



Outcomes Based Formula Summit 2.0

July 10, 2017

Pennington Biomedical Research Center

“the more we can dispel the confusion, the better”

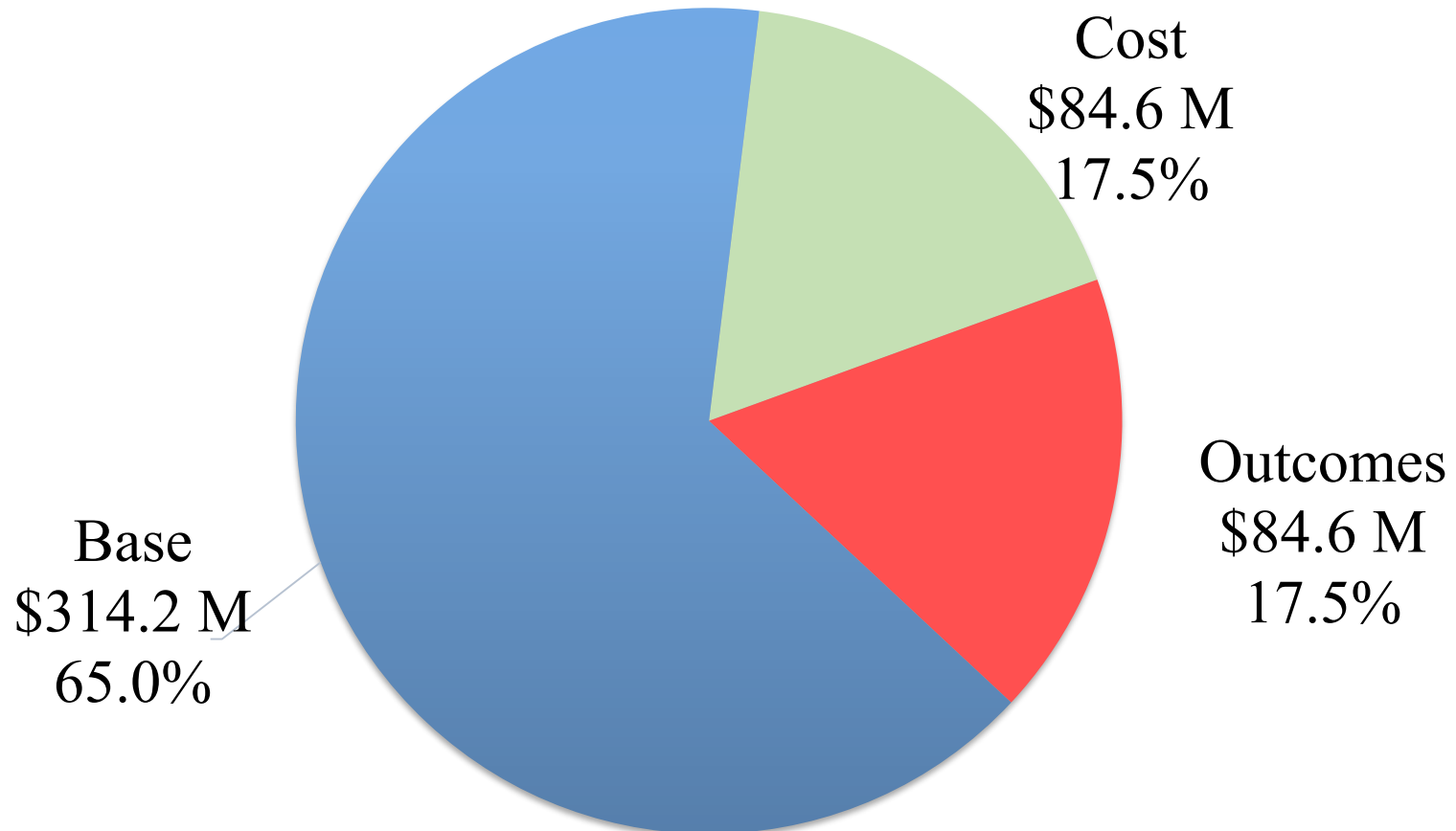
Formula Implementation and Distribution Timeline

FY 08-09 and Prior	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Full-Time Equivalent (FTE) by SREB Category	Cost Formula	Cost Formula	Cost Formula	Cost Formula	Cost + Strategic Initiatives Formula	Cost + Strategic Initiatives Formula	Cost + Strategic Initiatives Formula	Outcomes Based Funding Formula
Formula is funded at the SREB average for the first time.	ARRA Funding is used to minimize dramatic funding losses	ARRA Funding is used to minimize dramatic funding losses	Formula is used with 4% Stop/Loss	Formula is used with 4% Stop/Loss	Formula is used with 4% Stop/Loss	Formula is not used. Pro-Rata based on previous year is basis for distribution	Formula is not used. Pro-Rata based on previous year is basis for distribution	Formula is used in distribution on a 70% base/15% cost/15% outcomes basis

Formula Funding

- Act 462 (2014): develop an outcomes-based formula for 2yr & 4yr inst.
- BoR Formula distribution for FY18: **\$483 M**

65% base funding, 17.5% cost (estimated), 17.5% outcomes-based



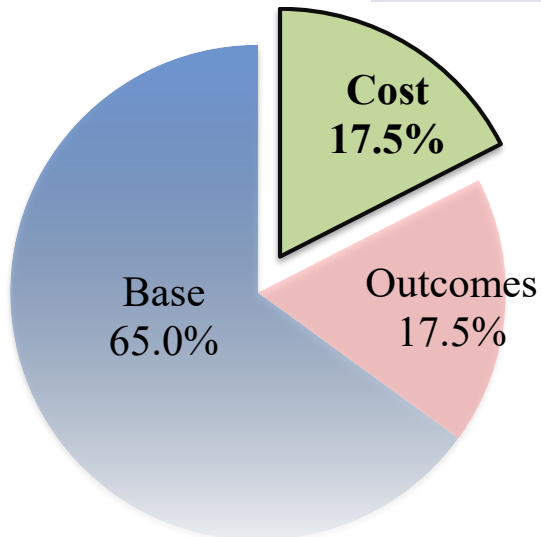


Cost Portion

BoR Funding Formula: COST Portion

$$\begin{array}{|c|} \hline \text{Weighted} \\ \text{SCHs} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Base SCH} \\ \text{Value} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{CORE Cost} \\ \hline \end{array}$$

$$+ \begin{array}{|c|} \hline \text{OP\&M} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{General} \\ \text{Support} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{TOTAL} \\ \text{COST} \\ \hline \end{array}$$



$$\begin{array}{|c|} \hline \text{State Share,} \\ \text{by SREB} \\ \text{Category} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Calculated} \\ \text{State Share} \\ \text{of COST} \\ \hline \end{array}$$

BoR Funding Formula: COST Portion

Weighted SCHs

X

Base SCH Value

=

CORE Cost

Student SCH's X Weights by
Cost Group & Level*

*SREB Avg Salary by category & Benefits
Avg Lower Level, Liberal Arts Class Size*
Academic & Support Services*

2-Yr Annual Student Credit Hours*

Cost Group	FTE	Developmental SCH's	LLU SCH's	ULU SCH's	Total SCH's
Liberal Arts	15,765.0	63,631	409,318	0	472,949
Science	5,445.3	0	162,706	0	163,360
Vocational Training: Precision Trades	3,678.1	0	110,344	0	110,344
Business Administration	3,186.1	0	95,583	0	95,583
Technology	2,588.6	0	77,659	0	77,659
Nursing	2,402.9	0	52,349	19,738	72,087
Health Services	2,101.3	0	63,040	0	63,040
Fine Arts	1,558.9	0	46,766	0	46,766
Engineering	628.3	0	18,850	0	18,850
Vocational Training: Personal Services	591.0	0	17,730	0	17,730
Teacher Education	438.5	0	12,991	0	13,155
...	...	...	...	...	...
Grand Total	42,152.9	129,966	1,114,882	19738	1,264,586

4-Yr Annual Student Credit Hours*

Based on Level of the Student

Cost Group	FTE	LLU SCH's	ULU SCH's	Masters SCH's	Spec/Prof SCH's	Doctoral SCH's	Total SCH's
Liberal Arts	44,647.4	760,855	483,932	53,276	1,122	17,189	1,321,525
Science	19,393.2	300,182	242,744	15,102	6	15,987	574,021
Business Administration	14,761.8	97,017	278,798	50,966	102	2,564	429,447
Engineering	9,872.6	93,187	169,729	15,515	0	10,294	289,727
Teacher Education	6,877.7	38,135	88,344	51,965	649	11,150	190,391
Fine Arts	6,249.7	102,810	73,112	6,941	18	2,296	185,177
Nursing	3,751.2	14,883	79,563	13,197	691	583	108,917
Health Services	3,747.0	22,022	59,476	23,073	0	1,657	106,228
Home Economics	1,443.1	9,250	30,432	1,848	3	1,037	42,570
Social Service	1,409.0	4,123	18,526	15,389	0	307	38,345
Agriculture	1,163.0	12,493	16,736	2,248	0	2,280	33,757
Technology	1,029.5	9,315	20,123	1,139	0	18	30,595
...	...	...	...	...	...	...	...
Grand Total	118,011.7	1,490,245	1,575,506	254,441	52,183	67,215	3,446,892

Louisiana Cost Weights Matrix

Group Name	LLU	ULU	Mast	Doct/Prof
Liberal Arts	1.00	1.69	3.91	9.23
Agriculture	2.02	2.54	7.13	9.62
Business Administration	1.11	1.71	3.16	23.34
Engineering	2.42	3.70	7.46	16.03
Fine Arts	1.42	2.33	5.41	7.22
Health Services	1.19	1.81	3.15	9.75
Home Economics	1.03	1.66	2.89	7.24
Law	1.00	1.96	4.15	0.00
Library Science	1.44	1.12	2.69	9.64
Military Science	1.00	1.00	1.00	0.00
Nursing	3.12	5.32	6.49	16.32
Pharmacy	1.48	5.02	23.28	34.24
Physical Training	1.38	1.18	0.00	0.00
Science	1.75	2.92	7.84	21.07
Social Service	1.88	2.09	2.98	14.70
Teacher Education	1.41	1.74	2.27	7.37
Technology	2.10	2.45	3.87	2.84
Veterinary Science	0.00	0.00	20.04	20.04
Vocational Training: Precision Trades	1.85	2.25	0.00	0.00
Vocational Training: Transportation	3.25	4.00	0.00	0.00
Vocational Training: Data Processing	1.51	3.00	0.00	0.00
Vocational Training: Health Services	2.65	0.00	0.00	0.00
Vocational Training: Personal Services	1.28	1.55	0.00	0.00

Student Credit Hour* Mix

Group Name	Sum of Total Credit Hours	Sum of Weighted Credit Hours	%
Liberal Arts	1,794,474	2,459,102.6	24%
Science	737,381	1,975,127.5	19%
Engineering	308,577	1,181,334.5	11%
Business Administration	525,030	912,344.9	9%
Nursing	181,004	837,692.8	8%
Fine Arts	231,943	436,974.2	4%
Teacher Education	203,546	427,867.9	4%
Veterinary Science	19,130	383,365.2	4%
Pharmacy	16,739	373,488.6	4%
Health Services	169,268	297,711.0	3%
Technology	108,254	236,405.8	2%
Vocational Training: Precision Trades	110,542	204,580.4	2%
Other	112,501	142,434.1	1%
Agriculture	37,227	112,716.5	1%
Social Service	38,408	96,961.1	1%
Home Economics	52,789	83,427.5	1%
Law	23,077	81,476.6	1%
Vocational Training: Personal Services	21,296	27,802.9	0%
...	...	...	...
Grand Total	4,711,478	10,307,881.8	100%

Base Student Credit Hour Cost Factors

- SREB Average Salary by Category, All Ranks (updated annually)
- Blend of Teachers Retirements System of Louisiana (TRSL) and LASERS Benefits Rate + Group Benefits (updated annually)
- College and University Professional Association (CUPA) Faculty Salary Study by Discipline
- Avg. Lower Level Undergraduate Liberal Arts Class Size
(3 groups, 26-24-22)
- SREB Undergraduate Full-Time Equivalent - 30 annual credit hours
- Academic Support/Services, based on IPEDS Data Analysis
- SREB State Share, as a % of Total Educational & General Operations

SREB Categories

Category	Institution	Definition
Four Yr 1	LSU	Award ≥ 100 doctoral degrees distributed among ≥ 10 CIP categories (2-digit) with $\leq 50\%$ in any one category
Four Yr 2	LA Tech UL Lafayette UNO	Award ≥ 30 doctoral degrees distributed among ≥ 5 CIP categories.
Four Yr 3	Southeastern SUBR UL Monroe	Award ≥ 100 graduate degrees distributed among ≥ 10 CIP categories
Four Yr 4	Grambling LSU Shreveport McNeese Nicholls Northwestern	Award ≥ 30 graduate degrees distributed among ≥ 5 CIP categories.
Four Yr 5	SUNO	Award ≥ 30 graduate degrees.
Four Yr 6	LSU Alexandria	Award ≥ 100 bachelor's degrees distributed among ≥ 5 CIP categories, with bachelor's degrees being $\geq 30\%$ of total awards (including certificates), and award ≤ 30 graduate degrees.
Two Year (All)	LSU Eunice, SU Shreveport All CCs & TCCs	Award associate's degrees and offer college transfer courses, some certificates and diplomas.
Technical College	NWLTC	Award vocational-technical certificates & diplomas, plus some vocational-technical associate degrees.

BoR Funding Formula: Reality

**Weighted
SCHs***

X

**Base SCH
Value**

=

CORE Cost

\$2.4B

+

**OP&M, based
on net square
footage***

+

**General
Support/
Services
(IPEDS data)**

=

**TOTAL
COST**

\$1.06B

**\$483 Million
Allocation**

X

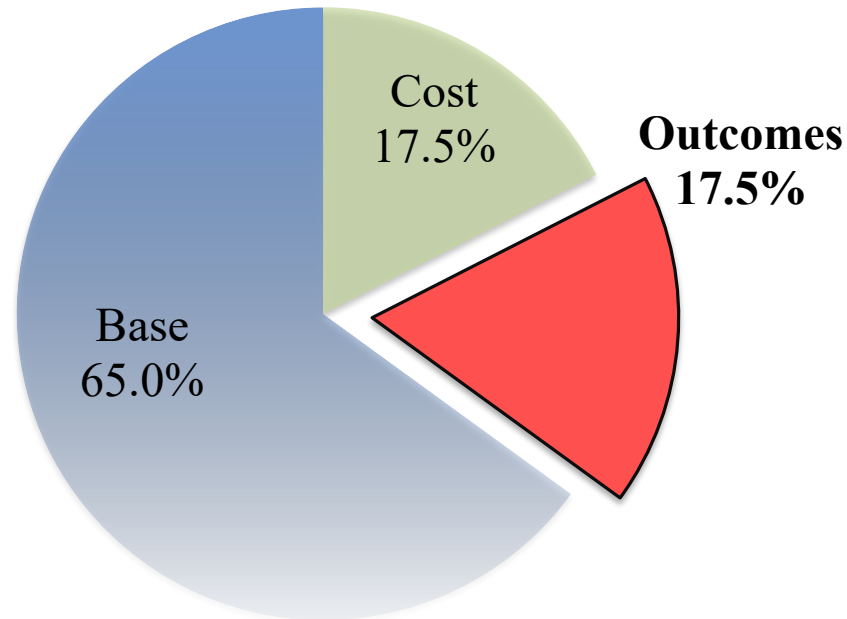
**State Share,
by SREB
Category**

=

**Calculated
State Share of
COST**



Outcomes Portion



GRAD ACT Performance Objectives and Outcomes Based Funding Formula Metrics

GRAD ACT	Outcomes Based Funding Formula Measure
Student Success	Retention/Progression: Enrollment counted at the student level, by the accumulation of credits Completers by Award Level: Certificate, Diploma, Associate, Baccalaureate, Graduate
Articulation and Transfer	Number of Students Cross Enrolled at Two and Four-Year institutions Number of Transfers from Two-Year to Four-Year institutions
Workforce, Economic Development	Number of Completers in Programs Leading to 4 or 5 Star Jobs Undergraduate Adult Completers Age 25 and Above Grant Funded Research
Efficiency and Accountability	Time-To-Award for Students Earning an Associate Degree Time-To-Award Students Earning a Baccalaureate Degree (Native & Transfer Ins) Enrollment and Completion of Students on Pell

Outcomes Metrics

- **Retention and Progression**
- **# Completers**
- **# Students cross-enrolled** at 2 & 4yr institutions
- **# Transfers** from 2 to 4yr institutions
- **# Completers** leading to **4 or 5 star jobs**
- **# Undergraduate Adult Completers** age ≥ 25
- **\$ Grant-funded** research
- **Time-to-award** for students: **Associate**
- **Time-to-award** for students: **Baccalaureate**
- Enrollment and Completion of students on **Pell**

Outcomes Metrics: Access

2-Year Institutions

Student Progression		Adult Students		Pell Students		Cross-Enrld		
Student Level*	<i>Enrl Factor</i>	Age* Group	<i>Adults Factor</i>	Pell* %	<i>Pell Factor</i>	X-Enrl* 4-Yr	<i>X-Enrl Factor</i>	
PR	0.5	≥25	0		Factor 0.2		Factor 0.1	
FR	0.75		0.1					
SO	1		0.1					
Other	1.1		0.1					

4-Year Institutions

Student Progression		Adult Students		Pell Students			Research	
Student Level*	<i>Enrl Factor</i>	Age* Group	<i>Adults Factor</i>	Pell* % of UG	<i>Pell Factor</i>		Res	<i>Res Factor</i>
PR	0.5	≥25	0		Factor 0.2			1.5
FR	0.5		0.1					
SO	0.75		0.1					
JR	1		0.2					
SR	1.1		0.2					
Other	0.75		0.1					
GRAD	1.2							

Outcomes Metrics: Completers

2-Year Institutions

Time to Assoc Degree*		Cert/Degree Completer*					Completers in Programs* Leading to 4 or 5 Star Jobs		
TTD	<i>TTD Factor</i>	Max Award	<i>Award Factor</i>	Trans* 2yr-4yr	Pell*, Any Level	≥25 Cmpl*	LED Priority	Cmpl, all Award Lvls	<i>Factor</i>
<2 yrs	1.5	Cert	0.25				4		3.5
2.0 - 2.3	1.4	Diploma	0.50				3		3.0
2.3-2.7	1.3			Factor	Factor	Factor	2		2.5
2.7-3.0	1.2			1.0	0.25	0.25	1		1.5
3.0-4.0	1.1								
>4 yrs	1								

4-Year Institutions

TTD Bacc*		TTD Transfer*		GRAD*				≥25	Compl, 4 or 5 Star Job Programs*	
TTD	<i>TTD Factor</i>	TTD Trnsfr	<i>TTD Factor</i>	GRAD	<i>Factor</i>	Trans* 2yr-4yr	Pell*, Any Level	UGrad Cmpl*	LED Priority Factor	
<4 yrs	1.5	<3 yrs	1.5	Mastrs	1					
4.0-4.5	1.4	3.0-3.5	1.4	Post-M	0.5					
4.5-5.0	1.3	3.5-4.0	1.3	Doctrl	1.5	Factor	Factor	Factor	4	3.5
5.0-6.0	1.2	4.0-4.5	1.2	Prof	2	0.5	0.25	0.25	3	3.0
5.0-8.0	1.1	4.5-6.0	1.1	Post-P	0.5				2	2.5
>8 yrs	1	>6 yrs	1	Sp/GC	0.5				1	1.5

ACCESS (2-Yr)

Student Progression		Adult Students		Pell Students		Cross-Enrolled	
Student Level	<i>Enrl Factor</i>	Age Group	<i>Adults Factor</i>	Pell	<i>Pell Factor</i>	X-Enr 4-Yr	<i>X-Enrl Factor</i>
PR	0.5	≥25	0		Factor 0.2		Factor 0.1
FR	0.75		0.1				
SO	1		0.1				
Other	1.1		0.1				

OUTCOMES (2-Yr)

Time to Associate Degree		Cert/Degree Completer		Trans 2-4yr	Pell, Any Lvl	≥25 Cmpl	Completers in Programs Leading to 4-5 Star Jobs		
TTD	<i>TTD Factor</i>	Max Award	<i>Award Factor</i>				LED Priority	Cmpl, all Award Levels	<i>Factor</i>
<2 yrs	1.5	Cert	0.25	Factor 1.0	Factor 0.25	Factor 0.25	4		3.5
2.0 - 2.3	1.4	Diploma	0.50				3		3.0
2.3-2.7	1.3						2		2.5
2.7-3.0	1.2						1		1.5
3.0-4.0	1.1								
>4 yrs	1								

ACCESS (4-Yr)									
Student Progression		Adult Students		Pell Students				Research	
Stu Level	<i>Enrl Factor</i>	Age Group	<i>Adults Factor</i>	Pell	<i>Pell Factor</i>			<i>Research Factor</i>	
								1.5	
PR	0.5	≥25	0		Factor 0.2				
FR	0.5		0.1						
SO	0.75		0.1						
JR	1		0.2						
SR	1.1		0.2						
Other	0.75		0.1						
GRAD	1.2								

OUTCOMES (4-Yr)										
TTD Bacc		TTD Transfer		GRAD		Trans 2-4yr	Pell, Any Lvl	≥25 Cmpl	Completers Leading to 4-5 Star Jobs	
TTD	<i>TTD Factor</i>	TTD Trnsfr	<i>TTD Factor</i>	GRAD Degree	<i>Factor</i>					
<4 yrs	1.5	<3 yrs	1.5	Masters	1	Factor 0.5	Factor 0.25	Factor 0.25	LED Priority	
4.0-4.5	1.4	3.0-3.5	1.4	Post-M	0.5					
4.5-5.0	1.3	3.5-4.0	1.3	Grad Cert	0.5					
5.0-6.0	1.2	4.0-4.5	1.2	Spec	0.5				4	3.5
5.0-8.0	1.1	4.5-6.0	1.1	Post-Prof	0.5				3	3.0
>8 yrs	1	>6 yrs	1	Doctoral Prof	1.5 2				2	2.5
									1	1.5



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EVERYONE has a piece of the pie...

