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BOARD OF REGENTS

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AGENDA

PLANNING, RESEARCH and PERFORMANCE COMMITTEE MEETING

January 6, 2016 • 11:05 a.m.

Thomas Jefferson Room, W.C.C. Claiborne Building, Baton Rouge, LA

- I. Call to Order
- II. Roll Call
- III. Response to Legislative Resolutions
 - A. House Resolution No.178 of the 2015 Louisiana Legislature
 - B. Senate Resolution No. 132 of the 2015 Louisiana Legislature
- IV. TOPS Tech Program Eligibility Criteria and Approved Programs
- V. Other Business
- VI. Adjournment

Committee Members: Joel Dupré, Chair; William Fenstermaker, Vice Chair; Claudia Adley, Raymond Brandt, Joseph Farr, Robert Levy; Gray Stream.

AGENDA ITEM III.A.

Note

At its meeting on December 10, 2015, the Planning, Research and Performance Committee deferred consideration of the response to HR 178 of 2015 (attached) until the meeting of January 6, 2016. In the interim, the draft response was shared with the Louisiana Student Financial Assistance Commission (LASFAC) for review and comment. The draft response will be considered by LASFAC at its meeting on January 4, 2016. Regents' staff will share any comments from the LASFAC meeting with the Committee on January 6th at its meeting prior to final consideration of the report.

Agenda Item III.A.

DRAFT

**RESPONSE TO HOUSE RESOLUTION 178
OF THE 2015 REGULAR SESSION
OF THE LOUISIANA LEGISLATURE**

LOUISIANA BOARD OF REGENTS



January 2016

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Commissioner of Higher Education

REGENTS

TABLE OF CONTENTS

Executive Summary	4
Introduction.....	6
Background and Overview of Financial Aid.....	6
Financial Aid Landscape of Higher Education in Louisiana	8
Conclusions.....	14
Recommendations to Legislature.....	15
Recommendations to Board of Regents	16
Appendix A	18

EXECUTIVE SUMMARY

House Resolution 178 (HR 178) of the 2015 Regular Session urged and requested the Board of Regents (BoR) . . . to “study the state's merit-based and need-based student financial assistance programs and to submit a written report of findings, conclusions, and recommendations to the House Committee on Education not later than sixty days prior to the beginning of the 2016 Regular Session of the Legislature of Louisiana.”

Louisiana’s future economic growth depends upon a well-educated workforce and college graduates. As middle- and lower-class earnings stagnate, and poverty is becoming more widespread, it is increasingly important to the State’s future social and economic stability to ensure that Louisiana has a comprehensive financial aid framework that makes higher education within reach for Louisiana’s students. Both the Tuition Opportunity Program (TOPS) and the Go Grant program have been instrumental in increasing college access and success for many Louisiana residents. TOPS, a merit award qualifies students based on the completion of a defined core curriculum, a high school core GPA and ACT composite scores, has been successful in providing financial assistance to more than 280,000 residents since its inception in 1997. While the State’s commitment to the TOPS program is praiseworthy and should be continued, slight changes to the funding commitments in order to sustain the program in the future may become necessary.

The Go Grant program added a need- based component to the State’s financial aid plan that supported non-traditional and low-income students. Similar to the TOPS program, the Go Grant program has increased access and success for students pursuing a postsecondary education. The Louisiana Go Grant has provided financial support to over 120,000 Louisiana residents since its inception in 2007. Although it has been historically underfunded, it continues to make postsecondary education a reality for many Louisiana residents.

After a comprehensive review of both the TOPS program and Go Grant program, the Board of Regents recommended the following to the Legislature.

1. Support legislation similar to SB 48 of 2015 that establishes a base amount for the TOPS award that would not automatically adjust to future increases in tuition, except by legislative approval of any added appropriations in any particular year.
2. Adopt a schedule to provide full funding of the Go Grant program over a four-year period.
3. Fund a need-based grant program that requires a 1:1 campus match.

Also the Board of Regents will:

1. Consider alternative eligibility criteria for awarding Go Grant beyond Pell eligibility to increase postsecondary participation among non-traditional adult students; and
2. In collaboration with LOSFA and Louisiana's higher education financial aid community, review and revise if necessary the distribution/allocation process for Go Grant resources to campuses.

INTRODUCTION

While there are many potential barriers to college access and success, a major impediment can be cost. Recent declines in state appropriations have led to unpredictable funding levels and unstable budgetary planning at public colleges and universities. According to the Center on Budget and Policy Priorities (2014),¹ Louisiana has cut per student funding by more than 40 percent since the start of the recession in 2008. Reductions in state funding have been offset in part by increases in tuition and fees at Louisiana's public colleges and universities. These conditions, coupled with the stagnant incomes of many households,² have created financial challenges for many Louisiana students seeking a postsecondary education.

To address these challenges, lawmakers are examining whether and how to redesign financial aid programs that foster postsecondary degree access and completion and close the educational attainment gap across social groups. House Resolution 178 (HR 178) of the 2015 Regular Session urged and requested the Board of Regents (BoR) . . . to “study the state's merit-based and need-based student financial assistance programs and to submit a written report of findings, conclusions, and recommendations to the House Committee on Education not later than sixty days prior to the beginning of the 2016 Regular Session of the Legislature of Louisiana” (Appendix A). Although HR 178 focuses on the State's merit-based and need-based financial assistance programs, the role of institutional and federal aid in Louisiana is also recognized in this report. Additionally, a number of programs dedicated to workforce training are critical to addressing the State's workforce needs; and therefore cannot be ignored in this analysis.

The subsequent sections of this response (1) provide an overview of financial aid programs; (2) explore the financial aid landscape of Louisiana's public postsecondary institutions; and (3) offer recommendations based on this study's findings.

BACKGROUND AND OVERVIEW OF FINANCIAL AID

Prior to the 1972 reauthorization of the Higher Education Act of 1965, which provided financial incentives for states to develop grant programs through the State Student Incentive Grant (SSIG), few states appropriated funds for need-based grants. However, by the early 1980's, every state had at least one state-sponsored, need-based grant program. The methodology typically used to determine eligibility for state-sponsored, need-based aid is similar to the federal methodology for Title IV funds. Students are required to complete a Free Application for Federal Student Aid (FAFSA) and these data are used to

¹ Center on Budget and Policy Priorities. 2014. “States Are Still Funding Higher Education Below Pre-Recession Levels.”

² DeNavas-Walt, Carmen and Bernadette D. Proctor, U.S. Census Bureau, Current Population Reports, P60-249, *Income and Poverty in the United States: 2013*, U.S. Government Printing Office, Washington, DC, 2014.

derive the difference between the estimated cost of college attendance and Expected Family Contribution (EFC). Generally, this calculation is used to determine whether or not a student is eligible for need-based aid and how much aid the student receives.

The early 1990s saw the development of state-sponsored merit-based programs. Merit-based financial aid programs are intended to reward students who demonstrate academic achievement, regardless of financial need or lack thereof. The first large-scale state-sponsored, merit-based program was the Georgia HOPE Scholarship Program, which awarded students full tuition to Georgia public institutions if they met certain high school GPA requirements. Since then, merit-based aid programs have been adopted by a number of other states. Supporters of such programs maintain that state-sponsored merit-based programs are used strategically as a recruiting tool to attract and retain residents to in-state colleges with the hope that they will remain and enter the state's workforce following graduation. Although attracting and retaining the "best and brightest" is a commonly accepted goal of these programs, the effects of merit-based financial aid packages on future voluntary contributions by alumni cannot be ignored. As colleges and universities are increasingly reliant on financial aid policies as a strategy to maximize institutional revenues and manage enrollment, some see state-sponsored, merit-based aid as an investment. Because studies link financial aid packages to patterns of alumni giving, alumni donations can represent critical revenue streams for some institutions³.

Critics, however, contend that although the establishment of merit aid was not intended to shift resources away from needy students, some programs have accomplished just that. The shift is motivated by colleges within the same state using campus merit-based aid to attract the same pool of well-performing in-state applicants as a means to improve their ranking and reputation. Unfortunately, this competition among colleges in the same state can consume resources that could potentially be directed toward students who otherwise do not possess the financial capital necessary to seek and achieve a postsecondary education. In other words, critics contend that if the primary goal of financial aid is to maximize the impact of the aid dollar on college enrollment and completion rates (versus solely "to retain the best and the brightest"), the funds should be targeted towards less affluent students, rather than allocating scarce resources to some students who were already likely to attend college and, more importantly had the means to do so without state financial aid.

A growing concern facing many states with existing merit-based and need-based programs is adequate funding sources for both programs. In 2014, the Higher Education Policy Institute examined state profiles on college affordability for 16 states in the southern region. The findings from that study revealed that the cost of postsecondary education was becoming increasingly unaffordable for many

³ Meer, Jonathan and Harvey S. Rosen. 2011. "Does Generosity Beget Generosity?" The Griswold Center for Economic Policy Studies. Working Paper No. 224.

students and their families. In response to these findings, the Southern Regional Education Board (SREB) established a Commission on College Affordability to focus on ways to improve college affordability and provide recommendations for the implementation and/or redesign of state financing policies. The Commission's recommendations, scheduled to be released in 2016, will provide states with a general platform to develop customized policies and methodologies that are specifically focused on college affordability.

Recognizing the importance of funding both merit- and need-based programs, some states have developed and implemented scholarship programs that combine need and merit criteria. For example, the Tennessee Education Lottery Scholarship Program (TELS) created a set of awards with varying criteria to minimize the race and income gaps in eligibility. The Tennessee HOPE scholarship is strictly a merit award and qualifies students based on high school GPA and ACT composite scores. Students who qualify for the HOPE Scholarship and come from households with an adjusted gross income of \$36,000 or less can receive an additional \$1,000 stipend through the HOPE ASPIRE award. Similarly, the highest achieving students can also receive a General Assembly Merit Scholarship (GAMS), which provides an additional \$1,000 supplement to the base HOPE award. Students from households with an adjusted gross income of \$36,000 or less who do not meet minimum HOPE Scholarship requirements may qualify for the Tennessee HOPE ACCESS Grant, which has lower academic eligibility requirements. The HOPE ACCESS Grant is a one-time, non-renewable award. However, if a Hope ACCESS Grant recipient meets the minimum renewal requirements for the HOPE Scholarship at the first 24-college hour benchmark, the student's award is converted to a base HOPE Scholarship for the following year. According to the TELS 2015 Annual Report⁴, the number of students served through HOPE, ASPIRE, GAMS and ACCESS awards since the program began in 2005-06 has increased from approximately 40,000 to over 68,000 in 2013-14.

THE FINANCIAL AID LANDSCAPE OF HIGHER EDUCATION IN LOUISIANA

Declines in state funding of public postsecondary education and the resulting increases in college tuition and fees have made postsecondary education in Louisiana less accessible and affordable for many students. These conditions, coupled with the stagnant incomes of many households⁵, have placed college out of reach for many prospective students, particularly for students from less affluent backgrounds. A study conducted in 2014 by the Higher Education Policy Institute found that even after accounting for all types of grant aid, lower-income families (households with incomes less than \$30,000 per year) require

⁴ https://www.tn.gov/assets/entities/thec/attachments/2015_TELS_Fact_Book.pdf

⁵ DeNavas-Walt, Carmen and Bernadette D. Proctor, U.S. Census Bureau, Current Population Reports, P60-249, *Income and Poverty in the United States: 2013*, U.S. Government Printing Office, Washington, DC, 2014.

38% of their income to attend a community college in Louisiana; whereas, only 15% of middle-income families' income (households with incomes that range from \$48,000 to \$75,000) is required to attend a community college⁶. Given these statistics, it is not surprising that institutional grants are becoming increasingly important to promote access and success to students. As indicated in Table 1, a larger portion of institutional resources goes toward merit-based aid. As mentioned previously, many campuses utilize merit-based aid as a recruitment incentive for talented students. Therefore, it is not surprising to find that the largest portion of campus-based aid is awarded based on merit. It is important to mention that in the Board of Regents' Financial Aid Data System (FADS) in the cases where a merit-based award also requires financial need, the award is coded as merit. Therefore, in Table 1 below, an indeterminable number of the merit-based awards include a need component.

Additionally, the percentage of students receiving Pell grant awards (a proxy for need) has continued to increase. In fiscal year 2009-2010, nearly 23% of undergraduates enrolled in Louisiana's public postsecondary institutions were Pell recipients. By fiscal year 2013-14, approximately 80,000 (36.6%) of undergraduates enrolled in Louisiana's public postsecondary institutions received over \$300 million in Pell support.

Table 1: Number and Amount of Institutional Merit- and Need-Based Aid Across Louisiana's Public Postsecondary Institutions, 2009-2013

Financial Aid Year	# of Merit-Based Aid Recipients	Total Amount of Merit-Based Aid	# of Need-Based Aid Recipients	Total Amount of Need-Based Aid
2009	26,585	\$91,906,546	5,426	\$8,602,515
2010	27,413	\$106,785,085	6,014	\$11,097,830
2011	26,918	\$113,983,323	6,240	\$12,254,757
2012	30,357	\$121,268,715	6,050	\$12,951,538
2013	29,695	\$133,301,626	6,573	\$14,422,452
Grand Total	140,968	\$567,245,295	30,303	\$59,329,092

Source: Board of Regents Financial Aid Data System

State-Sponsored, Merit-based Financial Aid

An early Louisiana merit-based program (with a need component), the Tuition Assistance Program (TAP), was designed to promote college access and success among academically-prepared students from lower (and moderate) income households. TAP, adopted by the Louisiana Legislature in 1989, guaranteed college tuition for eligible students (subject to an appropriation for that purpose). To qualify for TAP, students were required to have a 2.5 GPA, 17.5 unit college prep curriculum, and a score of 18 or above on the ACT. The TAP program had an adjusted gross income eligibility cap of \$25,000 for

⁶ Callan, Patrick, William Doyle, Joni Finney and Darcie Harvey. 2014. "Louisiana Affordability Profile from Affordability of Public Higher Education in SREB States." Higher Education Policy Institute.

families with one dependent child, with an additional \$5,000 for each additional child up to a maximum family income of \$35,000.

In 1997, ACTS 1375 and 287 replaced TAP with the Tuition Opportunity Program for Students (TOPS). The TOPS program, administered by the Louisiana Office of Student Financial Assistance (LOSFA), qualifies students based solely on their academic performance. Today, there are four TOPS award levels available to students enrolling at Louisiana’s colleges and universities: TOPS Tech, Opportunity, Performance, and Honors. The criteria for eligibility for the TOPS Tech, Opportunity, Performance and Honors awards include completion of a defined high school core curriculum, with a minimum grade point average in core courses, and a minimum ACT composite score. Table 2 lists the current eligibility criteria and award components of TOPS.

Table 2: TOPS Eligibility Criteria and Award Components, 2015

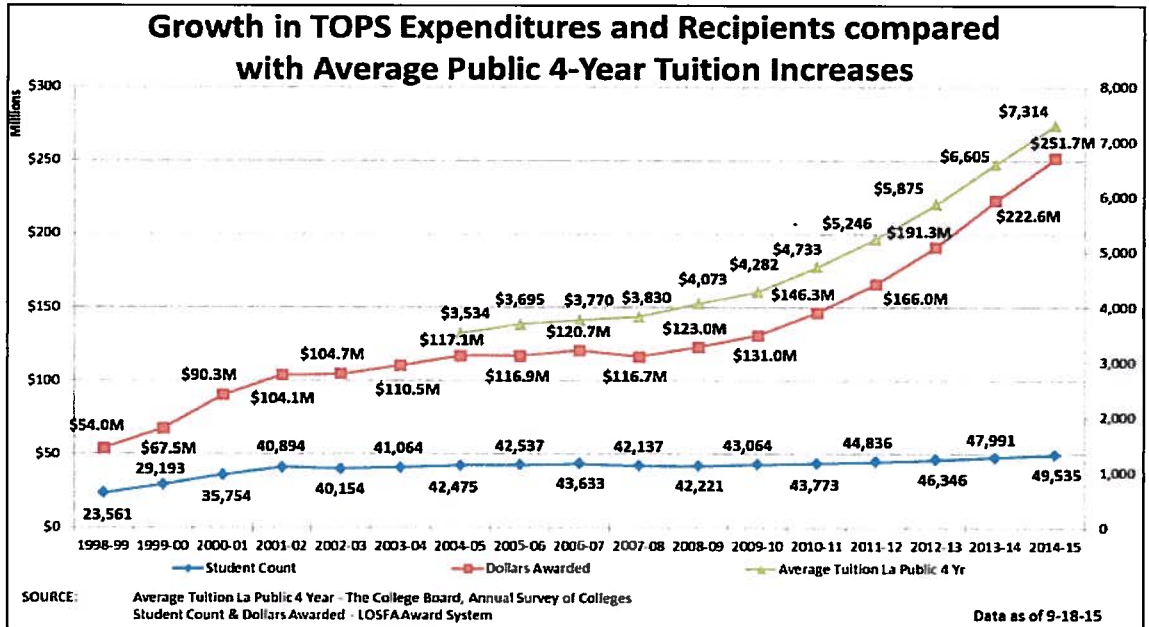
Award	Core	Core GPA	ACT Composite	Award Components	Duration
Opportunity	19 Units	2.50	20	Full-Time Tuition	4 years, or 8 semesters
Performance	19 Units	3.00	23	Full-Time Tuition + \$400/year	4 years, or 8 semesters
Honors	19 Units	3.00	27	Full-Time Tuition + \$800/year	4 years, or 8 semesters
TOPS TECH	(Option 1) 17 Units	2.50	17 or Silver Level (WorkKeys)	Tuition at 2 year institutions	2 years, or 4 semesters
	(Option 2) 19 Units	2.50	17 or Silver Level (WorkKeys)	Tuition at 2 year institutions	2 years, or four semesters

Source: Information obtained from LOSFA website

From 1999 to 2014, the State spent approximately \$1.9 billion funding the TOPS program. During that same time period, total expenditures on the TOPS program increased nearly 300%. As shown in Figure 1, the growth in TOPS expenditures is largely attributable to two factors: tuition increases and increases in the number of TOPS recipients. Since the program’s inception, tuition has increased by 212% and the number of students receiving the award has increased by 103%. Although legislators recognize that the TOPS program has been linked to academic preparation, increased persistence and graduation rates, the growth in the costs of TOPS has led some legislators to express concerns over the ability of the state’s budget to keep pace with the cost of TOPS. In an effort to control the growth in the cost of TOPS, thus supporting its future sustainability, Senate Bill 48 (SB 48) of the 2015 Legislative Session sought to establish the 2015-16 award level as a base award amount that would not automatically increase with the cost of tuition. Any changes in the award amount would be subject to an action of the Legislature.

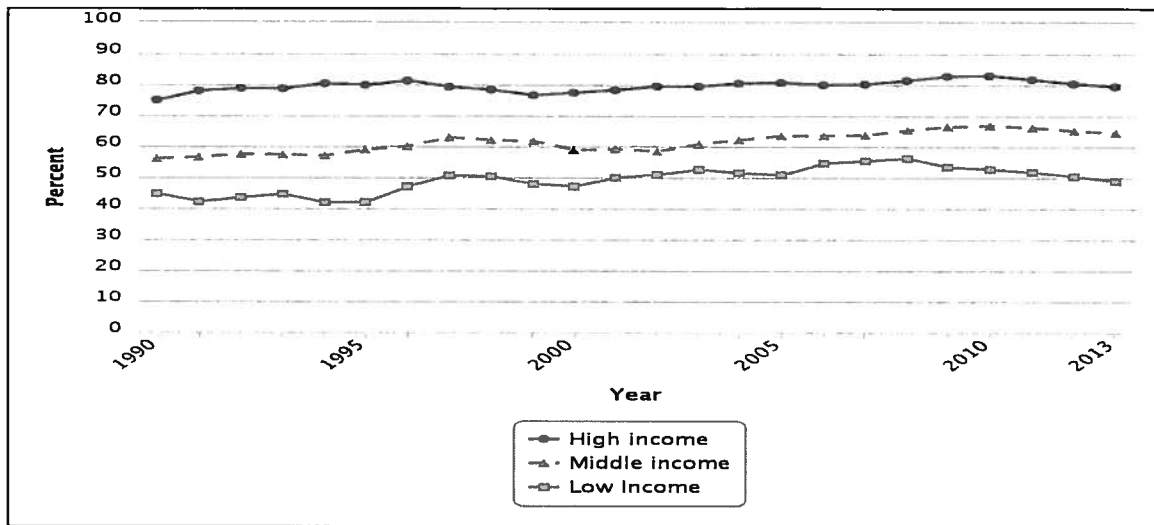
Although the proposed bill passed the House and the Senate with overwhelming support, it was vetoed by the Governor.

Figure 1: TOPS Program Funding, 1999-2014



Research has consistently demonstrated the strong, positive correlation between family income and college preparation, participation, and graduation rates. Low-income students tend to lag behind in high school and standardized test performance, academic preparation and participation; consequently, large gaps remain in educational achievement between students from low- and middle/upper-income families (Figure 2). However, to address the State’s workforce needs, this gap must be filled. According to Complete College America (2011), by 2020, approximately 53% of jobs will require a career certificate or college degree. Currently, only 28% of Louisiana adults have an associate degree or higher. These findings indicate that Louisiana has a sizable workforce gap that must be filled. For Louisiana to reach national and international workforce competitiveness, it is critical to address the college participation and success, especially among low-income students and non-traditional students.

Figure 2: Percentage of High School Completers Who were Enrolled in 2- or 4-year colleges by the October Immediately following High School Completion, by Family Income: 1990-2013



Source: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS)

The TOPS Tech program established another vehicle to expand financial support to more of Louisiana’s students and promote a skilled workforce by providing an incentive for high school students to seek technical or occupational certification in non-academic postsecondary programs. Unfortunately, the TOPS Tech program has been historically underutilized. During the 2014 Regular Session, the Louisiana Legislature approved a revised set of Career Diploma requirements that culminate with a Jump Start credential. The revised curriculum is aligned with the TOPS Tech core curriculum so that students who pursue and graduate high school with a career diploma are better positioned to be eligible for the TOPS Tech award. These changes were intended to increase participation in the program and to better align eligibility requirements with the appropriate programs in which students enroll using TOPS Tech.

It is also important to note that other resources dedicated to workforce training programs are available through programs managed by the Louisiana Workforce Commission (WIC), namely the Incumbent Worker Training Program (IWTP) and the Workforce Innovation Opportunity Act (WIOA). The Incumbent Worker Training Program (IWTP) creates training partnerships among the LWC, business and industry, and training providers. The IWTP Small Business Employee Training Program (SBET) is designed to benefit business and industry by assisting in the skill development of existing employees through individual, standardized training.

The Workforce Innovation and Opportunity Act (WIOA), formerly the Workforce Investment Act (WIA), signed in 2014 requires states to strategically align workforce development programs. WIOA ensures that employment and training services provided by the core programs are coordinated and

complementary so that job seekers acquire skills and credentials that meet employers' needs. The Local Workforce Development Boards (LWDBs), in conjunction with the (LWC), identifies training service providers whose performance qualifies them to receive WIOA Title I-B funds to train job seekers. The WIOA Individual Training Account (ITA) vouchers allow individuals to choose the program of training or education they need from a list of eligible training providers. The result is a competitive market designed to give customers the best choices for training.

All of these programs combined have served a large number of Louisiana residents. While these programs represent a step in the right direction and do promote access and success to Louisiana's public postsecondary institutions, there still remains a large educational achievement gap.

State-Supported Need-Based Programs

Studies consistently demonstrate that unmet financial need is a major barrier to students attending and completing college, particularly for low-income students. Need-based financial aid programs can be an instrumental resource in promoting access, participation and degree completion, especially among underserved groups. Recognizing this need and based on recommendations from the Board of Regents, in 2007, the Louisiana Legislature approved and funded the Go Grant Program. The Go Grant added a need-based program to the State's financial aid plan that supported non-traditional and low-income students. The program is administered by the Louisiana Office of Student Financial Assistance (LOSFA). To be eligible for a Louisiana Go Grant, students must be a Louisiana resident receiving a Pell Grant and demonstrate a remaining financial need after deducting their Expected Family Contribution (EFC) and any other aid (federal, state, institutional) from the cost of attendance (COA). The Go Grant was first awarded to students during AY 2007-08.

The Go Grant program is designed to increase college access and success by providing supplemental funding to help needy students with basic college costs. However, unlike TOPS, the Go Grant is not appropriated using "more or less" language. Table 3 outlines the statistics for the GO Grant and TOPS programs over the last five years. During its initial implementation year 2007-2008, there was an appropriation of approximately \$17 million available that funded approximately 10,500 entering freshmen. During the second year of the Go Grant program, there was about \$26 million available to cover entering freshman of 2008-09 and the returning students who had entered as freshman in the prior academic year. Appropriation amounts for the Go Grant have remained in the \$24-26 million range since that time, which essentially funded four years of students with two years' worth of funding.

Table 3: Number and Amount of State GO Grant (Need-Based) and State TOPS (Merit-Based) Aid Across Louisiana's Public Postsecondary Institutions, 2009-2013

Financial Aid Year	# of GO Grant Aid Recipients	Total Amount of GO Grant Based Aid	# of TOPS Aid Recipients	Total Amount of TOPS Based Aid
2009-10	23,827	\$22,200,710	40,080	\$120,228,329
2010-11	30,787	\$22,957,674	40,713	\$134,425,315
2011-12	32,130	\$23,606,123	41,561	\$152,674,224
2012-13	35,049	\$23,810,931	43,088	\$176,928,810
2013-14	25,573	\$23,756,562	44,973	\$207,336,981
Grand Total	147,366	\$116,332,000	210,415	\$791,593,659

Source: Data from LOSFA's website

Recognizing the funding constraints of the program, a study was conducted by Noel-Levitz in 2011 to develop a financial aid framework that would help Louisiana distribute the Go Grant more efficiently. The study sought to maximize enrollment, retention, and completion by developing a targeted strategy for allocating need-based aid. The findings revealed that students who had less than 60% of need met with gift aid were most susceptible to drop out; therefore, aid should be targeted at those students. While the research indicated increases in retention, progression and graduation rates at all levels of additional need met by aid, the largest gain in these rates were realized for students with 60% of need met, with declining growth thereafter. These findings were the impetus for policy changes that addressed how Go Grant funds would be allocated. The analysis was used to ration a limited pool of funding more effectively. While these changes did benefit many students, a large cost gap remained for some of the neediest students. For example, a student with an Expected Family Contribution (EFC) of zero who received other merit-based gift aid (e.g., TOPS) which brought them to 60% of need met would not receive Go Grant funding – despite the fact that they demonstrated the greatest need.

CONCLUSIONS

The cost and potential burden of debt are significant barriers to many students who wish to pursue a postsecondary education. According to SREB President Dave Spence⁷, “affordability is a critical factor in both [college] access and completion.” While there may be no “one size fits all” approach to making college affordable, it is imperative that the State have a comprehensive financial aid framework in place to put higher education within reach for more of Louisiana’s residents. The TOPS and Go Grant programs provide such a structure for the State of Louisiana. The TOPS program has proven very successful in meeting its purposes and fulfilling its promises, serving more than 280,000 residents since its inception in 1997. The State’s commitment to the TOPS program is praiseworthy and should be

⁷ College Affordability in the South. 2015. Southern Regional Education Board (SREB). <http://www.sreb.org/page/1829/affordability.html>

continued; however slight changes to the funding commitments in order to sustain the program in the future may become necessary.

Similar to the TOPS program, the Louisiana Go Grant has increased access and success for students pursuing a postsecondary education. The Louisiana Go Grant has provided financial support to over 120,000 Louisiana residents since its inception in 2007. Although it has been historically underfunded, it continues to make postsecondary education a reality for many Louisiana residents.

Louisiana is experiencing industrial growth at historical rates, demanding trained individuals to support the expansion. In order to build a sustainable workforce that can meet the needs of the a 21st century economy, the State of Louisiana has two choices: (1) train its residents with the appropriate skill sets to build rewarding careers; or (2) import trained workers from outside Louisiana. The choice is clear. Louisiana postsecondary education must provide access to technical and professional education services to prepare its own citizens to participate more fully in the new economy. As middle- and lower-class earnings stagnate, and poverty is becoming more widespread, it is increasingly important to the State's future social and economic stability to ensure affordable pathways to postsecondary education. The Go Grant can provide the needed assistance to support these pursuits.

RECOMMENDATIONS TO THE LEGISLATURE

The TOPS program has proven very successful in meeting its purposes and fulfilling its promises, serving more than 280,000 residents since its inception in 1997. However, constraints on the State's budget and resulting increases in college tuition have increased the cost of TOPS to the point where higher education leaders and legislators are concerned about the future sustainability of the program. While large increases in tuition are not projected in the near future, the legislature could benefit from increased flexibility to sustain the program, even in times of downturns. Legislation similar to SB 48 of 2015 provides the necessary flexibility for the Legislature to control the growth in costs of the program while allowing TOPS to continue to cover the full cost of tuition if the Legislature so desires.

Recommendation: Support legislation similar to SB 48 of 2015 that establishes a base amount for the TOPS award that would not automatically adjust to future increases in tuition, except by legislative approval of any added appropriations in any particular year.

Similar to the TOPS program, the Louisiana Go Grant has increased access and success for Louisiana residents pursuing a postsecondary education. The Louisiana Go Grant has provided financial support to over 120,000 Louisiana residents since its inception in 2007. However, due to operating the program with approximately one-half the needed funding, many needy students receive lower awards or

none at all. Although one cannot estimate the number of Louisiana residents that forego a postsecondary education due to financial hardship, it is undeniable that Louisiana is experiencing industrial growth at historical rates, demanding skilled individuals to support the expansion. Louisiana must respond by providing the necessary resources to train its residents with the appropriate skill sets to build rewarding careers. Adopting a four-year plan to fully fund the Go Grant will provide increased access to needed services for Louisiana residents to more fully participate in Louisiana's economy.

Recommendation: Adopt a schedule to provide full funding of the Go Grant program over a four-year period.

In addition to federal and state-funded financial aid programs, campuses devote resources for both merit and need-based aid. In 2013, Louisiana's public institutions dedicated approximately \$14 million of institutional resources to need-based aid. This does not include campus-funded, merit-based aid that included a need component. In addition to funding the Go Grant, if the Legislature were to fund a dollar-for-dollar matching program for need-based aid, campuses would be more incentivized to devote additional institutional resources to need-based aid, leveraging legislatively-appropriated funds for this purpose. This program would further increase access to postsecondary education services.

Recommendation: Fund a need-based grant program that requires a 1:1 campus match.

RECOMMENDATIONS TO THE BOARD OF REGENTS

Louisiana is on the cusp of major industrial expansion, requiring trained individuals to support the expansion. Louisiana must respond by providing the necessary resources to train its residents with the appropriate skill sets to build rewarding careers. Gaining a postsecondary education for recent high school graduates is not enough. In order to meet the demands of Louisiana's growing economy, postsecondary education must reach out to the over 1.5 million Louisiana adults who either never began college or began but never earned a credential. Current eligibility for the Go Grant requires that the student be a Pell recipient. While the salary earned by many working adults prevents them from being Pell eligible, in many cases the amount of income earned does not allow them to afford a postsecondary education. The Board of Regents will examine whether alternative eligibility criteria to assess need among working adults are appropriate and feasible.

Recommendation: Consider alternative eligibility criteria for awarding Go Grant beyond Pell eligibility to increase postsecondary participation among non-traditional working adult students.

The Board of Regents, in collaboration with the Louisiana Office of Student Financial Assistance (LOSFA) have examined and revised the distribution/allocation process for Go Grant several times since its inception. Most of the revisions were implemented in response to shortages in funding. It is timely for the Board of Regents, LOSFA and Louisiana's financial aid community to thoroughly review the process to determine whether the scarce resources can be distributed even more effectively.

Recommendation: The Board of Regents, in collaboration with LOSFA and Louisiana's higher education financial aid community, review and revise if necessary the distribution/allocation process for Go Grant resources to campuses.

2015 Regular Session

HOUSE RESOLUTION NO. 178

BY REPRESENTATIVES JEFFERSON AND WESLEY BISHOP

A RESOLUTION

To urge and request the Board of Regents, in collaboration with the Louisiana Student Financial Assistance Commission, study the state's merit-based and need-based student financial assistance programs and to submit a written report of findings, conclusions, and recommendations to the House Committee on Education not later than sixty days prior to the beginning of the 2016 Regular Session of the Legislature of Louisiana.

WHEREAS, R.S. 17:3129.7 requires the Board of Regents to develop and maintain a comprehensive state student financial aid plan that supports the Master Plan for Public Postsecondary Education and to consider all sources of financial aid available to students attending or seeking to attend postsecondary education institutions in Louisiana and the financial needs of such students; and

WHEREAS, two major components of student financial aid in Louisiana are the merit-based Taylor Opportunity Program for Students (TOPS) and the need-based Louisiana GO Grant program; and

WHEREAS, the purpose of TOPS, according to the Louisiana Administrative Code, Chapter 7, Section 701, is to provide an incentive for Louisiana residents to academically prepare for and pursue postsecondary education in this state, resulting in an educated work force enabling Louisiana to prosper in the global market of the future; and

WHEREAS, relative to the purpose of the Louisiana GO Grant program, the legislature finds in R.S. 17:3046 that leveraging access to postsecondary education for students with demonstrated financial need ensures that all qualified students are afforded an opportunity to achieve their full educational potential, increase their overall quality of life, and maximize their contribution to the state's economic development; and

WHEREAS, though TOPS and the GO Grant program are excellent programs that have helped thousands of Louisiana students in their pursuit of postsecondary education, there are some aspects of the overall financial aid landscape in Louisiana that merit further analysis and consideration; and

WHEREAS, one issue that many find concerning about TOPS is that TOPS awards are disproportionately awarded to white, relatively wealthy students, as noted in the *TOPS Report: Analysis of the TOPS Program from 2003-2014*, published by the Board of Regents, which states that during this time span, approximately seventy-nine percent of TOPS recipients were white, and the mean and median household income of TOPS recipients ranged from \$70,000 to \$99,000, much higher than Louisiana's median household income of approximately \$44,000; and

WHEREAS, another concern that some have raised about TOPS is the award retention rate of its recipients; this same Board of Regents report states that approximately one-third of TOPS recipients between 2003 and 2014 had their award cancelled during some point in their postsecondary academic career; and

WHEREAS, one of the most widely discussed matters related to TOPS is its cost; according to the report, the state spent approximately \$1.9 billion funding the TOPS program from 1999 through 2014, and during that time period, total expenditures on the program increased 296%; and

WHEREAS, in terms of elements of the Go Grant program that call for continued study, its underfunding ranks above all; in 2011, the Louisiana Budget Project (LBP) published a report stating that in Louisiana, "spending on need-based aid is consistently out of line with that of other states" and that the GO Grant Program "has been chronically underfunded"; and

WHEREAS, this LBP report also points out that "even with a maximum allowable GO Grant, students can have large, unmet financial needs" and that "compared to other Southern states and to states nationally, Louisiana spends a disproportionately large share of its financial aid resources on those who can readily afford college while providing too little to those who need financial help in order to have a chance at a college education"; and

WHEREAS, calling for more need-based aid, the LBP report states that "students from low-income and minority backgrounds – those who have been traditionally

underrepresented in Louisiana's colleges and universities – are less likely to benefit from TOPS" and "to ensure that higher education remains accessible to all Louisianans, Louisiana needs to redirect its financial aid resources and to increase funding to its need-based financial aid program"; and

WHEREAS, this report's ultimate recommendation is that "legislators should strike a balance between funding TOPS and Go Grants so that taxpayer dollars maximize attendance across all income levels"; and

WHEREAS, in light of the state's precarious budget situation and the fundamental importance of postsecondary education, it is imperative that the positive and negative aspects of the state's merit-based and need-based student financial aid programs receive a thorough study.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Board of Regents, in collaboration with the Louisiana Student Financial Assistance Commission, to study the state's merit-based and need-based student financial assistance programs and to submit a written report of findings, conclusions, and recommendations to the House Committee on Education not later than sixty days prior to the beginning of the 2016 Regular Session of the Legislature of Louisiana.

BE IT FURTHER RESOLVED that such report shall analyze the strengths and weaknesses of both merit-based and need-based programs in the state and provide recommendations for how such programs might be revised in terms of helping more Louisiana students maximize their postsecondary education opportunities and success.

BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted to the chairman of the Board of Regents, the commissioner of higher education, and the chairman of the Louisiana Student Financial Assistance Commission.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

DRAFT

**RESPONSE TO SENATE RESOLUTION 132
OF THE 2015 REGULAR SESSION
OF THE LOUISIANA LEGISLATURE**

LOUISIANA BOARD OF REGENTS



January 2016

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REGENTS

EXECUTIVE SUMMARY

Senate Resolution 132 (SR 132) of the 2015 Regular Session "urged and requested the Board of Regents (BoR) . . . to "re-examine the state's public postsecondary education delivery system and make recommendations to the legislature regarding the appropriate role, scope and mission for each public postsecondary institution as necessary to ensure a comprehensive, coordinated statewide public postsecondary delivery system that meets the needs of students and addresses the state's economic development and workforce needs on a local, regional and statewide level." (See Appendix A.)

The re-examination that SR 132 requests is embedded in various ongoing initiatives of BoR which are expected to be completed in the upcoming months. The most important of such initiatives is the revision of BoR's 2011 master plan, currently in progress, undertaken pursuant to its constitutional duty to formulate and timely revise a master plan for higher education in Louisiana. BoR's master plan includes the proper delineation of the role, scope and mission of higher education institutions in the state, as well as the efficient and adequate delivery of educational services to meet the needs of the students and the local, regional and statewide workforce needs and economic development. BoR's response to SR 132 is also embedded in the implementation of an outcomes-based funding formula, as required by Act 462 of 2014.

INTRODUCTION

Higher education in Louisiana is delivered through four systems which contain a blend of universities, community and technical colleges, and specialized units. Maintaining and fostering both excellence and diversity among institutions of higher education in Louisiana continues to be a primary goal of BoR. Each public postsecondary system and institution has a unique role,

scope and mission to serve its population. Although some might argue that the range of missions and diversity in populations represented make identifying and prioritizing need challenging, BoR sees the differences among and within the four systems as an opportunity to provide statewide access and to appropriately address the variations in need across the State.

Article VIII of Louisiana's Constitution authorizes BoR to develop a master plan for higher education in Louisiana and make timely revisions thereof. The master plan provides a broad vision for the State's higher education system and acknowledges its interdependence with the economy and its many contributions towards better lives for Louisiana's citizenry. The most recent master plan was adopted in 2011 and was guided by the reality that Louisiana must raise the educational attainment of its adult citizens if it were to compete successfully in the 21st century world economy. The plan also addressed the need to strategically invest in targeted research to sustain and expand the State's economic development. And, as expected, increased accountability was a common thread which undergirded every element of the 2011 master plan.

The 2011 plan included unique role, scope and mission statements for each public institution and unit of higher education. It provided a road map to reach the State's educational attainment goal for systems to follow as they exercised their authority to manage the day-to-day operations of their institutions. BoR has reported annually on the State's progress toward these goals.

THE TIME FOR ANOTHER LOOK

The importance of postsecondary education to the citizens and government leaders of Louisiana has increased dramatically over the past decades, even since the adoption of the 2011 plan. The escalating pressure to demonstrate the value added by a college degree, the swirling patterns of students' enrollment at varying points of their lives, and the revaluation of middle-

skill jobs all impact the diverse educational and workforce needs of Louisiana citizens. Evidence suggests that in order to successfully participate in the 21st century, a person must earn some form of postsecondary credential. The effects of higher education levels stretch beyond personal fulfillment. The economic stability of the State and the nation is tied to citizens who are employed in productive, meaningful work.

As Louisiana experiences industrial growth at historical rates, there is an increased need for trained individuals to support this expansion. According to Complete College America (2011), by 2020, approximately 53% of Louisiana jobs will require a career certificate or college degree. In order to build a sustainable workforce that can meet the needs of the 21st century economy, the State of Louisiana has two choices: (1) train its residents with the appropriate skill sets to build rewarding careers; or (2) import trained workers from outside Louisiana. The choice is clear. Louisiana postsecondary education must provide access to technical and professional education services to prepare its own citizens to participate more fully in the new economy.

To be responsive, Louisiana must have a comprehensive and flexible education and workforce network along a continuum in which all parts are well-aligned and coordinated into an integrated system. Transformations require thoughtful and innovative strategies to promote both stability and viability for the future of Louisiana. Recognizing this need, the Commissioner of Higher Education broadened the Regents' stakeholder engagement in 2015 by organizing a collaborative of state-level policy groups, business and industry partners, higher education leaders, and the workforce cabinet agencies. The primary objective of the BoR Stakeholder Collaborative (the Collaborative) is to work synergistically to identify and address relevant challenges that impede education and workforce attainment. Specifically, the Collaborative

recognizes that higher education is the vehicle to elevate Louisiana through education and innovation. Higher education understands its role and responsibility in improving lives, creating a strong workforce, and investing strategically in research that supports innovation and economic development for Louisiana.

As the economic, demographic and social landscape of the State continues to evolve, the Louisiana Board of Regents sees the master plan as a living document requiring continual vigilance and renewed commitment to ensure that higher education is accountable and adapts to meet the challenges and expectations it faces. To be responsive to the continual changes in education, the Board of Regents has embarked on the development of its seventh master plan. This plan will align with a new model in which performance and accountability (tied to institutional role, scope and mission) are measured, financially incentivized and evaluated based on institutional outcomes. The new master plan is tentatively scheduled to be presented to BoR for its consideration and approval in spring 2016. As the response to SR 132 is only one part of the master plan, a separate response to SR 132 is both premature and duplicative. The subject matter to be studied pursuant to SR 132 will be comprehensively addressed in the new master plan.

SENATE RESOLUTION NO. 132

BY SENATOR APPEL

A RESOLUTION

To urge and request the Board of Regents, in consultation with the public postsecondary education management boards, to re-examine the state's public postsecondary education delivery system and make recommendations to the legislature regarding the appropriate role, scope, and mission for each public postsecondary institution as necessary to ensure a comprehensive, coordinated, statewide public postsecondary delivery system that meets the needs of students and addresses the state's economic development and workforce needs on a local, regional, and statewide level.

WHEREAS, the role public postsecondary education plays in the economic well being of our citizens and our state is both well established and undeniable; and

WHEREAS, it is equally clear that the number of current and projected job openings in the state and related educational requirements does not align with the number of citizens matriculating from our public postsecondary institutions with degrees and credentials that sufficiently prepare them to enter the workforce and fill the demand for skilled employees; and

WHEREAS, the changing needs of the state's workforce and the state's fiscal condition make it imperative that our public postsecondary educational system make optimal use of resources, increase institutional efficiency and productivity, and maximize student access to an institution of public postsecondary education that best meets their educational and career needs and serves the state's economic development and workforce goals; and

WHEREAS, the quality and worth of an institution is not determined by its size or the breadth of its program and degree offerings, but by how well it serves the needs of its students, community, region, and the state; and

WHEREAS, each public postsecondary institution is an integral part of the state's public postsecondary delivery system, but it is time to look beyond traditional parochial considerations and recognize that achieving the state's goals may require that the role, scope,

mission, and degree and program offerings of individual public postsecondary institutions be redefined in a manner that differs from what is established in the current master plan, but yet preserves institutional identity; and

WHEREAS, Article VIII, Section 5(D)(2) of the Constitution of Louisiana provides, relative to public institutions of postsecondary education, that it is a power, duty, and responsibility of the Board of Regents to revise or eliminate an existing degree program, department of instruction, division, or similar division and to approve a proposed degree program, department of instruction, division, or similar subdivision; and

WHEREAS, Article VIII, Section 5(D)(3)(a) of the constitution further provides that it also is a power, duty, and responsibility of the board to study the need for and feasibility of creating a new institution of public postsecondary education, including establishing a branch of such an institution, or converting a nondegree granting institution to an institution which grants degrees, or converting a college or university limited to offering degrees of a lower rank than baccalaureate to a college or university that offers baccalaureate degrees, or merging one or more institutions of public postsecondary education, establishing a new management board, or transferring a college or university from one board to another; and

WHEREAS, Article VIII, Section 5(D)(3)(b) of the constitution specifies that if the creation of a new institution, the merger of institutions, the addition of a management board, or the transfer of an existing institution from one board to another is proposed, the Board of Regents shall report its written findings and recommendations to the legislature within one year and further specifies that only after the report has been filed, or after one year from the receipt of a request for a report from the legislature if no report is filed, may the legislature take affirmative action on such a proposal, and then only by law enacted by two-thirds of the elected members of each house; and

WHEREAS, Article VIII, Section 5(D)(4) of the constitution tasks the Board of Regents to formulate and make timely revision of a master plan for public postsecondary education; and

WHEREAS, the current Master Plan for Public Postsecondary Education adopted by the board in 2011, and revised in 2012, provides for the role, scope, and mission of each public postsecondary education institution in the state; and

WHEREAS, it is incumbent upon the Board of Regents to exercise its constitutional responsibility and re-examine the state's public postsecondary education delivery system from a statewide perspective and determine the best manner in which to provide a coordinated statewide public postsecondary delivery system that provides for the proper role, scope, and mission of each public postsecondary institution and its placement within the public postsecondary education governance structure, focuses resources, and establishes an optimal balance of technical colleges, two-year and four-year institutions, and courses of study.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request the Board of Regents, in consultation with the public postsecondary education management boards, to re-examine the state's public postsecondary education delivery system and make recommendations to the legislature regarding the appropriate role, scope, and mission for each public postsecondary institution as necessary to ensure a comprehensive, coordinated, statewide public postsecondary delivery system that meets the needs of students and addresses the state's economic development and workforce needs on a local, regional, and statewide level.

BE IT FURTHER RESOLVED that the Board of Regents submit a written report of its findings and conclusions, including recommendations for the role, scope, and mission for each existing public postsecondary institution, to the President of the Senate, the Speaker of the House of Representatives, the Senate Committee on Education, and the House Committee on Education not later than sixty days prior to the beginning of the 2016 Regular Session of the Legislature of Louisiana.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the chairman of the Board of Regents, the commissioner of higher education, the president of the Louisiana Community and Technical College System, the Louisiana State University System, the Southern University System, and the University of Louisiana System.

PRESIDENT OF THE SENATE

Agenda Item IV.

Executive Summary

House Bill 383/Act 230 of the 2015 Legislative Session assigned to the Board of Regents (BOR) and the Workforce Investment Council (WIC) the joint responsibility for recommending a list of associates and shorter-term programs for use by students receiving the TOPS Tech scholarship. Programs to be approved would be in alignment with state workforce demand, guided by The Louisiana Occupational Forecast. Approved programs would better meet the workforce needs of Louisiana business and industry while simultaneously leading to a greater number of Louisiana residents pursuing education and training leading to satisfying, high-wage employment.

A council was formed consisting of members of the Industry-Based Certification Council, two BOR members, and two WIC members, to develop a process and criteria for undertaking this program evaluation.

The Council approved the following criteria to evaluate programs:

1. All currently ineligible programs were cross walked to the Star Jobs Ranking System.
2. Any programs that did not crosswalk to a 4- or 5-star job were eliminated.
3. For programs that did crosswalk to 4- and 5-star jobs, support staff conducted research using the following procedure and criteria.
 - Retrieve information on the course requirements for each program from institution.
 - Ask institution about student outcomes (i.e., go on to four-year programs; go directly to work- if so, where?).
 - Retrieve information on companies employing completers, if immediately entering the workforce is one of the outcomes.
 - Contact three to five employers, preferably in the region where the program is located to determine if students are being hired from the program. If so, for what positions and at what salary. Is there a career trajectory?
 - If employers confirm they do hire or would hire graduates of the program, pay above average wages, and favor program completers over other applicants, the program is recommended for inclusion.

The Council employed the above criteria and recommended that the programs on the attached list be added to the approved TOPS Tech list of programs.

The senior staff recommends that the Planning, Research and Performance Committee 1) approve the TOPS Tech Program Evaluation Process and Criteria for Currently Ineligible Programs; 2) approve programs recommended for inclusion by the Council based on this process and criteria; and, 3) authorize Dr. Lisa Vosper, Associate Commissioner for Workforce Education and Training, to transmit the BOR-approved Criteria and Program List to the WIC and LOSFA in accordance with the law.

TOPS TECH PROGRAM ELIGIBILITY COUNCIL		
RECOMMENDATIONS FOR INCLUSION		
DEGREE	INSTITUTION	DISCIPLINE
AS	BRCC	COMPUTER SCIENCE
	SUSLA	
AS	Delgado	ELECTRICAL-ELECT. ENGINEER TECH.
AS	SLCC	INDUSTRIAL TECHNOLOGY
AS	Nicholls	PETROLEUM SERVICES
		SAFETY TECHNOLOGY
AA	McNeese	PARALEGAL STUDIES
	Nunez	
AA AS	Delgado	CRIMINAL JUSTICE
	BRCC	
	FTCC	
ASCJ	LSUE	
AS	HSC-NO	DENTAL LABORATORY TECHNOLOGY
AS	FTCC	CARDIOPULMONARY CARE SCIENCE
AS	LSUE	RESPIRATORY CARE
AS	BRCC	SURGICAL TECHNOLOGY
AS	LSUA	RADIOLOGIC TECHNOLOGY
	LSUE	
ASN	BPCC	NURSING
	BRCC	
	Delgado	
	FTCC	
	La Tech	
	LDCC	
	LSUA	
	LSUE	
	NSU	
	SLCC	
	McNeese	
	Sowela	
SUSLA		
AS	BRCC	BUSINESS
	Delgado	BUSINESS ADMINISTRATION
	SLCC	BUSINESS
	SUSLA	BUSINESS MANAGEMENT
AS	SUSLA	ACCOUNTING
	Delgado	