors)**

**20 ACT/940 SAT (Opp)
23 ACT/1060 SAT
(Perf)
27 ACT/1210 SAT
(Hon)**

YES

Alternative Eligibility

Home Study –
22 ACT/1030 SAT (Opp)
24 ACT/1090 SAT (Perf)
28 ACT/1240 SAT (Hon)
Out-Of-State Grads –
23 ACT/1060 SAT (Opp)
26 ACT/1170 SAT (Perf)
30 ACT/1320 SAT (Hon)

Source: State program websites and state finance annual report (Citations can be found in References)

¹ For the minimum eligibility criteria for all programs in eight states, see **Appendix B**

² For graduates from a HOPE-eligible high school or home study program

³ For graduates from an ineligible high school, home-study program or GED

Overview of State Lottery Scholarship Programs (All Programs)

	Tennessee	Arkansas	Florida	Georgia	Kentucky	New Mexico	South Carolina	West Virginia
Number of students served in 2010-11	101,569	22,251	179,076	123,471	67,930	19,696	43,159	9,809
Total program costs in 2010-11	\$ 297m	\$ 61m	\$ 423m	\$ 539.9m	\$ 93m	\$ 47m	\$ 239m	\$ 46m
Maximum Award	<u>Prior to 2009</u> \$4,000 (4-year) \$2,000 (2-year) <u>After 2009²</u> \$6,000 (4-year) \$3,000 (2-year)	<u>2010-11</u> \$5,000 (4-year) \$2,500 (2-year) <u>2011-12</u> \$4,500 (4-year) \$2,250 (2-year)	\$2,385 ³	<u>Public</u> \$70-210 ⁴ (per-hour-rate) <u>Private</u> \$1,800 (semester) \$1,200 (quarter)	\$2,500	Tuition Only	LIFE: \$5,000 Palmetto: \$7,000 HOPE: \$2,800	\$5,406 ⁶
Average Award¹	\$2,924	\$2,741	\$2,362	\$4,372	\$1,369	\$2,386	\$5,537	\$4,689
Scholarships as a percent of average Public 4-yr tuition & fees⁵	44.8% (\$6,525)	43.9% (\$6,298)	48.3% (\$4,886)	73.9% (\$5,916)	18.3% (\$7,511)	46.2% (\$5,169)	54.5% (\$10,155)	98% (\$5,049)

Louisiana
44,674
\$146m
*Opportunity: \$4,306 Performance: Opp + \$400 stipend Honors: Opp + \$800 stipend
\$3,274
97% (\$4.420)

Source: State program websites and state finance annual report (Citations can be found in References)

¹ Average Award is a derived variable by THEC staff, using the number of students and total program costs in most recent year

² Divided equally over semesters including summer

³ The award amount in Florida is per credit hour based and varies among different types of institutions
<http://www.floridastudentfinancialaid.org/SSFAD/bf/awardamt.htm>

⁴ The exact HOPE award amounts by institution can be found at
http://www.gsfc.org/main/publishing/pdf/2011/hope_award_amounts.pdf

⁵ The source for average public 4-year tuition and fees is The College Board, Trends in College Pricing (2011)
<http://professionals.collegeboard.com/data-reports-research/trends>

⁶ Students who were awarded PROMISE scholarship prior to January 1, 2010 receive an award equal to the actual tuition and mandatory fee charges. After January 1, 2010, the maximum award for students is \$4,750, or full tuition and fees, whichever is less.

* The award amount is based on tuition and varies among the different institutions. For FY 2010-11, LSU-HSC-Shreveport had the highest award at \$4,306.

Differences between TOPS and GO Grant

TOPS

- Merit based Aid
 - Not based on income
- Appropriated as “more or less” funding – State “guarantees” to pay all eligible awards
- Historically protected from budget cuts because of “more or less” language in appropriation

GO Grant

- Need based Aid
 - Income based
- Set Appropriation each year
 - State funds program at level amount – no guarantee to pay all eligible awards
- No protection from budget cuts

GO Grant

The purpose of this program is to provide a need-based component to the state's financial aid plan to support nontraditional and low to moderate-income students who need additional aid to afford the cost of attending college.

Statutory Authority

Title 28, Chapter 12, §1201. General Provisions

A. Authority.

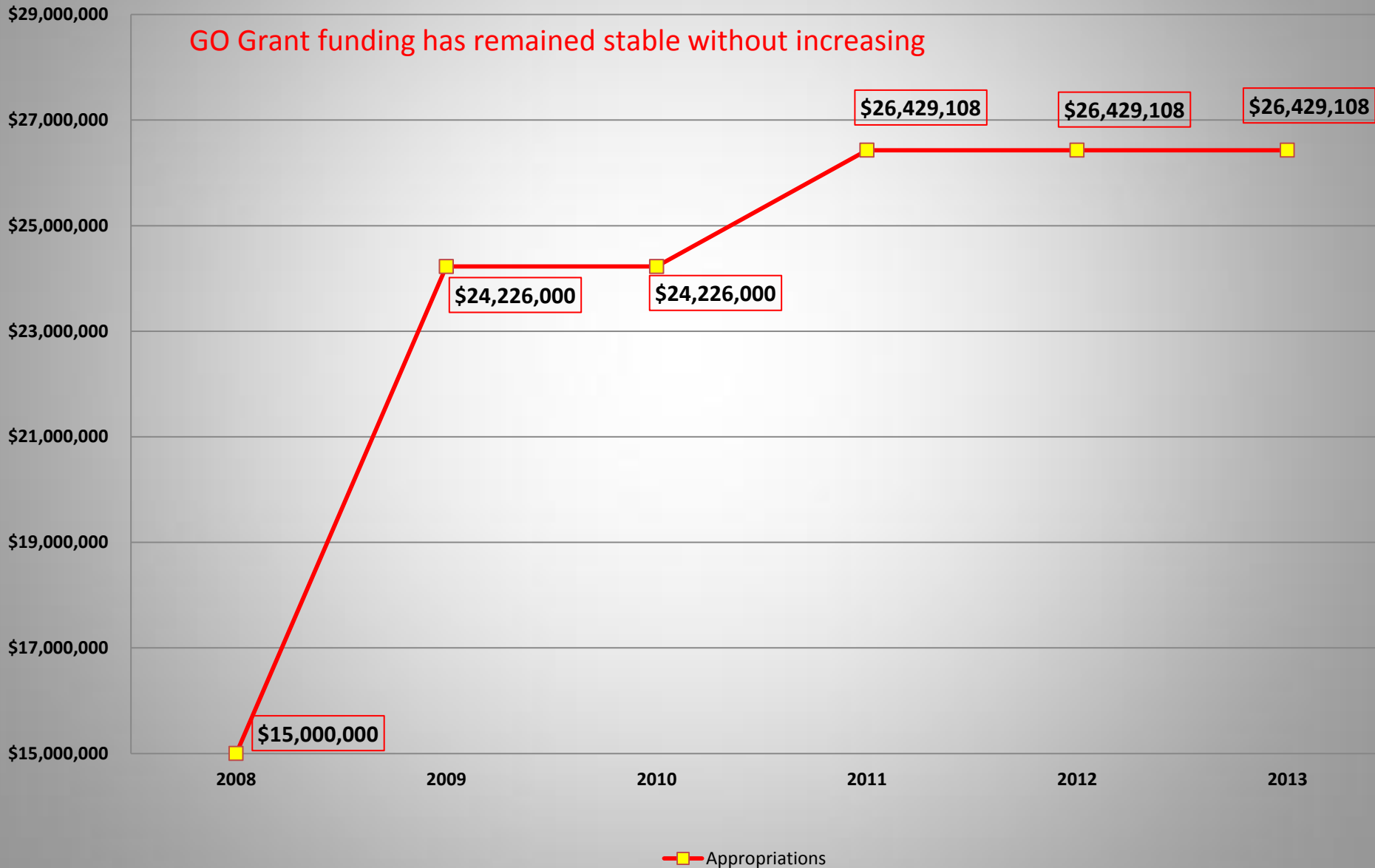
1. In accordance with the requirements of Act 695 of the 2004 Regular Session of the Legislature, the Board of Regents developed the GO Grant Program...
2. The Louisiana GO Grant Program is administered by the Louisiana Office of Student Financial Assistance ...

Eligibility Requirements:

1. Louisiana resident
2. Recipient of a federal Pell Grant
3. Be admitted and enrolled as a certificate- or degree-seeking undergraduate student at a Louisiana public or private (LAICU) college or university
4. Has unmet needs with regards to the ability to pay the cost of attendance
5. Maintains steady academic progress (for continued participation)

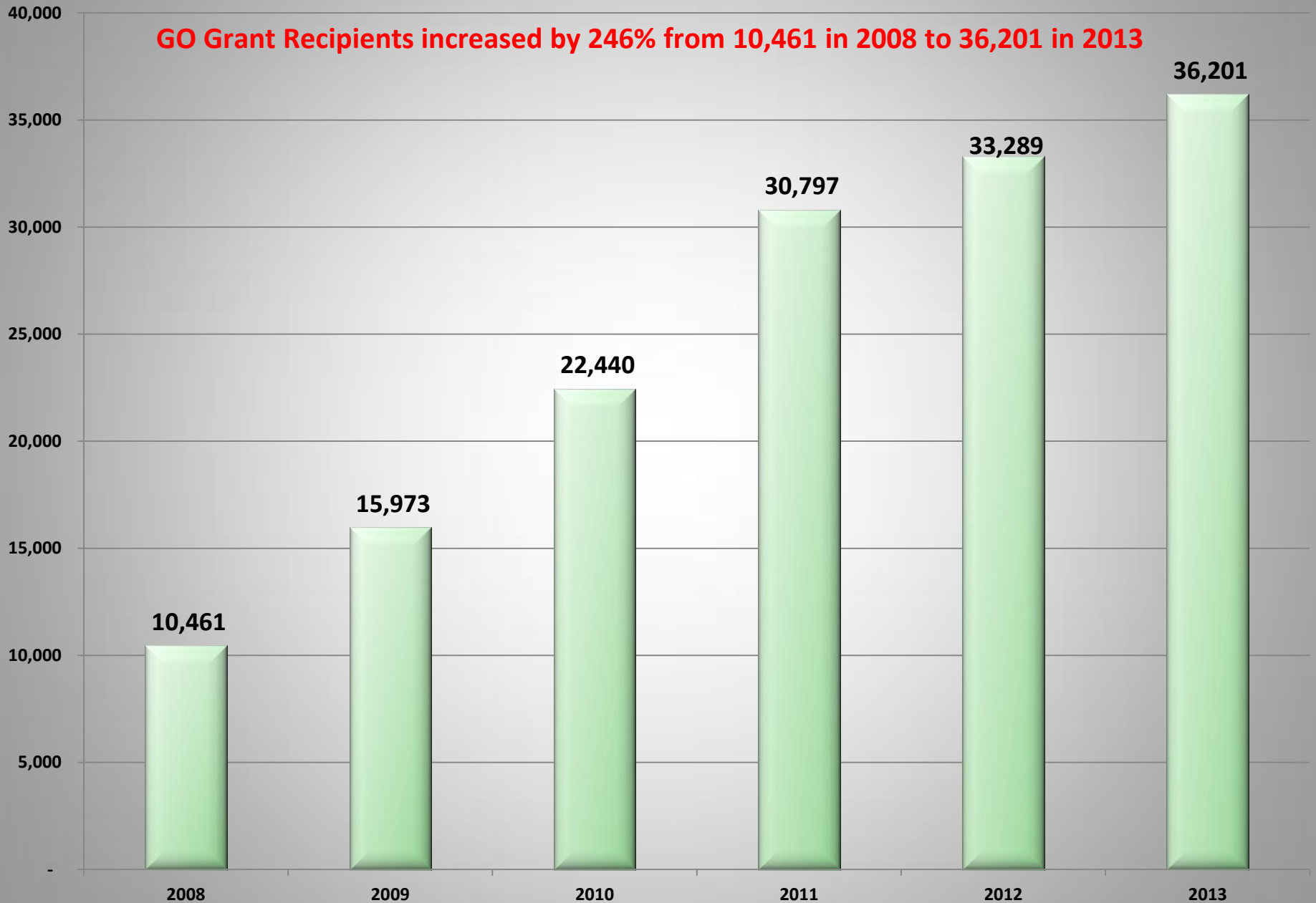
GO Grant Appropriations

GO Grant funding has remained stable without increasing



Annual GO Grant Recipients

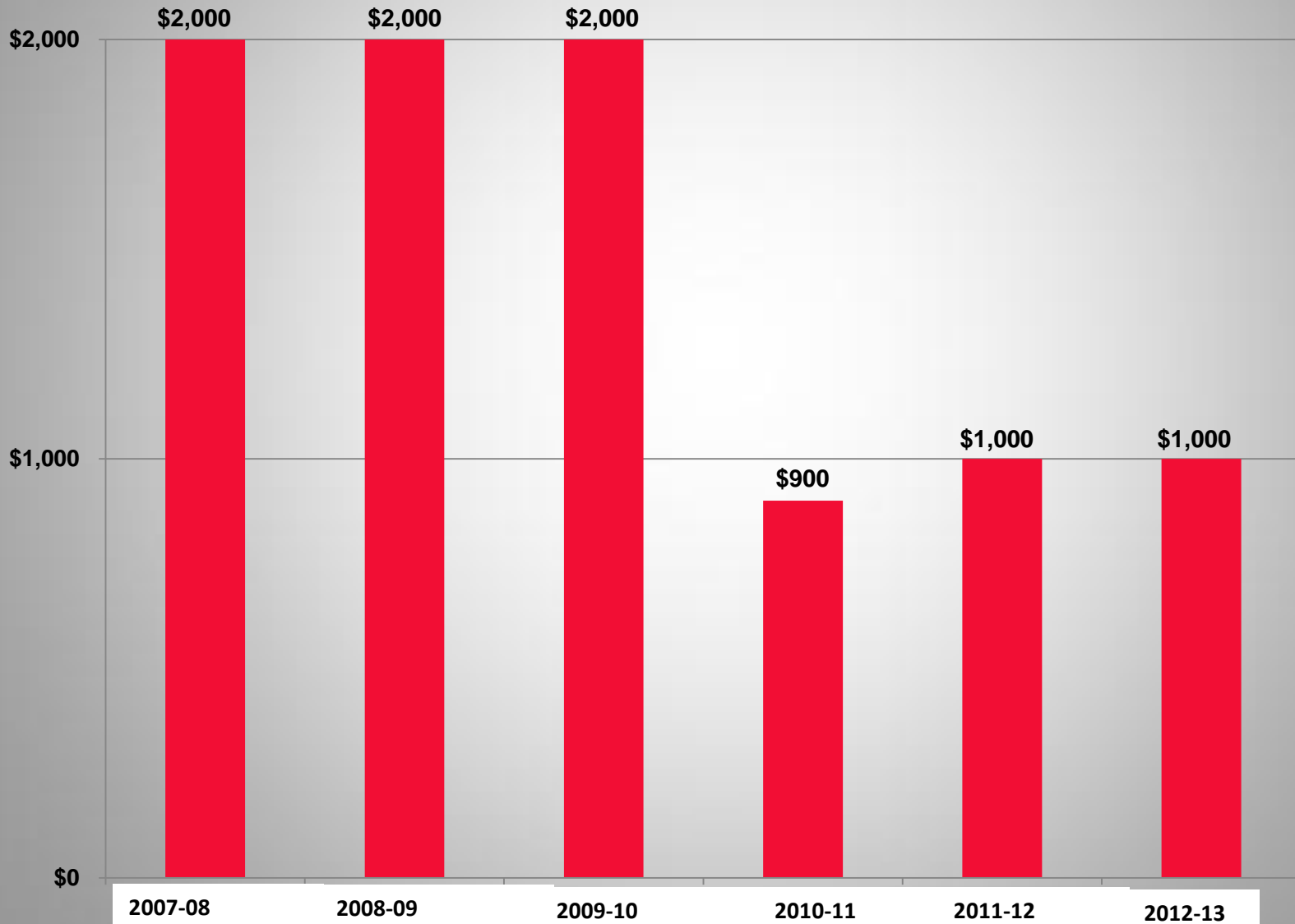
GO Grant Recipients increased by 246% from 10,461 in 2008 to 36,201 in 2013



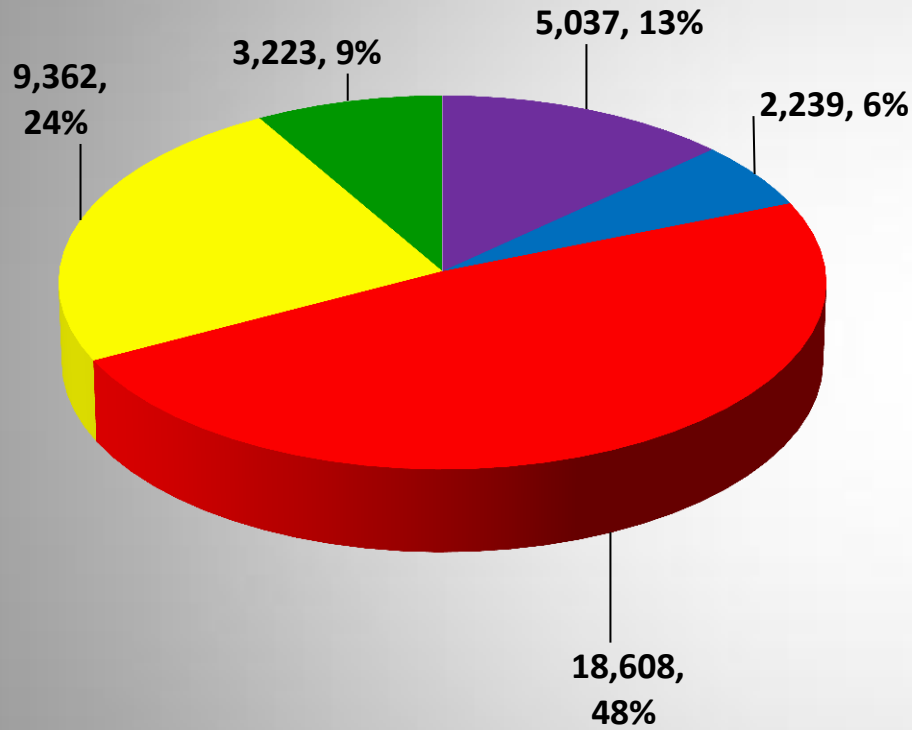
Percentage Increase 2008-2013

246%

Annual GO Grant Award Amounts for Full-Time Students

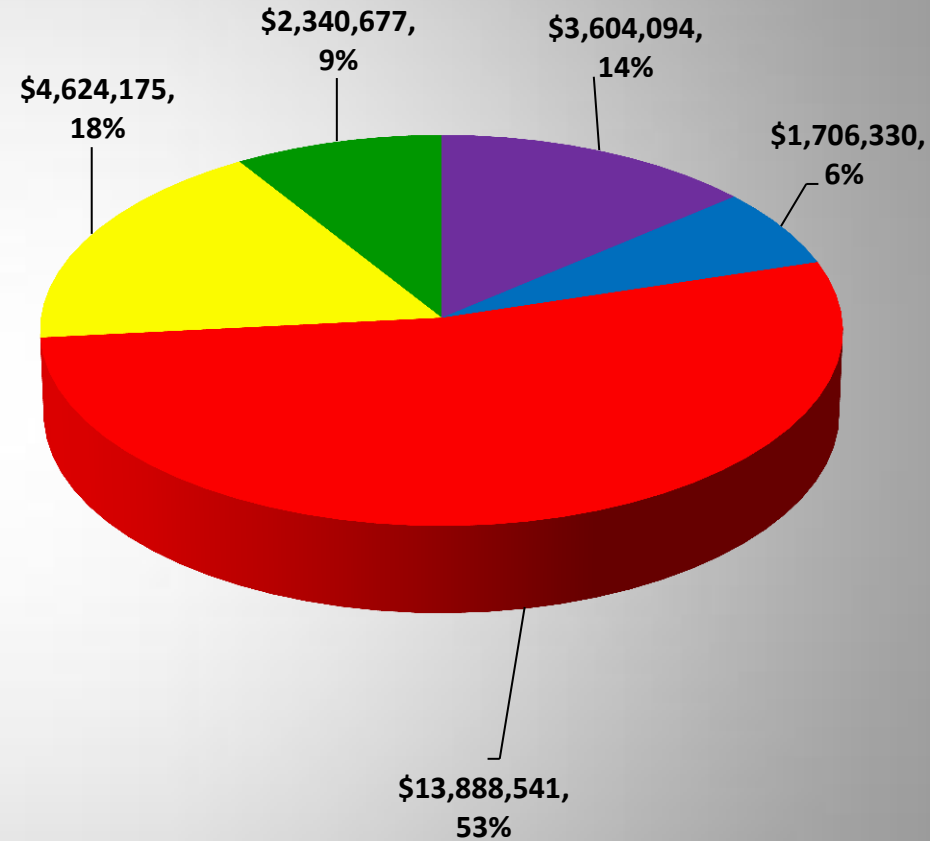


GO Grant Recipients - AY 2012-13



■ LSU System
 ■ SU System
 ■ UL System

GO Grant Awards - AY 2012-13



■ LCTC System
 ■ Independents'

Independents' include Louisiana Association of Independent Colleges and Universities (LAICU) schools and Proprietary schools.

Noel – Levitz Study October 2011

Does Financial Aid Impact Student Retention Among Pell Grant Recipients in Louisiana? Final study database: (37,251 records)

Description	Number of Records	Percent of Records
Filed a FAFSA*, demonstrated financial need, received a Pell Grant	13,583	36%
Filed a FAFSA, demonstrated financial need, did not receive a Pell Grant**	7,897	21%
Filed a FAFSA, did not demonstrate financial need	10,981	29%
Did not file a FAFSA	4,790	13%
TOPS recipients	21,634	58%
GO Grant recipients	7,888	21%
Pell Grant recipients	13,583	36%
Dependent students	30,746	83%

* The FAFSA is the Free Application for Federal Student Aid which students must submit to potentially qualify for Pell Grants and other forms of federal financial aid.

** Pell Grants are awarded to students with Expected Family Contributions (EFC) below a prescribed level, so it is possible for a student to demonstrate financial need without qualifying for a Pell Grant.

Some totals may not equal 100% because of rounding.

Table 4: Fall-to-Fall, Same-School Retention by Percentage of Need Met With Gift Aid

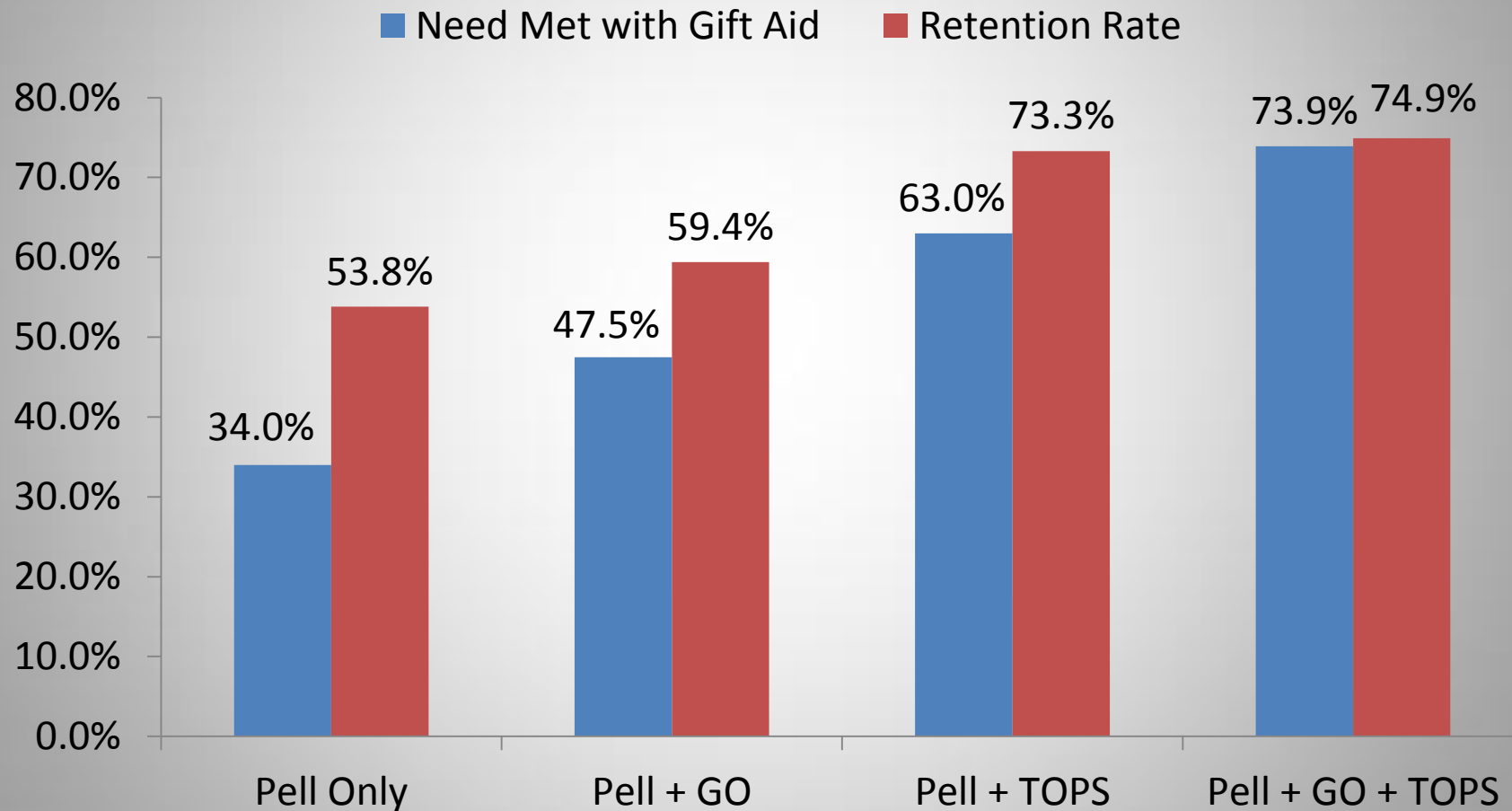
Pell Grant Recipients in Louisiana Statewide and Regional Universities (Fall 2006, 2007, and 2008 Cohorts)

Percent of Need Met With Gift Aid	Retained	Did Not Retain	Total	Retention Rate
<30%	753	892	1,645	45.8%
30% to <40%	1,144	936	2,080	55.0%
40% to <50%	1,680	1,128	2,808	59.8%
50% to <55%	795	446	1,241	64.1%
55% to <60%	683	270	953	71.7%
60% to <70%	1,195	494	1,689	70.8%
70% to <80%	980	310	1,290	76.0%
80% or more	1,544	333	1,877	82.3%
Total	8,774	4,809	13,583	64.6%

CHI SQUARE RESULTS: df 7; value 744; p-value < 0.0001

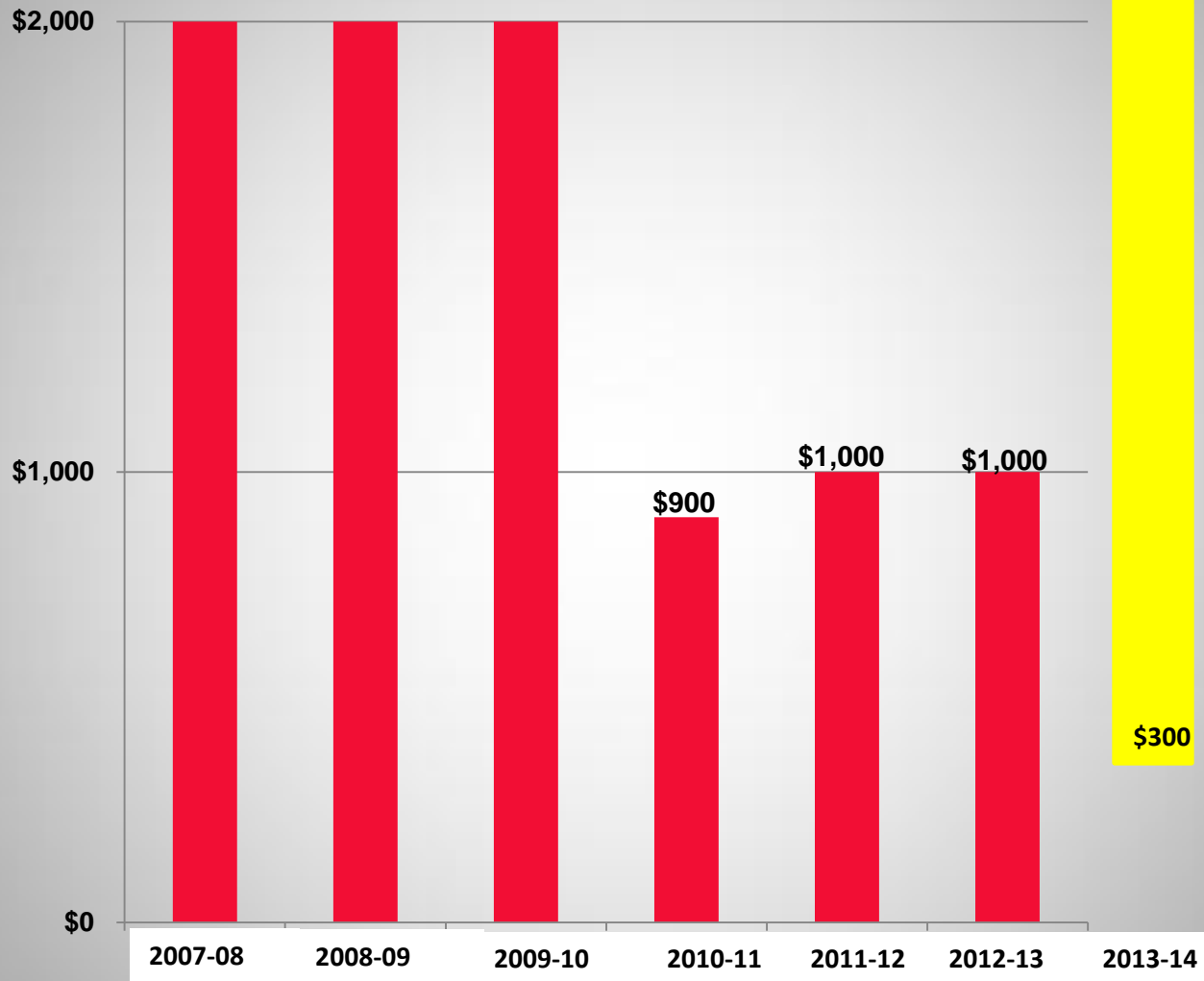
The results show that the best allocation of resources is making sure that at least 60% of a student's financial needs are met. The biggest increases in retention occur between 30% to 60% of Gift Aid, rising from 45.8% to 71.7%. Increasing the Gift Aid from 70% to 80% or more, on the other hand, only yields an increase of 11.5% in retention rates. Thus, resources are better spent in efforts to get more students to the 60% level rather than funding some students beyond 60%.

Adding the Go Grant alone increases the percentage of need met with gift aid by 14 percentage points and provides a 5.6 percentage point improvement in retention



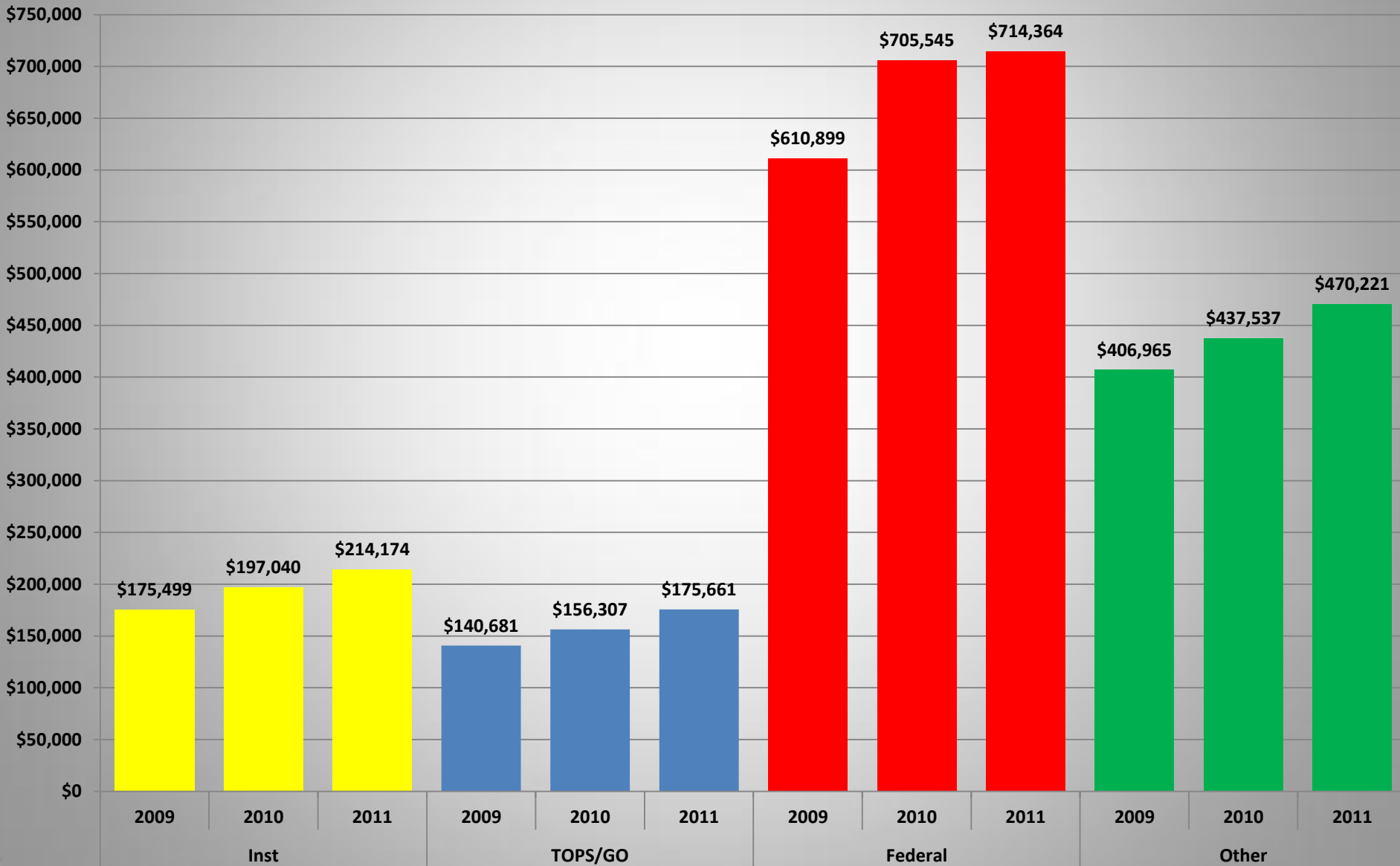
All pairwise comparisons of means are significant except for retention rate between Pell+TOPS and Pell+GO+TOPS

Annual GO Grant Award Amounts for Full-Time Students

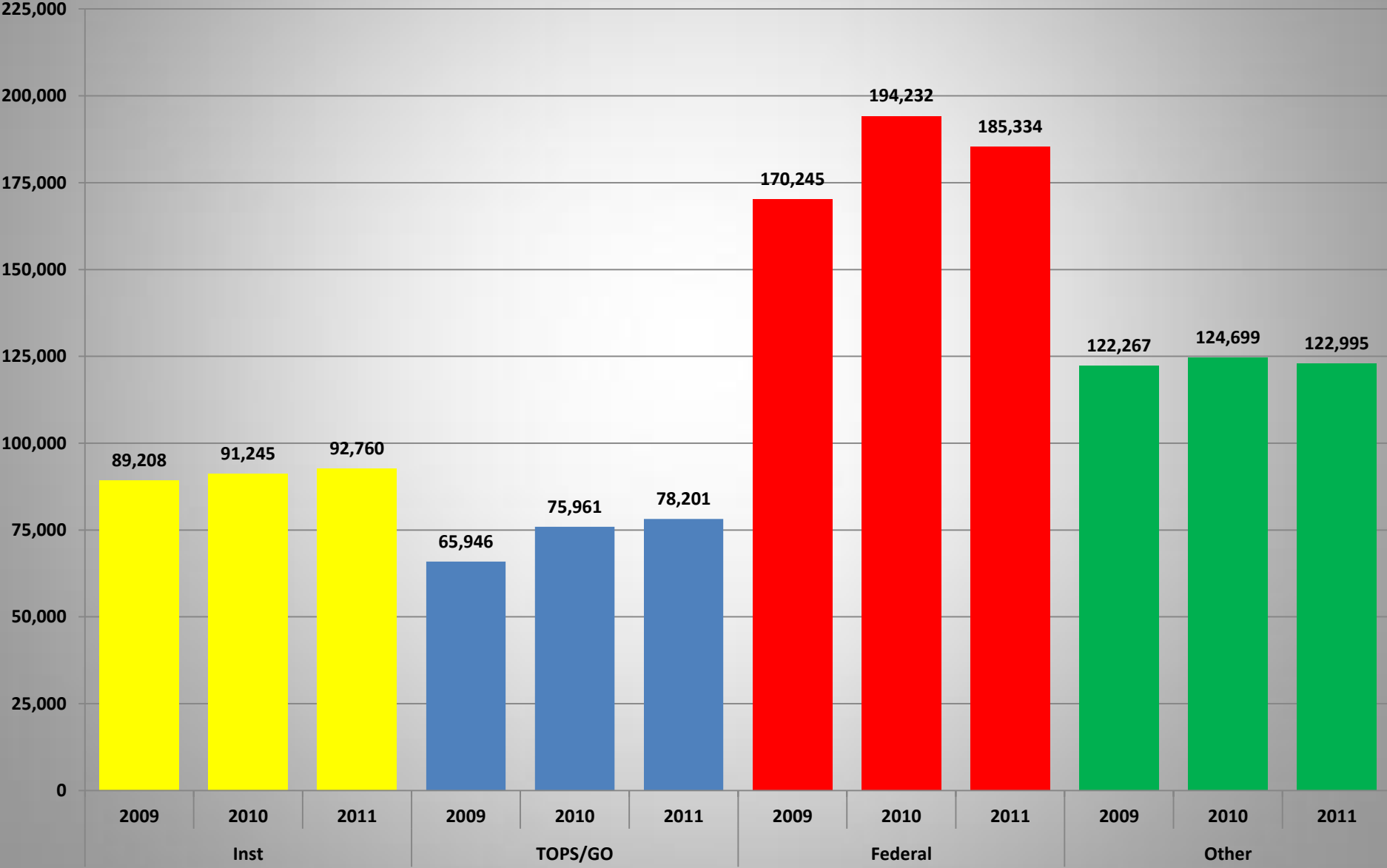


For 2013-14
Awards will
range from
\$300-\$3,000.

Financial Aid Awarded to Students by Source of Funds (in \$1,000's)



Number of Students Receiving Financial Aid by Source of Funds (Duplicated Counts)



NEW ALTERNATIVES



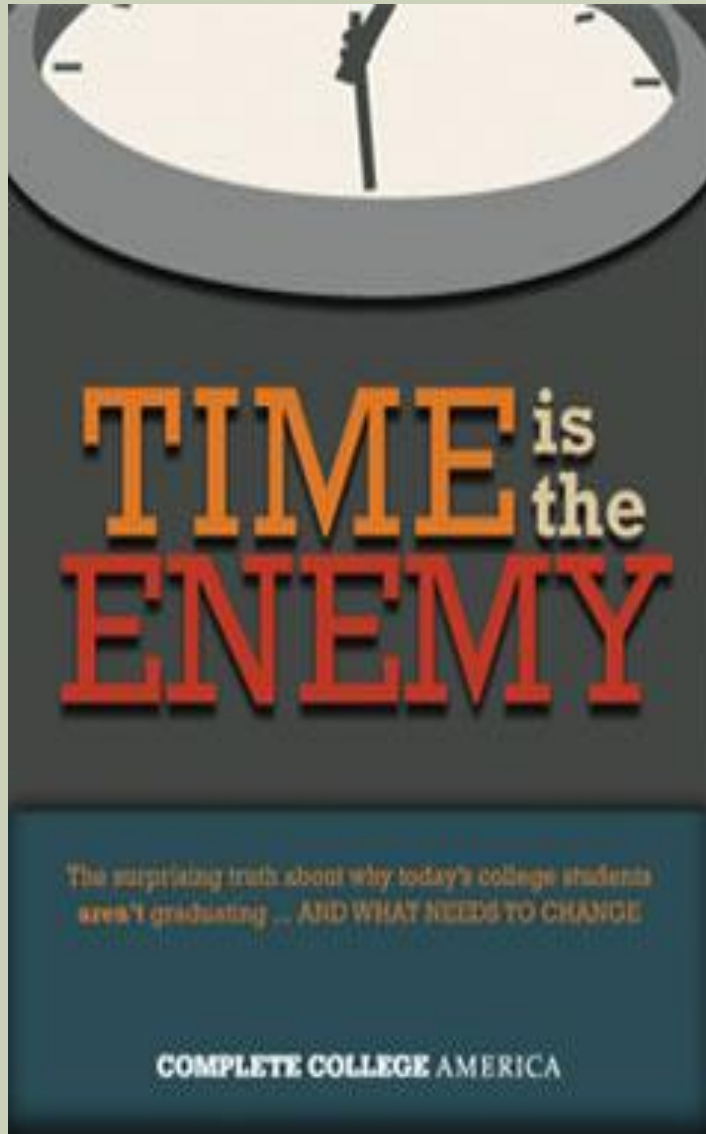
**Jim Purcell,
Commissioner,
LOUISIANA BOARD
OF REGENTS**

Complete College America

Nationwide effort to increase college graduation.

Strongly recommends getting students to take more classes each semester by:

- Structuring course offerings in **blocks** and **sequenced** so students take courses when they need them
- **Establishing more Cohort programs**
- Advise student to take **15 hours or more**

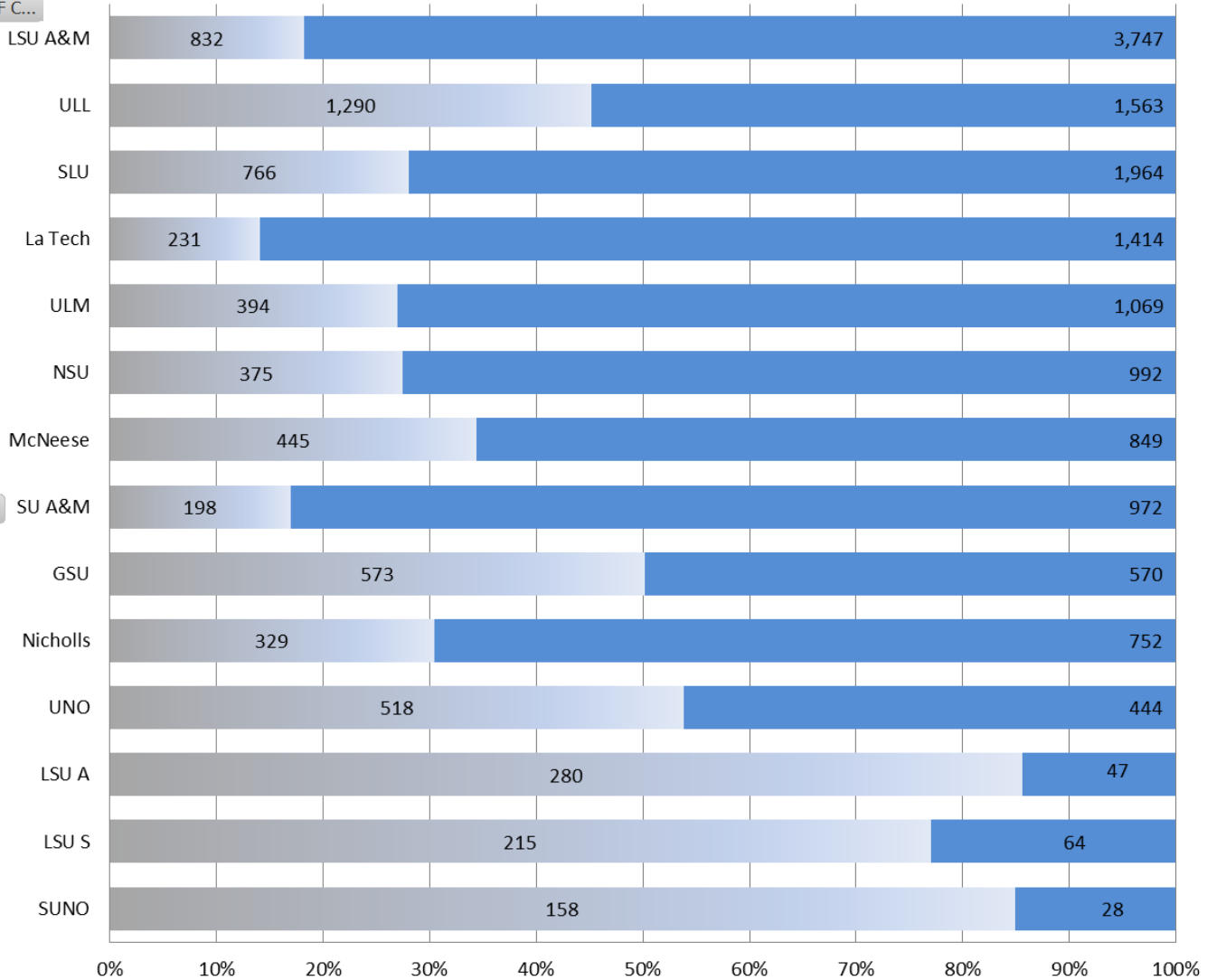


-
- Will increase degree completion, reduce the time and money to complete a degree
 - **Will maximize the use of campus faculty and resources.**

Fall 2006-07 Full-time Freshmen Cohort Enrollment Course-taking Patterns

Ethni... TOPS A... Pell G...

Sum of FTF C...



Course L...

- 12-15 hrs
- 15+ hrs

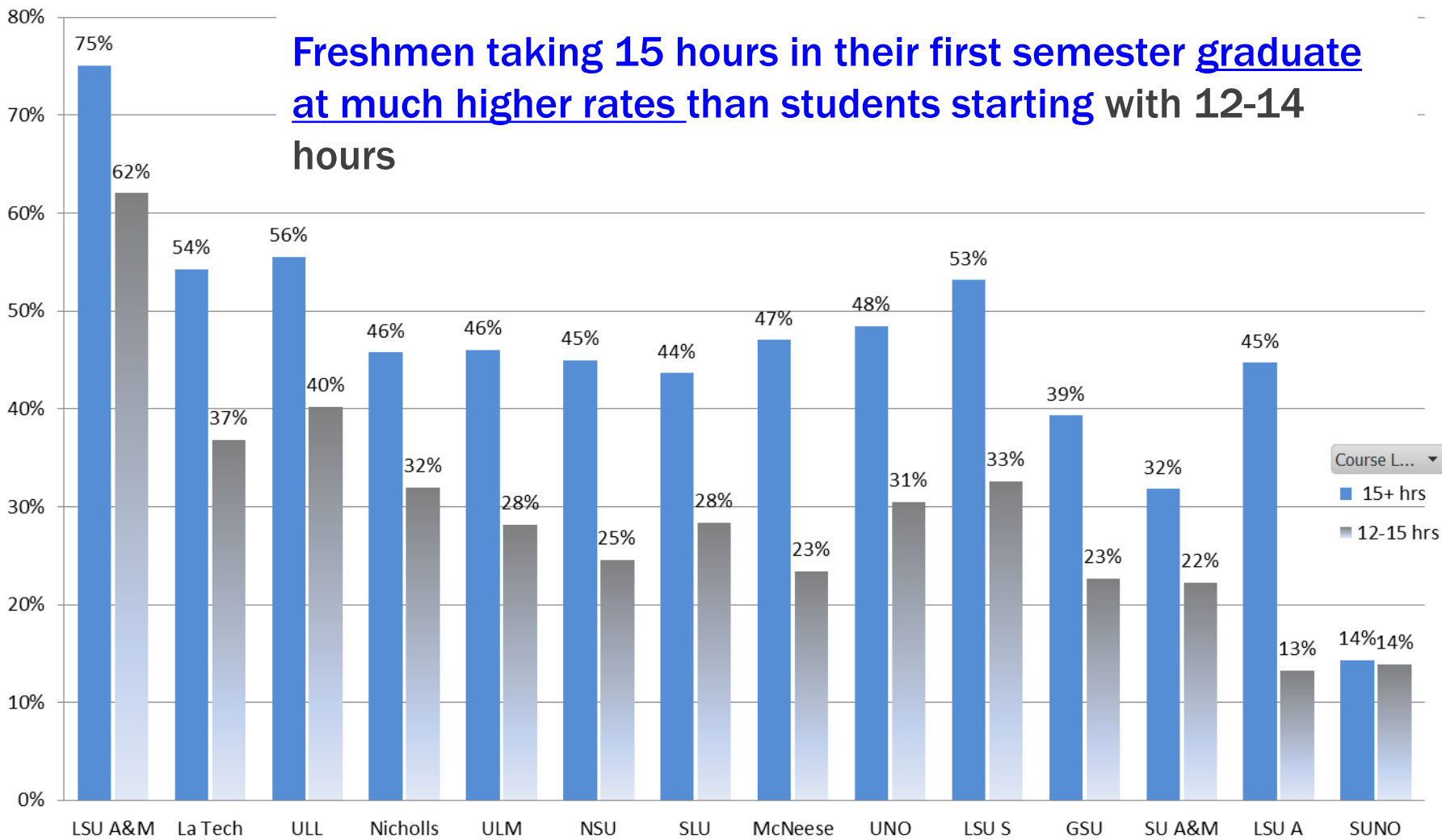
INST...

Ethni... TOPS A... Pell G...

Fall 2006-07 Freshmen Cohort Statewide Graduation Rate

Sum of Statewide Gra...

Freshmen taking 15 hours in their first semester graduate at much higher rates than students starting with 12-14 hours



Course L...

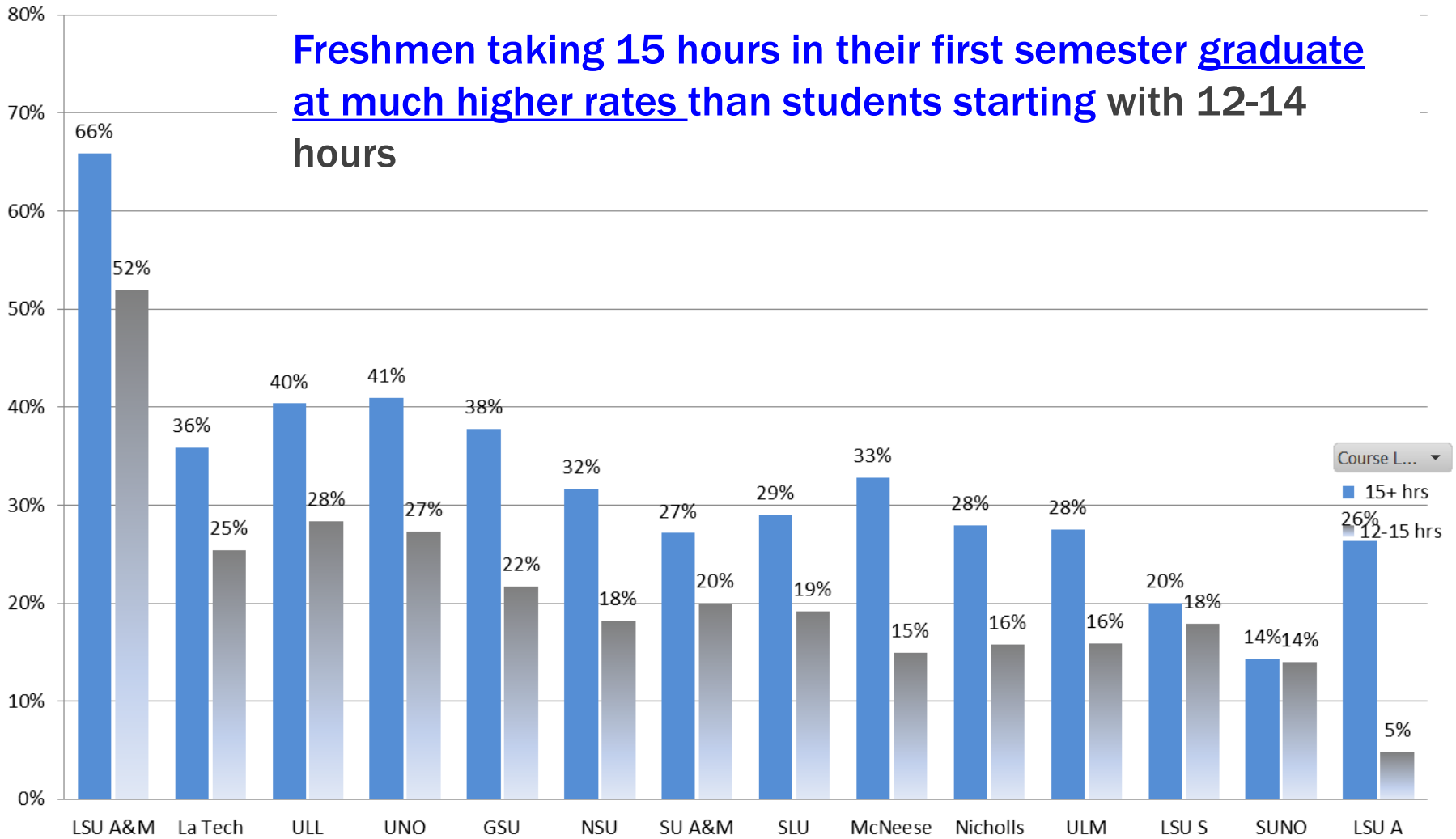
15+ hrs
12-14 hrs

INST...

Non-TOPS Students

Fall 2006-07 Freshmen Cohort Statewide Graduation Rate

Freshmen taking 15 hours in their first semester graduate at much higher rates than students starting with 12-14 hours

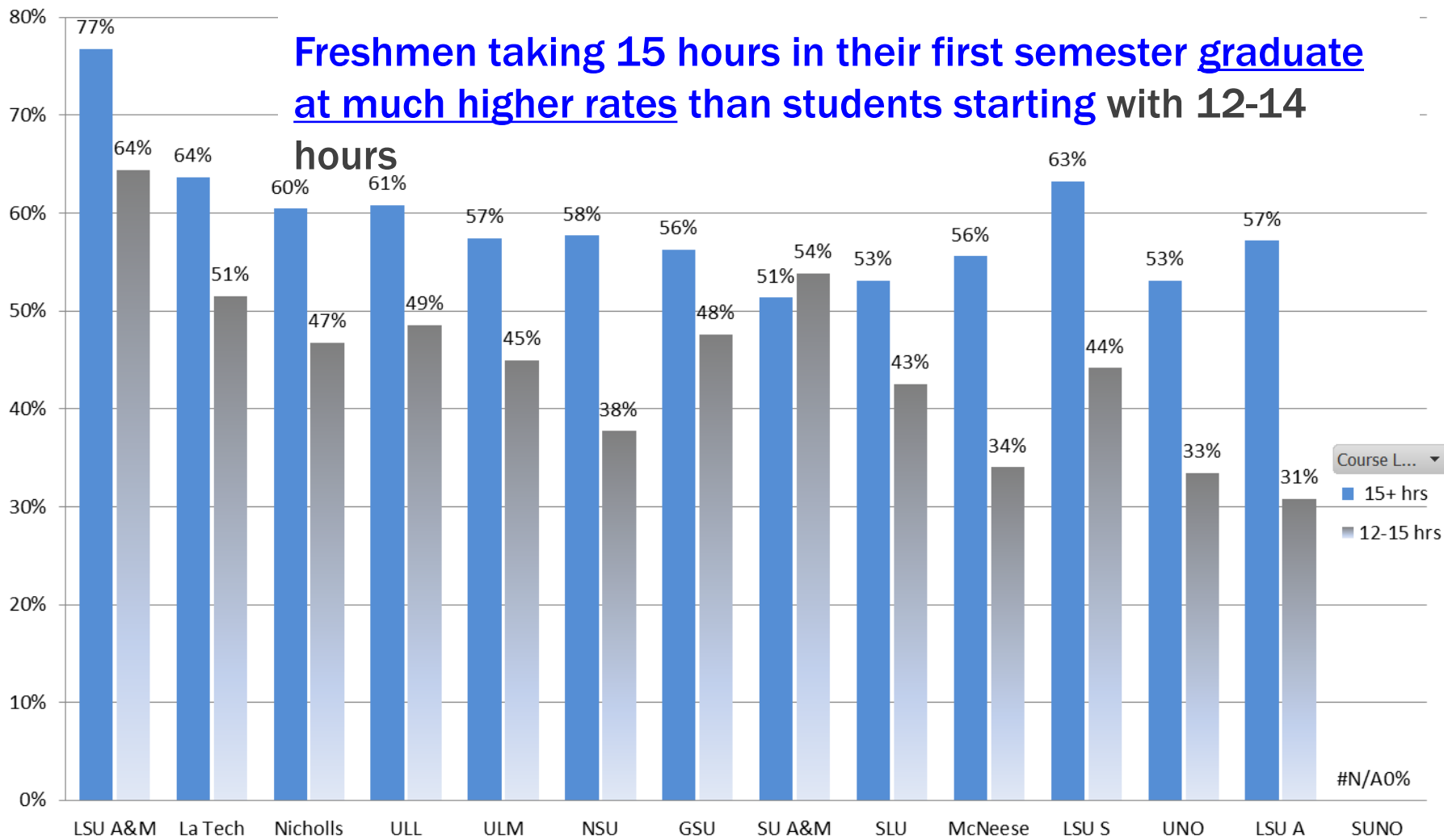


TOPS Students

Fall 2006-07 Freshmen Cohort Statewide Graduation Rate

Freshmen taking 15 hours in their first semester graduate at much higher rates than students starting with 12-14

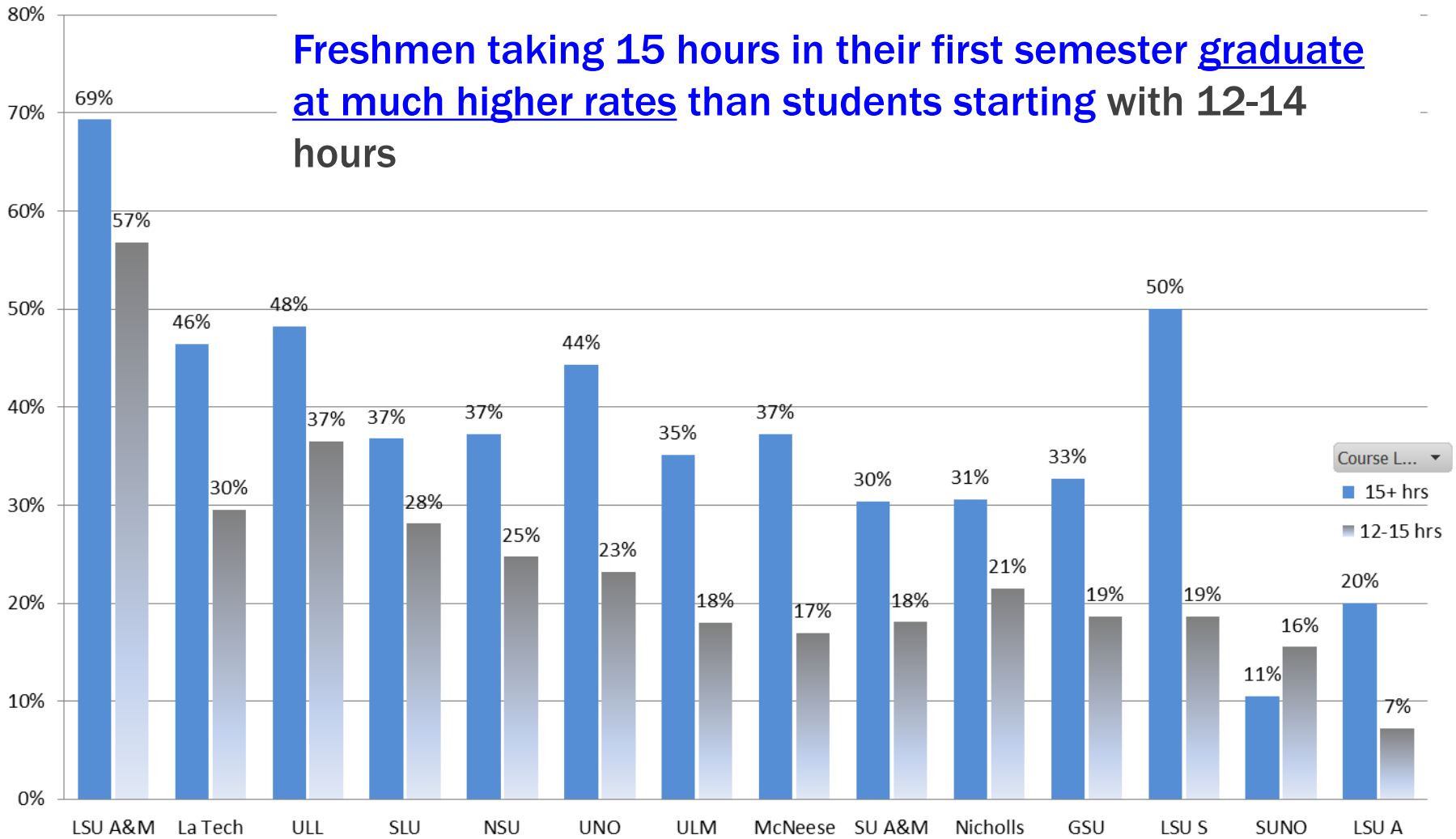
hours



Pell Students

Fall 2006-07 Freshmen Cohort Statewide Graduation Rate

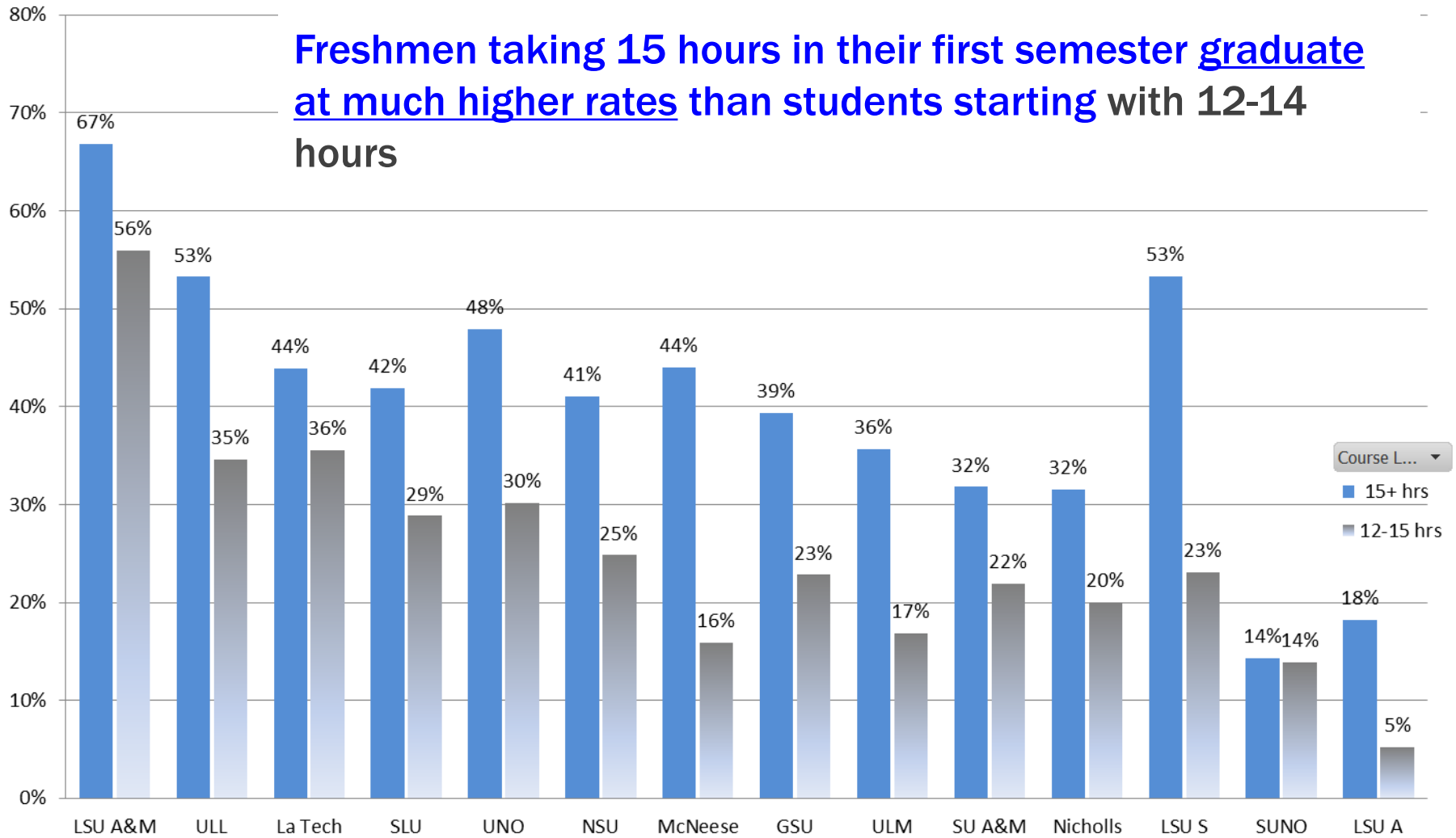
Freshmen taking 15 hours in their first semester graduate at much higher rates than students starting with 12-14 hours



Minority Students

Fall 2006-07 Freshmen Cohort Statewide Graduation Rate

Freshmen taking 15 hours in their first semester graduate at much higher rates than students starting with 12-14 hours

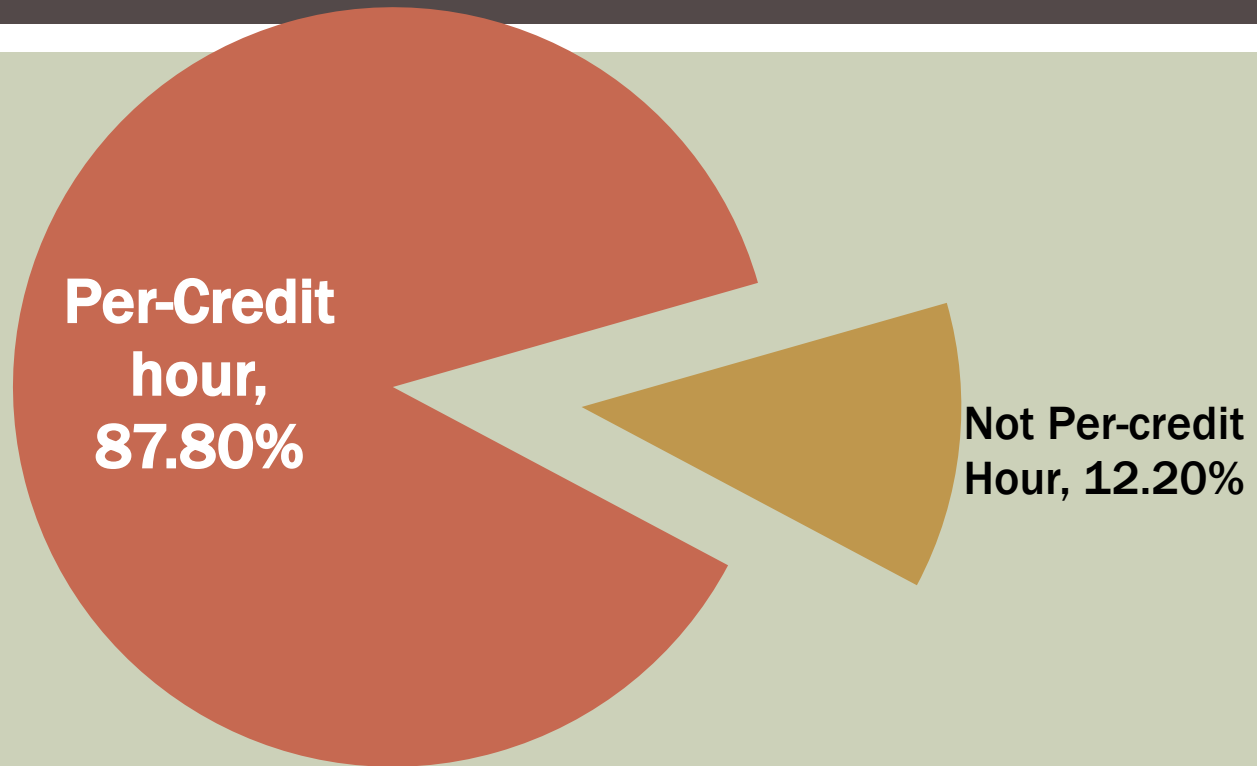


THIS ALL MAKE SENSE, DOESN'T IT?

LA's current full-time student flat-rate tuition structure limits the institutions' ability to offer additional courses in the right sequence and in high-cost programs.

HOW COLLEGES AND UNIVERSITIES CHARGE TUITION IN SREB STATES

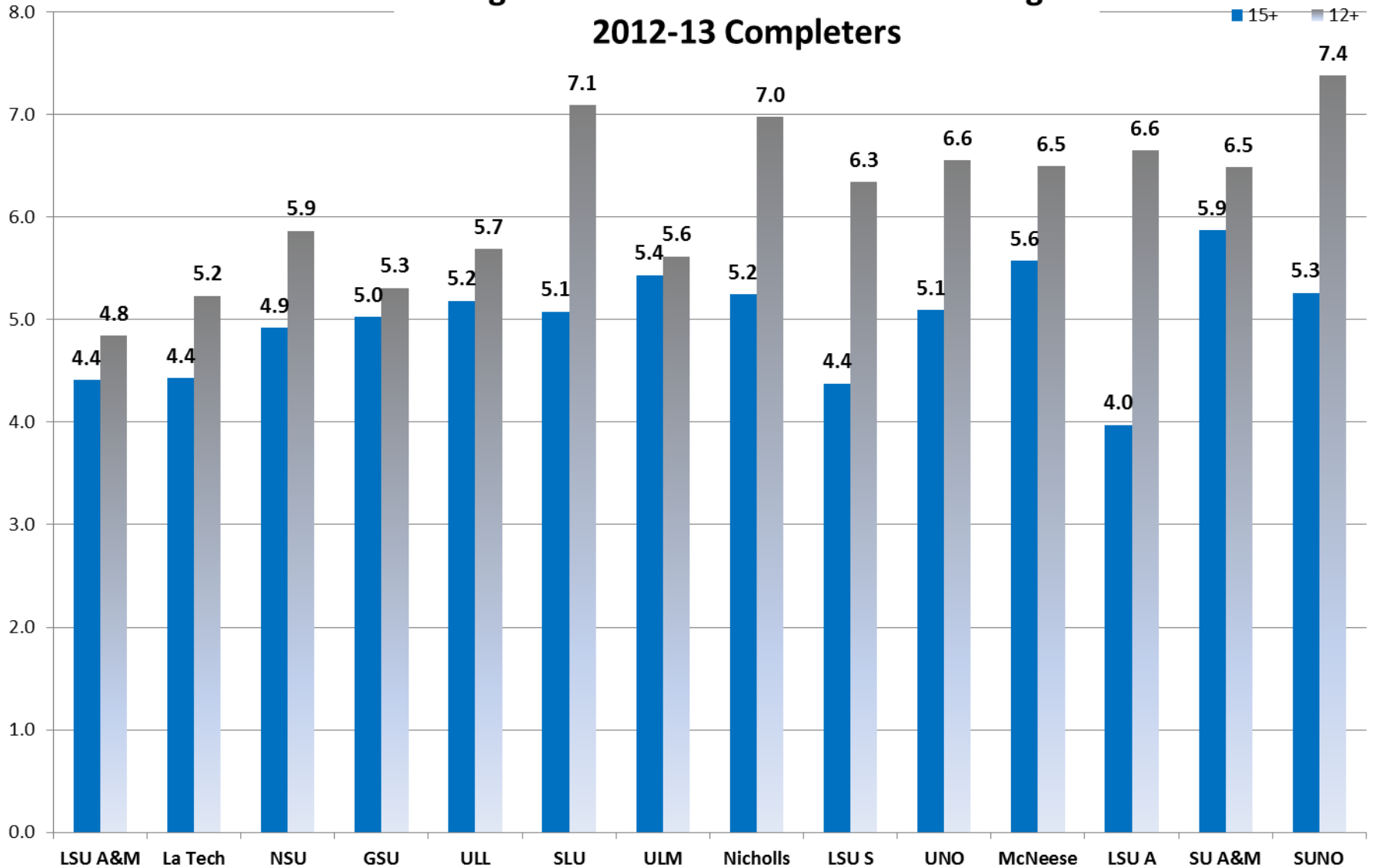
92% charge per-credit hour if you do not include Louisiana



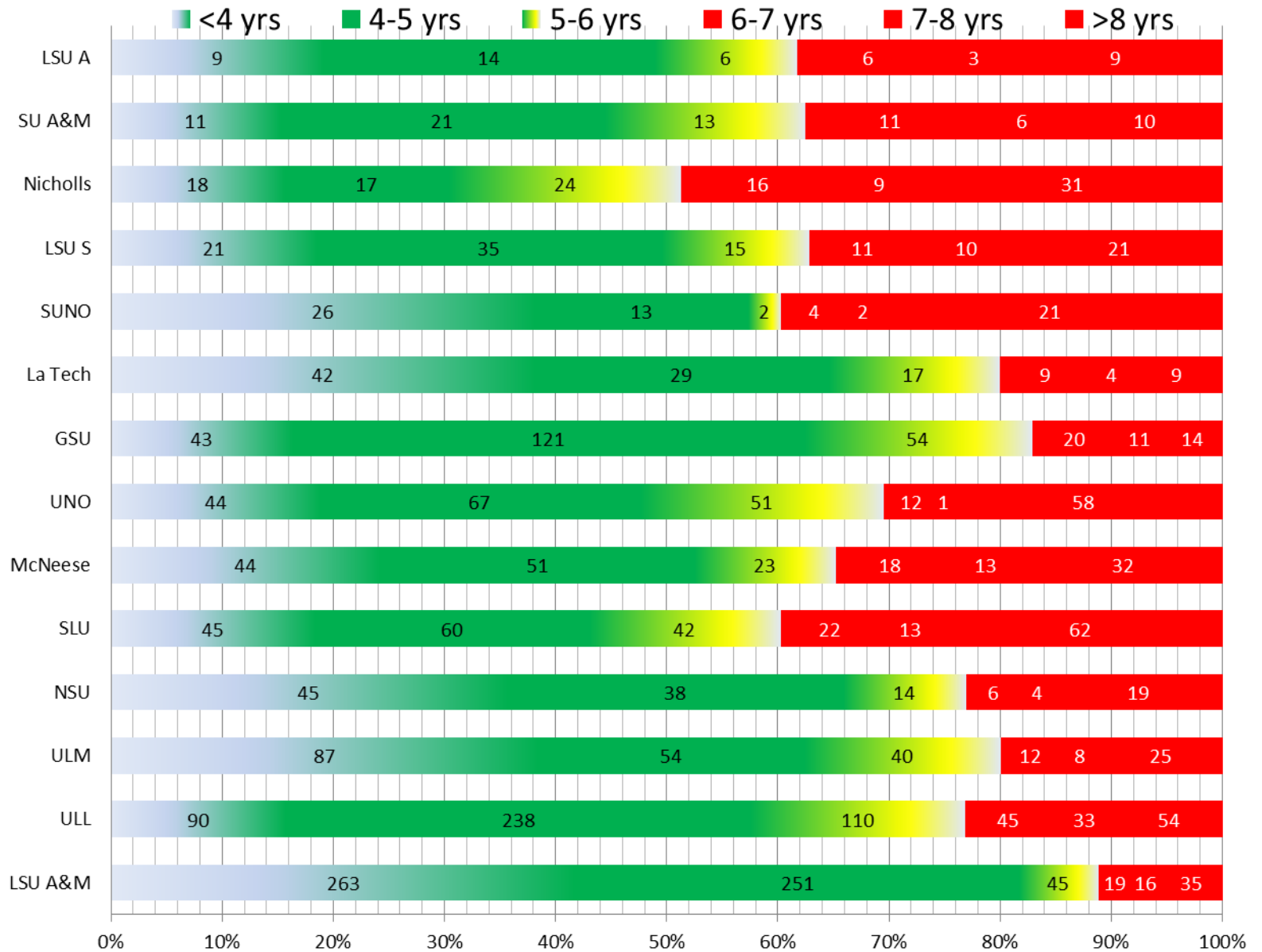
2-years 93.7% charge per-credit hour (includes LA)
4-year 88.5% charge per-credit hour (includes LA)

SREB states are: Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia

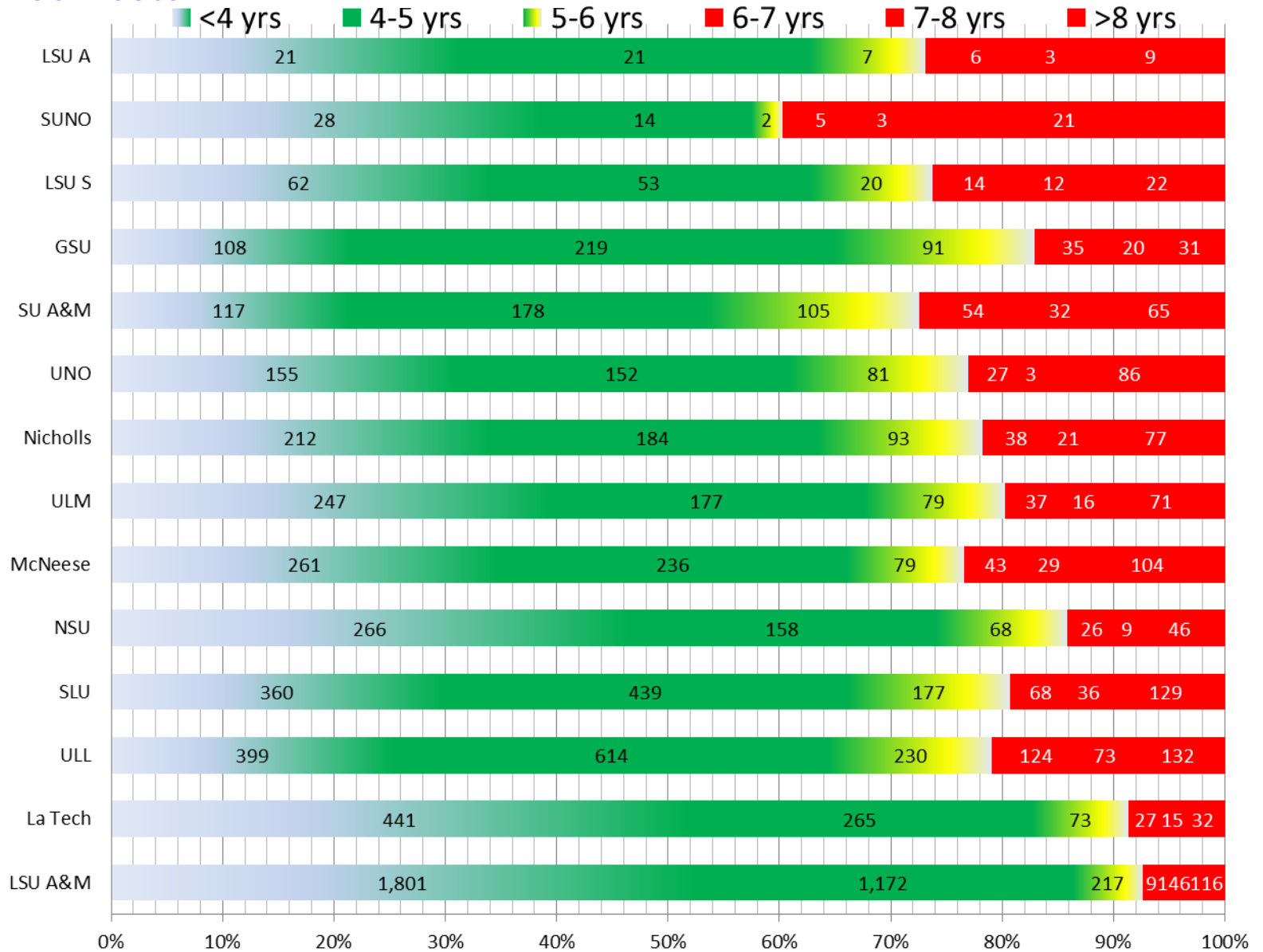
Average Time to Earn a Baccalaureate Degree 2012-13 Completers



2012-2013 Graduates who took **12** hours in their first semester



2012-2013 Graduates who took 15 hours in their first semester



Illustrates how increasing the number of courses a student takes helps to produce desired outcomes

- ✓ Increased student retention and graduation
 - ✓ Reduced time to degree
 - ✓ Increased the number of students who graduate within the federal government's six-year timeframe
-
- How to reduce the cost for college for students
 - Reduce the burden of tuition increases on part-time students
 - Increased access to high-demand programs



SAVINGS FOR STUDENT AND FAMILIES TIME AND MONEY

Increase tuition and per-credit-hour tuition

A university student taking 12 hours a semester will graduate in a minimum of 5 years if all courses were provided in sequence and were available.

@12cr

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
T&F = <u>5,000</u>	5,000	5,000	5,000	5,000	5,000	=\$126,000
L Exp = <u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	
\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	

→ @15cr

Year 1	Year 2	Year 3	Year 4	
T&F = 6,900	6,900	6,900	6,900	=\$91,600
L Exp = <u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	
\$22,900	\$22,900	\$22,900	\$22,900	

Opportunity Cost

1st Year Salary
\$33,000

2nd Year Salary
\$33,000

Savings on college costs of \$34,400 or 27%

SAVINGS FOR STUDENT AND FAMILIES TIME AND MONEY

Increase tuition and per-credit-hour tuition

A university student taking 12 hours a semester will graduate in a minimum of 5 years if all courses were provided in sequence and were available.

and differential tuition

@12cr

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	=\$126,000
T&F = 5,000	5,000	5,000	5,000	5,000	5,000	
L Exp = <u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	
\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	

@15cr and differential tuition

Year 1	Year 2	Year 3	Year 4	=\$94,600	Opportunity Cost
T&F = 6,900	6,900	6,900	6,900		
L Exp = <u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>		
\$22,900	\$22,900	<u>dt 1,500</u>	<u>dt 1,500</u>		
		\$24,400	\$24,400		

1st Year Salary
\$45,000

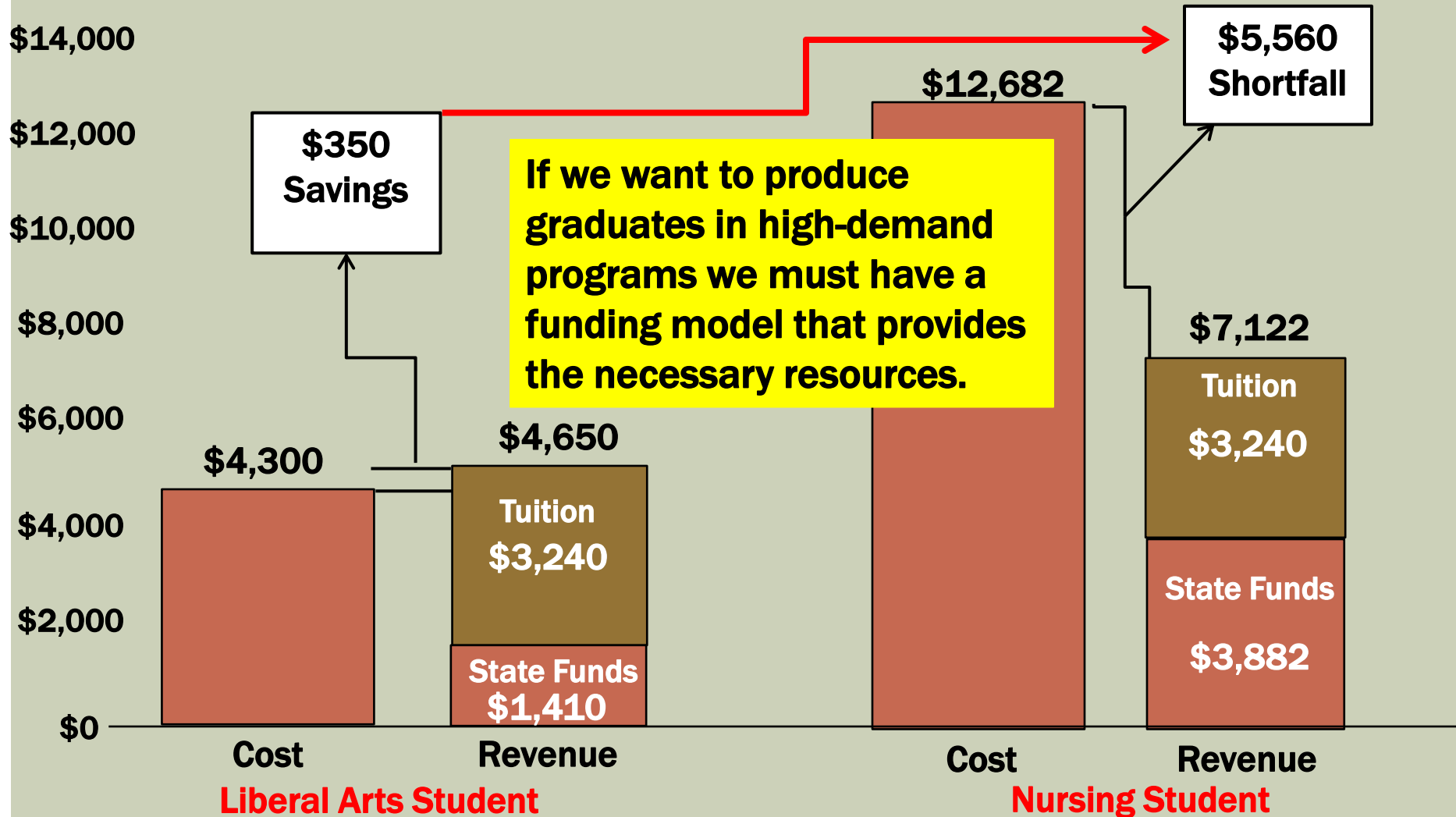
2nd Year Salary
\$45,000

Savings on college costs of \$31,400 or 25%

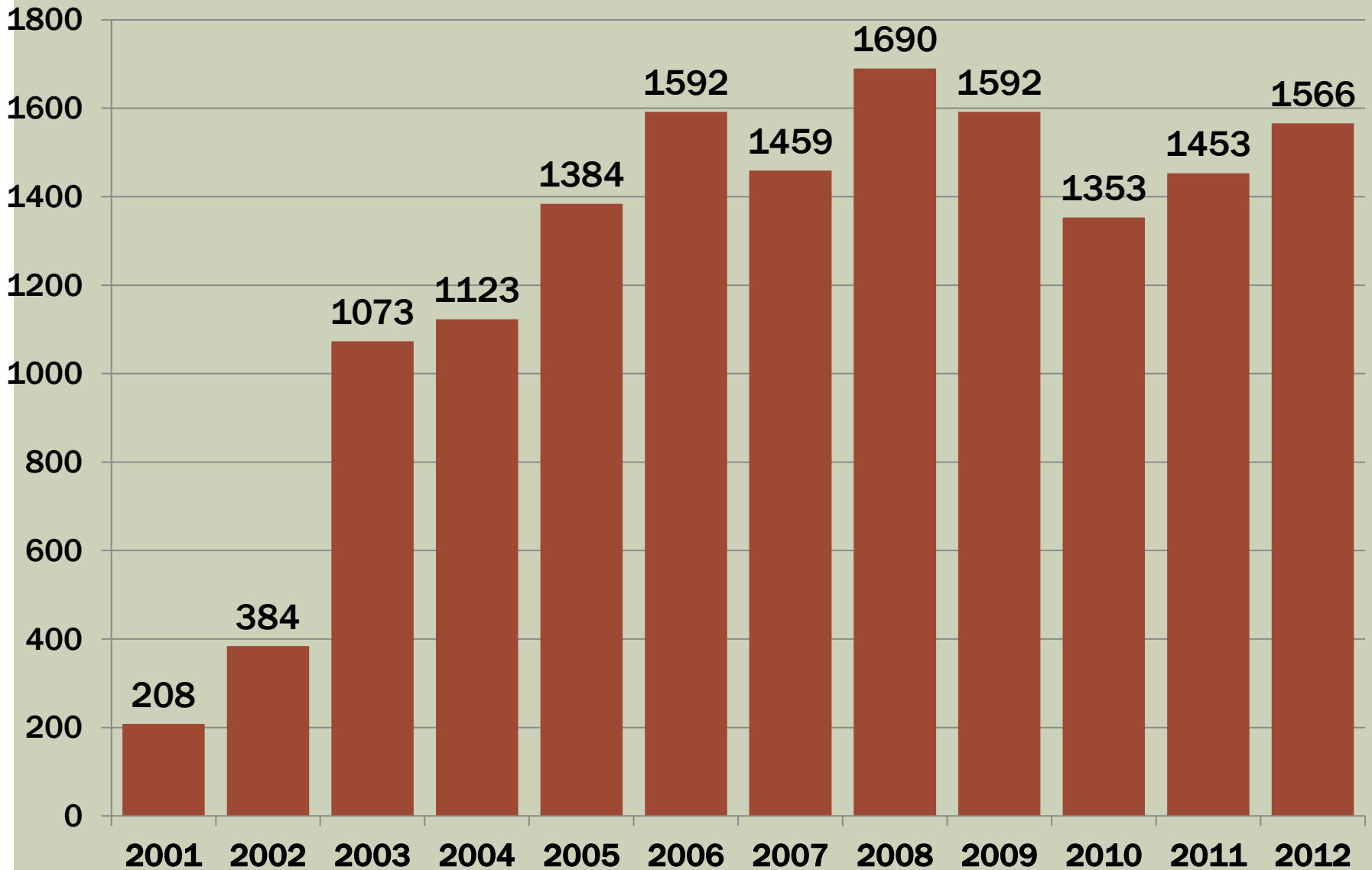
More Students in high-demand high-wage jobs

Funding of High Cost Programs – Annual \$/FTE

It takes the savings from **16 Liberal Arts students** to equal the shortfall from **1 Nursing student**



Qualified Nursing Applicants – **Not Admitted!**



SAVINGS FOR PART-TIME STUDENTS

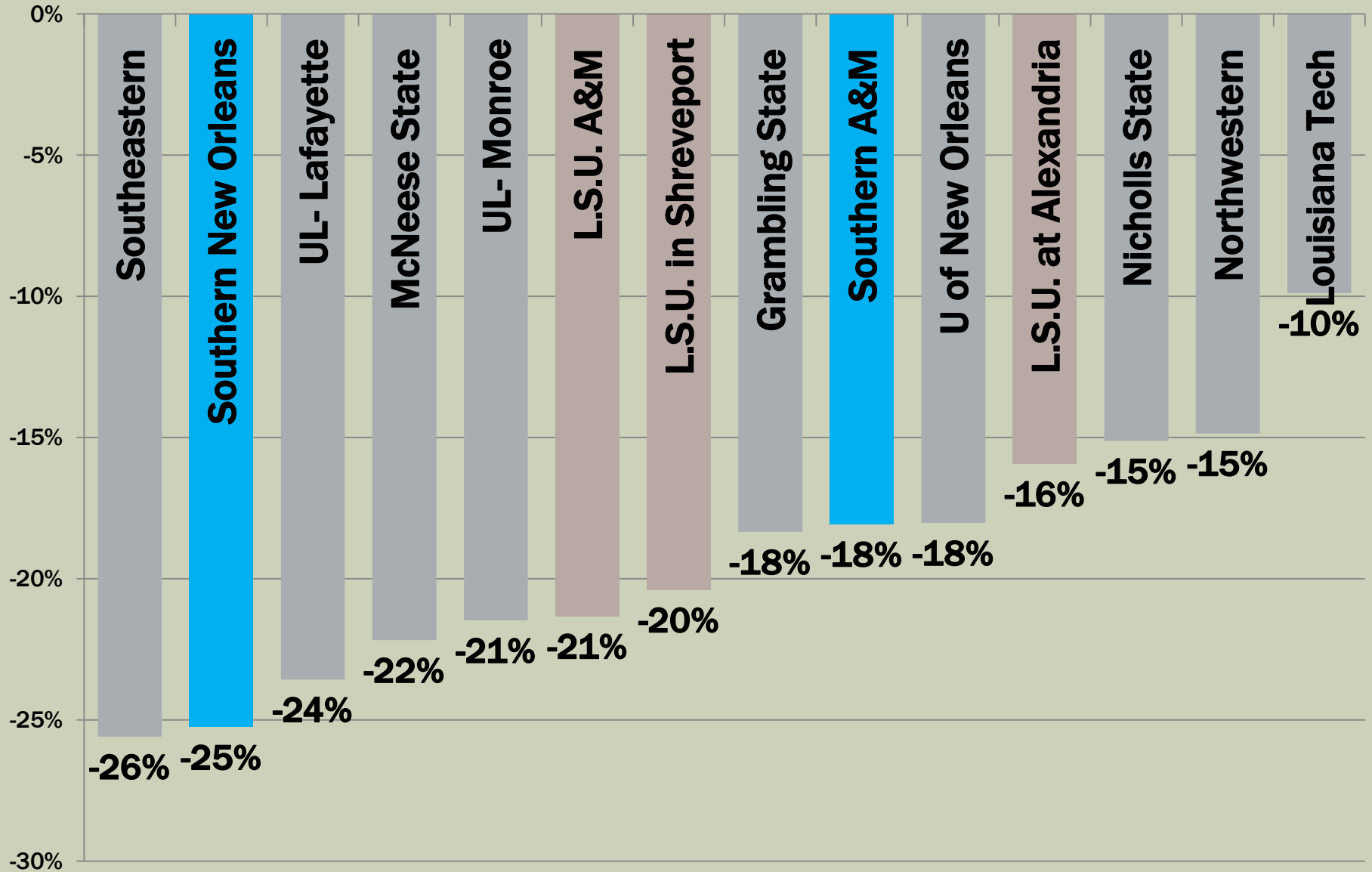
- Part-time students benefit from the per credit-rate because they currently subsidize the ‘free’ hours full-time students get to take above 12 hours.
- For institutions that have many full-time students, the subsidy can be substantial.

Illustrates how increasing the number of courses a student takes helps to produce desired outcomes

- ✓ Increased student retention and graduation
- ✓ Reduced time to degree
- ✓ Increased the number of students who graduate within the federal government's 6 years timeframe
- ✓ **Reduced the cost for college for students**
- ✓ **Reduced the burden of tuition increases on part-time students**
- ✓ **Increased access to high-demand programs**

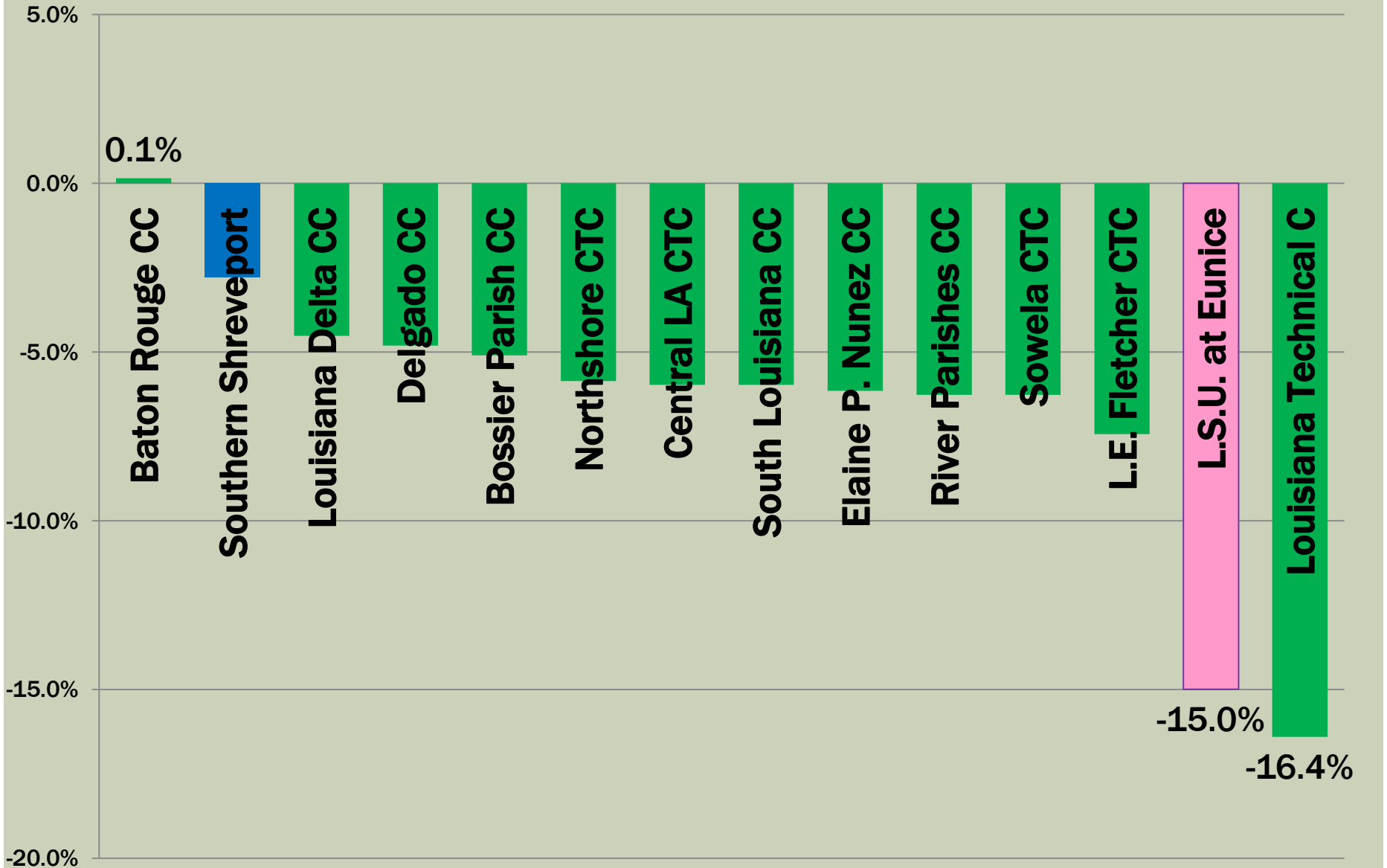


Variance from SREB Peers



Using latest data for SREB peers and Fall 2013 tuition for each LA university.

Variance from SREB Peers



Using latest data for SREB peers and Fall 2013 tuition for each LA college.

Possible Solutions

- **Seek maintenance of state support and the ability to keep tuition revenues earned via GRAD Act.**
- **Seek one-time funds for deferred maintenance issues and targeted efforts that do not require continuous funding.**
- **Seek authorization to allow systems the discretion to...**
 - **Charge tuition on a credit hour basis for select institutions.**
 - **Charge differential tuition for high demand and high cost programs for select institutions.**
 - **Charge up to SREB institution for select institutions.**

YOUR ROLE, SHOULD YOU CHOOSE TO ACCEPT IT:

- **Explain to others the benefits to students and families in terms of greater success, time and \$\$ savings.**
- **Share with your colleagues that 90% of other institutions in the south use a per-credit hour funding approach.**
- **Express your conviction –even to those who do not ask that, based on evidence, per-credit hour tuition will help students and your campus be more successful.**