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Kim Hunter Reed, Ph.D.
Commissioner of Higher Education

BOARD of REGENTS
STATE OF LOUISIANA

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Samuel T. Gil, Student Member

November 1, 2023

Mr. Jay Dardenne
Commissioner of Administration
Claiborne Building, 7th Floor
Baton Rouge, LA 70802

Dear Commissioner Dardenne:

As we enter the FY 2024-25 budget planning season, we are grateful for the support of the Administration and Legislature in recognizing the importance of investing in the education and training of our citizens by supporting funding for higher education. We are eager to continue that momentum as we work to accelerate talent development in our state.

In accordance with RS 39:32.1(F), the Board of Regents approved the required initial public postsecondary education budget request for FY 2024-25 at its October 18th meeting. **In order to fully fund the state share of the public higher education enterprise, $2.09B in state support would be required, which represents an increase of more than $705M over the FY 2023-24 appropriation of $1.4B. However, understanding the limited nature of public dollars, the Board of Regents requests a more targeted strategic investment of $272.8M in State General Funds for FY 2024-25 to support our goals of talent development and student support through competitive advantage funding ($197.9M), increasing college affordability ($59M), and addressing targeted statewide needs ($15.9M).** This investment would significantly advance our mission of expanding the education to employment pipeline, which is critical for Louisiana.

In 2019, the Board of Regents issued its Master Plan for Higher Education, which established an audacious goal for Louisiana: 60% of working adults holding a degree or credential of value by the year 2030. Following multiple years of major disruptions in our state, we have received record investments and achieved record educational attainment, advancing us toward our ambitious aim. Having increased state attainment levels from 44% to 49.5%, now is the time to build on this progress and accelerate our efforts.

Reaching our 2030 attainment goal requires implementing and maintaining coordinated strategies including prioritizing talent development and student support, recruiting and retaining great faculty, increasing affordability, and advancing workforce and research solutions to build a stronger state.

In support of the Master Plan and the role higher education plays in recovery and resilience, the Governor and Legislature continued their historic reinvestment in higher education during the 2023 Regular Legislative Session with the largest state funding increase in Louisiana's history and we are grateful.

However, despite these investments, our institutions remain significantly underfunded though steadfast in their commitment to providing high-quality educational opportunities for more Louisiana students.

Today, despite record-setting reinvestment, we lag behind most Southern states in funding both per student and per capita. Louisiana ranks second-to-last among the sixteen states within the Southern Regional Education Board in state support per capita, at $244.97, and also significantly trails the Southern average of $319.74 by $74.77 per citizen (23%) resulting in a competitive funding gap of $347.8 million (State Higher Education Executive Officers Association). Therefore, this year, we request an investment that will allow us to accelerate talent development, fulfill Louisiana's workforce needs and expand research, positioning us to compete successfully within the Southern region.

Having a shared vision that focuses on accelerating student learning and eliminating persistent equity gaps unifies the mission and purpose of higher education around building prosperity for all Louisianians. As Moody's Investors Service noted, "if the [Board of Regents'] strategic plan meets objectives, Louisiana will benefit from greater economic competitiveness, a credit positive for the state." To meet the demands of the future and position our people to thrive in the 21st-century world of work, we must scale up the growth accomplished during Fiscal Years 2022-2024, advancing Louisiana's reinvestment in higher education, and funding public institutions at levels that will help to secure Louisiana's competitive advantage within our region and nationally.

Additionally, by ensuring that college remains affordable through expanding proven practices such as need-based aid, early college opportunities like dual enrollment, and investments in reduced- and no-cost textbooks, Louisiana can expand college access and success for our people. This approach helps us to maximize the impact of limited state dollars by ensuring our most resource-challenged students secure the advantages of a high-quality, high-value postsecondary education.

Thank you for your consideration of the attached strategic investments on behalf of our students and our postsecondary community. We are committed to leveraging expanded education to secure a competitive advantage for our state and our students. Should you have any questions, please feel free to contact me.

Sincerely,

Kim Hunter Reed, Ph.D.
Commissioner of Higher Education and Chief Advocate for Talent Development

c: Hon. John Bel Edwards, Governor, State of Louisiana
Hon. Mack "Bodi" White, Chairman, Senate Finance Committee
Hon. Jerome Zeringue, Chairman, House Appropriations Committee
Collis Temple III, Chair, Board of Regents

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FY 2024-25 Higher Education Budget Request

$272.8M State General Fund Request

Prioritize Success through Talent Development and Student Support ($197.9M)

- **Competitive Advantage Funding - $184.9M**
  - Compared to regional peers Louisiana's two- and four-year institutions rank 15th out of 16 states in state support, at $244.97 per capita. On a per capita basis, Louisiana lags the average of $319.75 by $74.77 per resident. To be funded at the average of its regional peers, Louisiana would need $347.8M in new state support.
  - This phased-in funding enhancement over the next two fiscal years would address Louisiana's higher education competitive disadvantage, allowing Louisiana institutions to compete with their Southern state counterparts, and especially with border states, for talent development to meet future workforce needs.
    - $40M for workforce training for high-demand short-term training/credentials and support student success services at two-year community and technical colleges (LCTCS colleges, LSU Eunice, and Southern University Shreveport) to be allocated through a formula developed by Regents in collaboration with the systems.
    - $40M for career funding to support student success services and create/expand programs preparing students for high-demand fields (nursing, education, STEM, etc.) across all four-year institutions, as well as at the health sciences centers.
    - $39M to provide an increase in faculty salaries. Louisiana's institutions trail their Southern peers in faculty pay; for four-year institutions, Louisiana ranks 14th out of 15 states, and for two-year institutions Louisiana ranks 14th out of 16.
    - $65.9M to the outcomes-based higher education funding formula to drive innovation and reward institutional success while meeting the mandates pursuant to Act 462 of 2014. The formula allocations would allow institutions to target funding increases to areas of need to accelerate and improve student outcomes.
- **Support Specialized Institutions - $13M**
  - Additional funding will increase research and public service productivity at the LSU and SU Agricultural Centers and SU Law Center, as well as enhance instructional and research capacity at the UL-Monroe Pharmacy School, LSU Health Sciences Centers, and Pennington Biomedical Research Center. This request represents a 4% base increase of $13M and includes the annual federal funding match requirement for the SU Agricultural Center.

Focus on Affordability ($59M)

- **Dual Enrollment - $35M LOSFA (One course for each 11th and 12th grader)**
  - We know that students who start college in high school are more likely to enroll in and complete postsecondary education. In the previous academic year about 25% of all public school students (approximately 29,000 students) took at least one academic or career/technical dual enrollment class. If 80% of all public school students, or 87,320 students, took a dual enrollment class the total cost would be $32.7M. It is anticipated that, of

The Board of Regents is an Equal Opportunity and ADA Employer

these students, 75% would enroll in a GenED course at a cost of $300 each and a total cost of $19.6M; and 25% would enroll in a CTE course at a cost of $600 each and a total cost of $13.1M.
    - The additional funding would be used for dual enrollment initiatives including dual enrollment teacher credentialing grants to expand the number of high school teachers qualified to teach dual enrollment, further development of the LaDualEnrollment.com one-stop website, development of a statewide standard application process, and convenings to support program rigor.
    - As LOSFA would disseminate the funds to institutions using a similar structure to other scholarship programs, any related administrative costs are included.
- **Increased Funding of GO Grants - $15M**
    - Expanding access to financial aid for both part- and full-time students is critical to increasing educational opportunity in Louisiana. Today GO Grants serve 32,102 students, only 53% of those eligible for the program.
    - Each institution sets its own award range, currently a minimum of $300 and a maximum of $3,000 per student.
    - To fully fund all 60,562 eligible students with the current financial aid packaging policy, an additional $50.5M would be required. To fully fund all 60,562 eligible students at the maximum GO Grant award amount of $3,000 per student, an additional $109.2M would be needed for this fiscal year (FY 2023-24).
- **TOPS Increases - $6.5M (Projected)**
    - Early LOSFA analysis projects an increase of approximately 1,200 students.
- **Increase Textbook Affordability – $2.5M**
    - The average full-time, in-state undergraduate student at a four-year public university pays $1,226 for books and supplies in one academic year. Studies show that the impacts of high textbook costs include students taking fewer classes, not registering for a specific course, earning a poor grade due to an inability to afford the textbook, and dropping a course. Improving textbook affordability is an important factor in increasing both overall affordability and student preparedness. This funding enables the statewide library network (LOUIS) to provide institutions with open-source documents and eTextbooks, as we strive to reduce the cost of attendance for students.

<u>Targeted Request Package ($15.9M)</u>

- **Cybersecurity Data Protection - $6.3M**
    - Securing data in higher education institutions is essential, and investments are vital to our efforts to protect data and avoid additional cyberattacks.
    - Recurring funding of $3.8M is needed for cybersecurity software subscriptions as part of the state's cyber assurance plan for all institutions of higher education.
    - Firewall monitoring software ($2.5M) for the LONI network is included as a component of the Security Operations Centers at campuses across the state.
- **Cybersecurity Education Grants - $3M**
    - Building Louisiana's cyber workforce and cyber awareness is critical. These funds will be targeted to faculty's development of rigorous shared cyber course materials that will increase students' cyber fluency across disciplines statewide.

- **Adult Basic Education - $2.5M**
  - Adult basic education was transferred from the Department of Education to LCTCS in 2010; since then, funding has been reduced but the need has continued to increase. Louisiana ranks 13th of 14 Southern states in state allocation per adult student. The $2.5M request would improve Louisiana's ranking to 10th, with a request for continued increases in future years to ultimately reach the Southern average with the goal to incorporate workforce training, basic health and digital literacy programs corresponding to the state's investment in broadband delivery.
- **Meauxmentum Implementation - $2M**
  - As part of Regents' Master Plan goal, the Meauxmentum Framework was created to assist institutions in implementing proven programs that increase student success to achieve the attainment goal of 60% of working-age adults holding a credential by 2030. The framework engages institutional teams in developing transformational campus strategies that are fully integrated across each institution. These funds will allow Regents to support every Louisiana public college and university as they fully implement their Meauxmentum strategies.
- **LOSFA Fiscal Oversight and Outreach - $1.5M**
  - LOSFA now administers 11 different scholarship and grant award programs. With programs newly created and/or expanded over the last two years, LOSFA will require additional auditors and technical assistance staff to ensure fiscal oversight and program compliance. They will also strengthen outreach staff to support program expansion.
- **Focus on Coastal Marine Consortium (LUMCON) - $0.6M**
  - LUMCON was selected by CPRA as the managing entity for Louisiana's National Estuarine Research Reserve (NERR). This Federal program will require a 25% state match ($400,000). Additional funds are included for operating costs associated with four physical locations as well as vessel operations.

One-time Requests

Deferred Maintenance - $100M

In terms of the FY 2022-23 budget surplus, the Board of Regents requests that $100M of available funds be utilized for deferred maintenance needs across the state's public postsecondary institutions. Addressing required maintenance at our colleges and universities and allowing for immediate repairs statewide will help mitigate long-term damage caused by years of neglect. We note that deferred maintenance needs in higher education currently total more than $1.8B.

Deferred maintenance funding would be allocated based on priority projects and needs.

- Funds would address the top-priority projects for each institution, which range in categories from roofing, HVAC, and utilities/infrastructure, to safety, accessibility and other needs.

Campus Safety - $30M

The Board of Regents requests that $30M of any current-year excess funds be appropriated to the Power-Based Violence and Safety Fund to continue the work needed to improve student safety. The institutions have prioritized $82.1 M in campus safety needs. In FY24, the Board of Regents was appropriated $10M to allocate to the systems to update and enhance campus lighting, security cameras, license plate readers, access controls, and call boxes. These additional funds would provide institutions with dollars to further address priority upgrades to support student safety and well-being.

Innovation and Accreditation - $50M

The Board of Regents requests that $50M of any current-year excess funds be appropriated to the Higher Education Initiatives Fund. These dollars will allow institutions to respond to specific needs associated

with accreditation and disaster recovery, and provide support to drive the transformational change called for in the Master Plan by focusing on improved completions across the state.

Southern University System 1890 Funding

We acknowledge that the Southern University System will bring a request in response to the joint letter from the U.S. Secretaries of Education and Agriculture calling upon states to recognize the past inequities in funding 1890 land-grant HBCUs, appreciate the lasting impact of HBCUs, and continue to support institutions committed to erasing equity gaps.