



2017 CLCU CONFERENCE

April 6, 2017



BOARD of REGENTS
STATE OF LOUISIANA



What does it mean to be educated?

What is the role of higher education?

~ Are our universities institutions of vocational training, funded to prepare students for jobs?

~Or are they institutions whose purpose is something a bit higher than that?

~Both?

~Neither?





What is going on nationally and in Louisiana?



Need Based Aid on College Campuses



Uncertainty at the Federal Level:

Keep PELL

**Elimination of Supplemental Educational
Opportunity Grant (SEOG) for neediest on campus**

Significant cuts in work study

Cuts to Gear Up and TRIO



National Trends on College Campuses



Free Speech & Protests



National Trends on College Campuses



Free Speech & Protests

Development of Student Leaders



National Trends on College Campuses



Free Speech & Protests
Development of Student Leaders
Management of the New Cheating Economy



National Trends on College Campuses



Free Speech & Protests
Development of Student Leaders
Management of the New Cheating Economy
Penetration of Cyber Related Security Issues



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Title IX & Sexual Assault



National Trends on College Campuses



Free Speech & Protests

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The Value Proposition of Higher Education & the Debt Burden

Louisiana's Higher Education Topics



Trends in Louisiana



Budget

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>(\$565,347,806)</i>
<i>*FY 16-17 Scholarships and Fellowships</i>				<i>(\$215,139,268)</i>
<i>Dollars available for operations</i>				<i>\$1,516,893,594</i>
Change in 9 years: \$364M Less for operations				(\$363,949,543)

*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.



.66¢ of every \$1 in state higher education funding goes back to the state for mandated costs



		
State Support		852,272,018
Mandated Costs	-	<u>\$565,347,806</u>
		\$286,924,212

Remaining state support for higher education



Trends in Louisiana



Budget

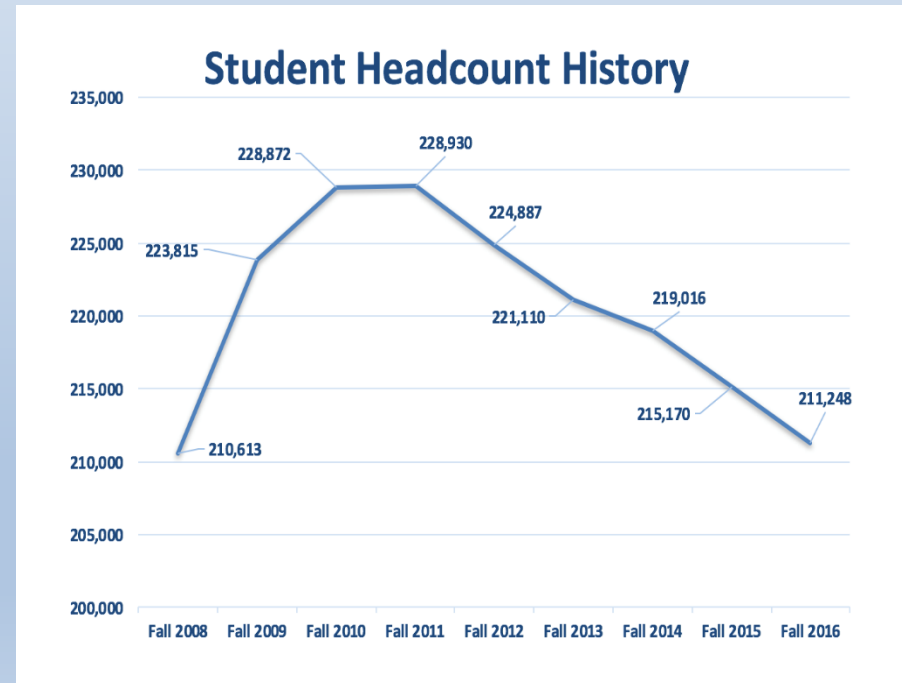
Enrollment



Enrollment Trends

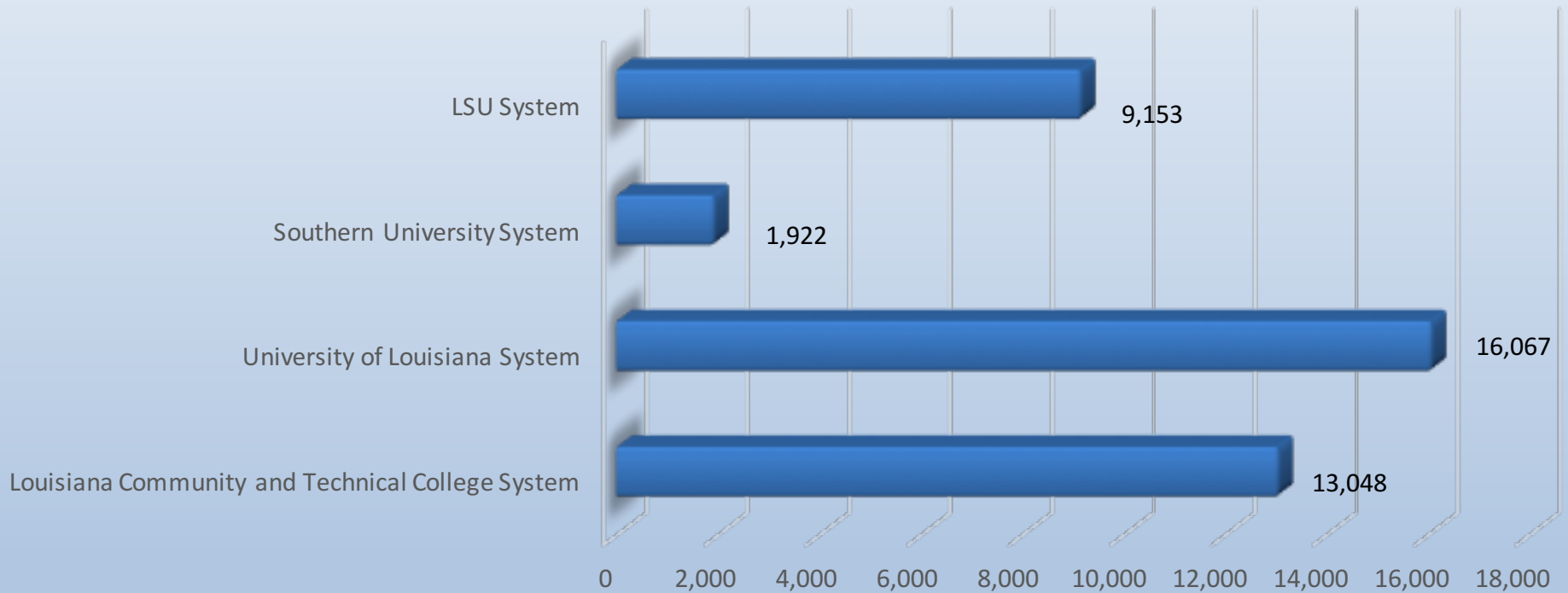
Louisiana Public Higher Education Enrollment by System

System	Fall 2015 Enrollment	Fall 2016 Enrollment
Louisiana State University System	45,626	46,548
University of Louisiana System	90,483	90,980
Southern University System	13,061	12,661
Louisiana Community and Technical College System	65,990	61,059
Total	215,160	211,248



Completers by System

2015



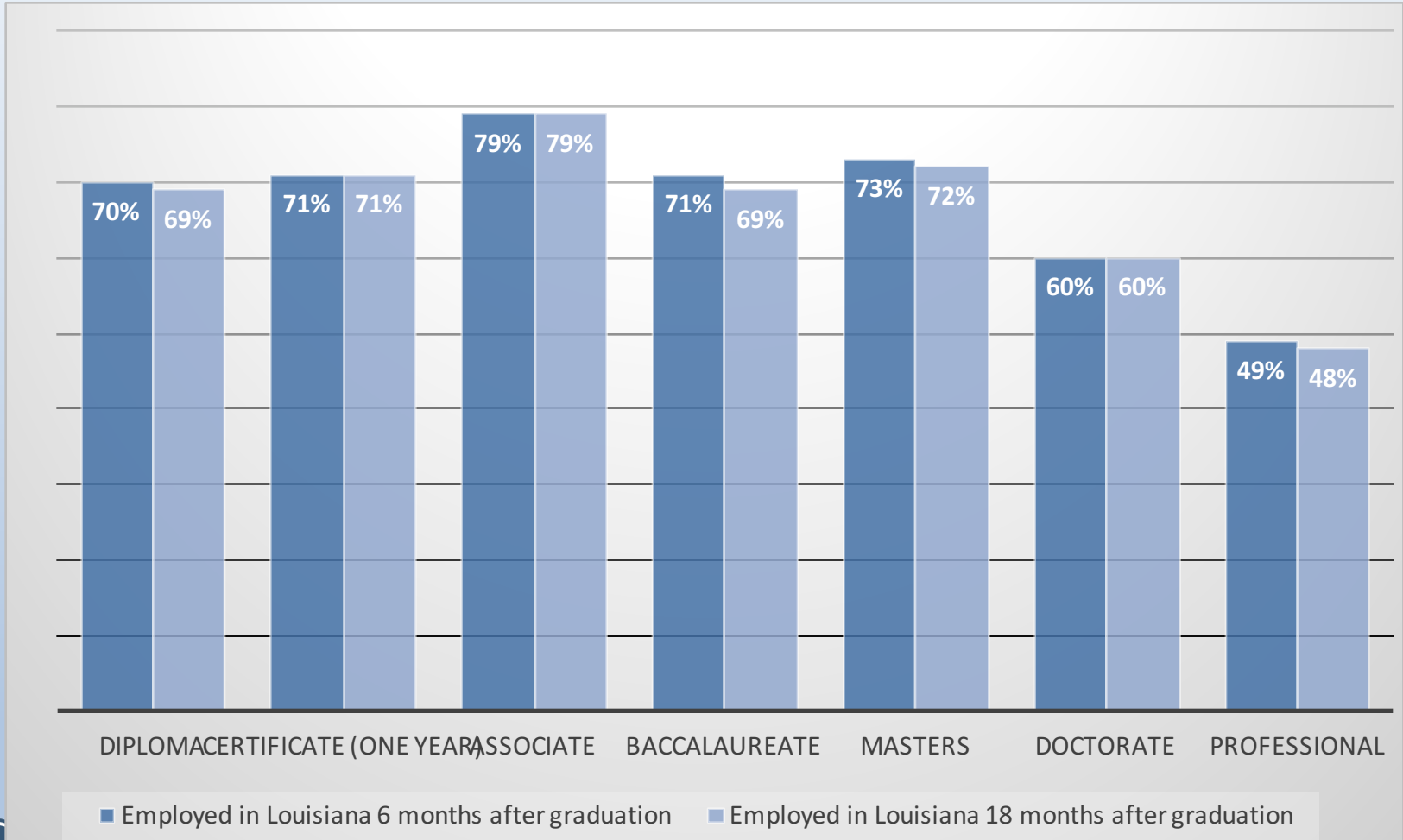
Unduplicated headcount of students who completed any program and received applicable credential



Employed LA Degree Completers

Based on both 2013-14 and 2014-15

Percentage of Completers found employed two quarters after their respective Completion Term.



Trends in Louisiana

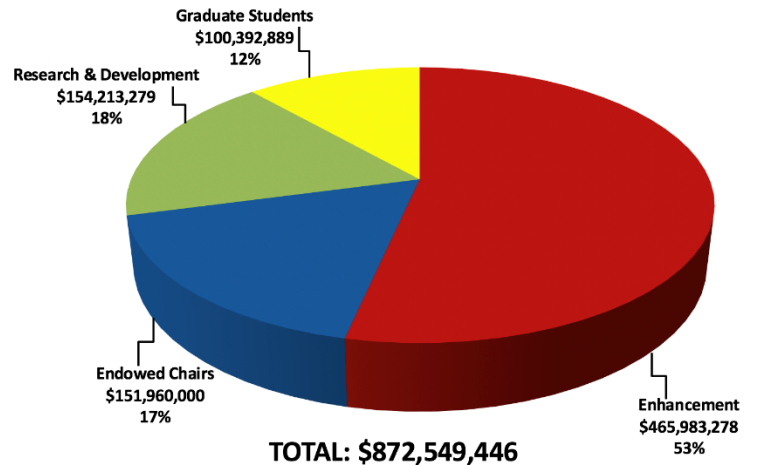


Budget
Enrollment
Decreased Funding for Sponsored Programs

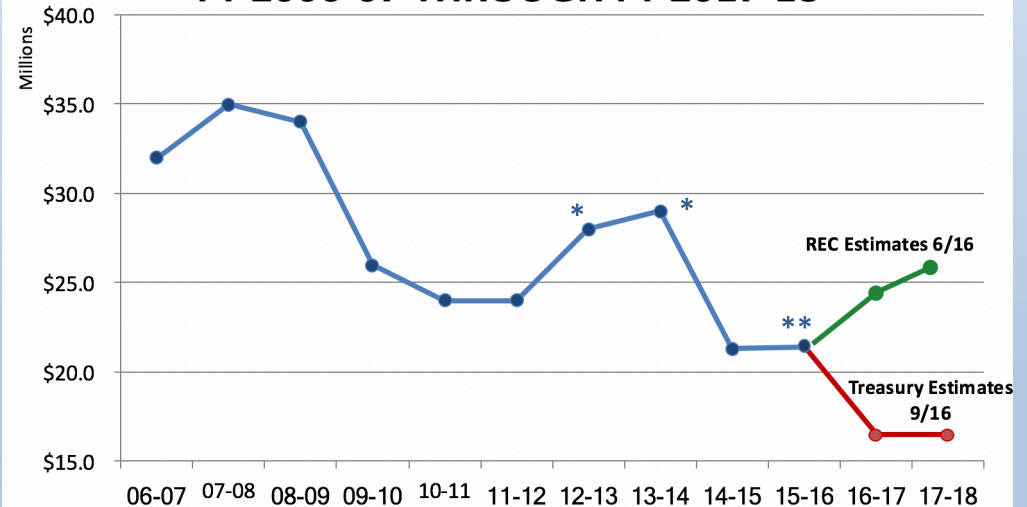


Sponsored Programs Funding Reduction

BoRSF ALLOCATIONS TO FOUR CONSTITUTIONAL PROGRAMS: FYs 1986-87 THROUGH 2015-16



**SUPPORT FUND INCOME
FY 2006-07 THROUGH FY 2017-18**



* Income received included \$3-5+ million in additional gains realized for the purpose of matching backlogged Professorships; receipts minus additional gains totaled \$24.7-\$26.2M
 ** Final income total Includes one-time capital gains realized to accommodate new rules for international investing, along with a 5% reduction to statutory dedications taken to help address the declared deficit in State General Funds





Trends in Louisiana

Budget

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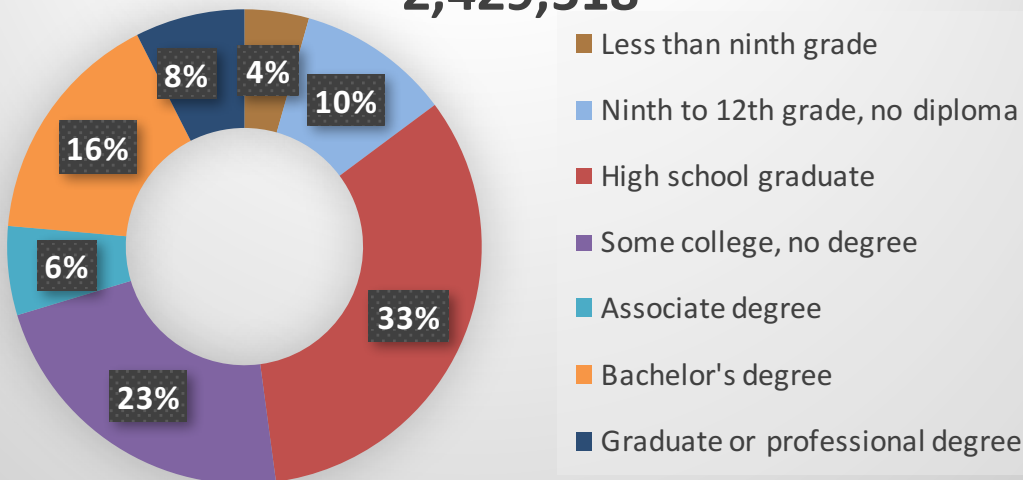
High Wage and High Demand Jobs



High Wage and High Demand

WORKING AGE POPULATION TOTAL

2,429,518



- By 2020 approximately 53% of open jobs in Louisiana will require a career credential or college degree. Currently, only 28% of Louisiana adults have an associate degree or higher. *Source: GUCEW*
- Louisiana ranks 49th in educational attainment with only 29.1% of working-aged residents, 25-64 years, earning an associate's degree or higher. *Source: NCHEMS*
- **In order to reach the average educational attainment rate for Southern states, Louisiana will need to increase the percentage of adults with some college from 29.1% to 46.6% by 2025, or an increase of 148,277 degrees.** *Source: NCHEMS*



Skills Not Aligned to High Demand Jobs

Workforce Gaps in Economic Driver Occupations



Some Critical Fields in Industries That Drive Job Creation	Additional Completers Needed Annually Through 2022
Computer and Information Science	223
Engineering	246
Engineering Technology (including Process Technology)	1,717
Construction Trades	4,674
Statistics and Management Science	200
Mechanic and Repair Technologies	1,575
Precision Production (Welding and Machining)	1,150
Transportation and Material Moving	1,091
Accounting	165
Construction Management	46
Management Information Systems	26
Logistics, Materials, and Supply Chain Management	8

Source: LED-LWC gap analysis using LWC 2022 occupational forecast.

Highest Level of Education	Graduates	Available for Work	Jobs Available for These Grads	3-, 4-, and 5- Star Jobs Available for These Grads	Grads Likely to Struggle to Find Good Jobs	% of Grads Likely to Struggle
High School	46,000	24,000	20,430	7,380	16,620	69%
2- Year College	22,743	10,068	24,300	19,860	9,792	N/A
4- Year College	18,400	11,600	9,900	9,150	2,450	21%
Graduate & Professional Schools	6,800	6,800	2,510	1,950	4,850	71%
TOTAL		52,468	57,140	38,340	23,920	44%

Source: 2013-14 completer data from the Louisiana Department of Education, Louisiana Board of Regents and 2014-15 completer data from Louisiana Community and Technical College System, and the revised 2022 occupational forecast by the Louisiana Workforce Commission.





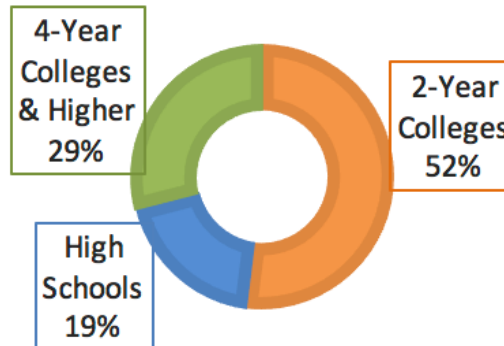
Trends in Louisiana

Budget
Enrollment
Decreased Funding for Sponsored Programs
High Wage and High Demand Jobs
Types of Job Openings in the Next 5-10 Years



Louisiana Job Market

NEW GOOD JOBS ANNUALLY FOR EACH MINIMUM LEVEL OF EDUCATION



One in five good (3-, 4- and 5 star) jobs that will become available each year will require no formal education beyond a high school diploma.

Slightly more than half of the good jobs across Louisiana today and those that will become available each year require a community or technical college degree or other credential.

Slightly more than one in four good jobs in Louisiana requires a bachelor's degree or higher.



Trends in Louisiana



Budget
Enrollment
Decreased Funding for Sponsored Programs
High wage and high demand jobs
Types of job openings in the next 5-10 years
Outcomes based funding



Outcomes Based Funding

- 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.



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.



EDUCATE



INNOVATE

The New Realities



EDUCATE



INNOVATE

Approve, as appropriate, revisions to existing role, scope and mission statements.

Develop and adopt a policy on mergers/consolidations of institutions.

Develop and adopt a policy on financial early warning and financial stress.

Revise Regents policy on low-computer review to elevate the threshold for review.

Conduct a statewide and regional review of all graduate programs.

Conduct a statewide and regional review of targeted undergraduate programs.

Review degree program requirements and available courses to encourage/reward structured pathways to degrees: high school dual enrollment





Additional Changes

Outcomes based funding model: implemented July 1

TOPS funded at 70% and decoupled from tuition increase

Governor's Proposed Budget

Senator Hewitt and Act 619



Governor's Proposed Budget



Governor's proposed budget for FY17-18:

- \$18.3 million less funding for higher education, a reduction of 2.5%
- \$12 million less is available for formula institutions (\$12 m of the \$18.3 m)
- \$6.3 million less available for non-formula entities (\$6.3 m of the \$18.3 m)



- TOPS and GoGrants are held at the current year levels of \$209 million and \$26.4 million.

An additional \$81.8 million is needed to fully fund TOPS and \$34.8 million is needed to fully fund GoGrants.

Hospital legacy costs remain funded.



The proposed budget does not include funding for the following:

- Deferred maintenance, estimated at about \$1.8 billion for higher education
- Anticipated mandated cost increases, which currently account for .66 cents out of each \$1 of general funding for higher education.



*The 2017 Regular Legislative session is scheduled for
April 10, 2017 through June 8, 2017.*

Top Priorities

<p>Tuition/fee autonomy for our institutions</p>
<p>Removal of all statutory dedications to allow higher education a level playing field</p>
<p>Development/enhancement of cooperative unification plans for institutions within each of the Eight Louisiana Regional Labor Market Areas to identify potential efficiencies in areas such as academic and technical offerings, student services, research, purchasing and food service.</p>
<p>Develop statewide standards for dual enrollment in high school that address: access and eligibility, faculty qualifications, rigor and delivery, cost and funding.</p>
<p>Develop a statewide plan for the utilization of Open Educational Resources (OER) with the express purpose of significantly lowering the cost of course materials for students. Work with management boards, campuses and business and industry partners to expand programs that connect students with work based learning opportunities.</p>
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THINK

Educate

ELEVATE

Innovate

Louisiana

