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November 1, 2021

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

Dear Commissioner Dardenne:

As we enter this FY 2022-23 budget planning season, we are grateful for the support of the Administration and Legislature in providing the first increase in higher education funding in over a decade and eager to maintain this momentum as we work to accelerate talent development.

In accordance with RS 39:32.1(F), the Board of Regents approved the required initial public postsecondary education budget request for FY 2022-23 at its October 20<sup>th</sup> meeting. In order to fully fund the state share of the public higher education enterprise, \$2.1B in state support is required. This represents an increase of over \$900M above the FY 2021-22 appropriation of \$1.2B. **Understanding the limited nature of public dollars, the Board of Regents requests an increase of \$219.5M in State General Funds for FY 2022-23 to support our goal of increasing talent development through strategic investments in institutional support and stability (\$104.6M), budget stabilization (\$18.7M), our strong commitment to affordability for students and families (\$92.2M), and targeted needs (\$4M).** We believe this investment would significantly advance our mission of expanding education while accelerating the state's economic renewal. Both are critical for Louisiana.

As you are aware, the Board of Regents set a new strategic vision through the adoption of our Master Plan, *Louisiana Prospers: Driving Our Talent Imperative*. The Plan sets a robust attainment goal of 60% of working-age adults holding a postsecondary education credential by the year 2030. Reaching that goal, thus meeting the demands of a rapidly changing economy, will require the state to double the number of credentials produced annually, from 43,000 to more than 85,000, over the next eight years.

In addition to driving the Master Plan goals, higher education is essential to Louisiana's recovery from both the pandemic and recent natural disasters. Recognizing this, for FY 2021-22 the Governor and Legislature reinvested in higher education much as they had the years after hurricane Katrina. For the first time in nearly a decade, the state of Louisiana expanded its investment in higher education, increasing state funding by 10%. In this time of numerous crises facing the state, we know from experience that investment in higher education yields increased value through the development of a skilled workforce.

Higher education benefits our state and graduates in numerous ways of particular importance at this time: improving employment opportunities, our tax base and lifetime wages while decreasing the need for public assistance.

As Moody's Investors Service noted in its assessment of the Master Plan, "if the strategic plan meets objectives, Louisiana will benefit from greater economic competitiveness, a credit positive for the state"; therefore, the reinvestment package for higher education in response to COVID-19 and major hurricanes addresses both stability and affordability.

In order to meet the demands of the future, we must build on the FY 2021-22 momentum by continuing Louisiana's reinvestment in higher education. To improve results, seed transformational change and support our faculty, we believe the targeted priorities listed below represent a prudent reinvestment package.

**Institutional Support/Stability (\$104.6M):**

- **Return Faculty Pay to SREB Average - \$31.7M**
  - Retaining and recruiting top faculty are critical to providing quality education in Louisiana. We are requesting to complete the two-year phase-in to return faculty pay to the SREB average, which began in FY 2021-22). The faculty pay increase includes the ranks of professor, associate professor, assistant professor, and instructor. The last year in which Louisiana reached the SREB average for faculty pay was 2008.
- **Provide Staff Pay Increases - \$42.9M**
  - An institutional staff pay increase of 4% would cost \$42.9M. Over the last few years, there has not been a uniform statewide pay increase to unclassified institutional staff, though classified employees have received increases.
- **Drive Improved Student Outcomes - \$15.0M**
  - The Board of Regents will support its focus on talent development by leveraging our funding formula to reward improved student success and expanded campus research activity through an increase in cost and outcomes funding while meeting the mandates pursuant to Act 462 of 2014.
- **Support Specialized Institutions - \$10.0M**
  - 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 LSU Health Sciences Centers and Pennington Biomedical Research Center.
- **Title IX Office Support - \$5.0M**
  - Increased funding for Title IX offices across public postsecondary institutions will allow systems and institution the ability to hire additional staff and provide expanded resources for investigations and prevention activities as we focus on student safety.

**Budget Stabilization Package (\$18.7M):**

- **Fund Annual Legacy and Mandated Cost Increases - \$18.7M**
  - Since FY 2008-09, legacy and mandated costs to higher education institutions have increased by a total of \$261.4M, an average annual increase of \$18.7M. For years, higher education was the only state entity that did not have its legacy and mandated cost increases annually reflected in the executive budget. These increases will allow institutions to retain state dollars for instruction, research and student support, to respond to the state's workforce needs.

Core to our higher education mission is expanding access to the education and training that will increase opportunities to the residents in our state. Accelerating our efforts to reach our Master Plan goals requires a targeted investment to expand student support and success.

**Priority Investment Package (\$92.2M):**

***Economic Recovery/Master Plan***

- **Master Plan Alignment - \$30.0M**
  - Additional funding will support institutions as they implement and/or expand programs to foster Master Plan alignment and student success. The support ranges from STEM initiatives at LSU and A&M College and Nicholls State to enhancing student success services at Grambling State University, LSU-Shreveport, and Southern University-Baton Rouge to creating/enhancing nursing programs at Southern University at New Orleans, Northwestern State, and Southeastern.

- **Completers Fund - \$30.0M**
  - This fund will accelerate retraining of displaced workers, supporting completion of in-demand short-term credentials and associate's or four-year degrees for students in the last semester of their studies.

### ***Student Success and Support***

Supporting financial aid for our students through both need-based and merit-based programs will be more important than ever to developing talent in our state.

### **Student Financial Aid**

- **Increased Funding of GO Grants - \$10.0M**
  - Need-based aid is essential to improving student access and success in postsecondary education. This additional funding will continue to build upon the largest base increase in the history of the GO Grants. The \$10.0M could be used to increase the number of awards to students, increase the amount awarded to students, or a combination of both.
 

NOTE:

    - To fully fund all 59,117 eligible students with the current financial aid packaging policy, an additional \$59.8M would be required. Each institution sets its own award range; currently institutions can provide a minimum of \$300 and maximum of \$3,000 per student.
    - To fund all 59,117 eligible students at the maximum GO Grant award amount of \$3,000 per student, an additional \$132.9M would be needed in FY 2022-23.
    - Currently only 26,240 students, 45% of those eligible for the program, receive GO Grant awards.
- **TOPS Increases - \$9.3M**
  - Additional funding for TOPS will cover the increase in participation, projected to be approximately 1,700 students.
- **M. J. Foster Scholars Increases - \$5.5M**
  - Additional funding is needed to fully fund the initial program cost in FY 2022-23 for the state's newly created adult financial aid program. This amount will bring the total funds allocated to the \$10.5 million needed to launch this critical affordability initiative.

### **Additional Critical Student Support Provided through the Higher Education Initiatives Fund (One-time Money)**

- **Increase Textbook Affordability - \$2.5M**
  - Funding will enable the statewide library network (LOUIS) to continue providing to institutions open-source documents and eTextbooks, proven to reduce the cost of attendance for students.
- **Dual Enrollment - \$1.5M**
  - Providing increased access to dual enrollment for high school students will allow them to enter colleges and universities with postsecondary credits, increasing their likelihood of college enrollment and completion while decreasing college costs and time to degree. Funding would create a dual enrollment teacher credential pilot program to provide high school teachers with tuition assistance to enroll in graduate courses or pursue technical certifications necessary to be credentialed as an instructor by a college or university. The credentialed high school teacher would then be able to directly provide dual enrollment instruction to students.
- **Master Plan Goals - \$1.5M**
  - To help institutions achieve Master Plan goals, Regents will assist them through the following: 1) regional and institutional goal setting, 2) Student Success Council & Diversity, Equity, and Inclusion work, and 3) Math Co-Requisite Pathway course development and faculty professional development.
- **Digital Inclusion Initiatives - \$1.0M**
  - The initiatives would provide digital literacy training through a program piloted in several parishes with

high percentages of their populations identified as not digitally literate and offer professional development to faculty to ensure quality instruction to students.

- **Early Childhood Initiatives - \$1.0M**

- To provide early learning centers at institutions of higher education training and support to develop a sustainable business model, funding to support credential attainment for teachers, and grants for curriculum development. In addition, these funds will provide financial and emotional supports for student families.

**Targeted Requests Package (\$4M):**

- **LOSFA High School Outreach and Engagement - \$2.1M**

- Connect2Success is focused on the high school pipeline for the purposes of experiential learning, career exploration, career related dual enrollment and validation of match and fit through internships and exposure to individuals in the field who are representative of the students we serve. Additional outreach funding will enable LOSFA to develop the capacity to support expanded audiences of students in continuation and completion of postsecondary as well as the broad array of adult audiences desiring to return to postsecondary.

- **Increase Adult Basic Education Funding - \$1.6M**

- Adult basic education was transferred from the Department of Education to LCTCS in 2010. Since LCTCS has operated it, the program has not received a funding increase. The \$1.6M increase would restore per-student funding to its level at the time the program was transferred to LCTCS, supporting both adult basic education and workforce training for these students.

- **Focus on Coastal Marine Consortium (LUMCON) - \$300,000**

- Increases will provide for additional funding for operational needs, as LUMCON continues coastal and maritime research and education critical to our state and the Gulf region with the opening of the BlueWorks campus in Houma.

Finally, in terms of the FY 2020-21 budget surplus, the Board of Regents requests that \$200M of available funds be utilized for deferred maintenance and disaster investments at the state's public postsecondary institutions. Addressing the maintenance needs at our colleges and universities and allowing for immediate repairs across the state will help mitigate long-term damage caused by years of neglect. We note that the total deferred maintenance needs in higher education are currently more than \$1.6B. In the wake of natural disasters, institutions can serve as community recovery hubs, acting as a one-stop shop for staging areas, food preparation, and disaster assistance and information. Disaster investment dollars would strengthen these campuses' ability to operate independently when communities lack power, water, internet connectivity, and other utilities, furthering their role as strategic assets.

Thank you for your consideration of these strategic investments on behalf of our students and our postsecondary community. We are committed to increasing talent development in Louisiana and are grateful for your support of our efforts. Should you have any questions, please feel free to contact me.

Sincerely,



Kim Hunter Reed, Ph.D.

Commissioner of Higher Education

- c: Hon. John Bel Edwards, Governor, State of Louisiana  
Hon. Mack "Bodi" White, Chairman, Senate Finance Committee  
Hon. Jerome Zeringue, Chairman, House Appropriations Committee  
Blake David, Chairman, Board of Regents