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**BOARD OF REGENTS**

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November 1, 2022

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

Dear Commissioner Dardenne:

As we enter the FY 2023-24 budget planning season, we are grateful for the support of the Administration and Legislature in providing the largest annual increase in higher education funding this fiscal year. We are eager to build on 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 2023-24 at its October 19<sup>th</sup> meeting. **In order to fully fund the state share of the public higher education enterprise, \$2.15B in state support would be required, which represents an increase of more than \$890M over the FY 2022-23 appropriation of \$1.3B. However, understanding the limited nature of public dollars, the Board of Regents requests a more targeted additional investment of \$280.4M in State General Funds for FY 2023-24 to support our goals of prioritizing talent development and student support (\$200M), increasing college affordability (\$50.4M), and addressing targeted statewide needs (\$30M).** This investment would significantly advance our mission of expanding education in support of the state's economic renewal, which is critical for Louisiana.

In 2019, the Louisiana Board of Regents issued its Master Plan for Higher Education, establishing an audacious goal for the state - 60% of working adults holding a postsecondary degree or credential of value by the year 2030. Following more than two years of major disruptions in our state, now is the time to accelerate all pathways to prosperity.

Having a shared vision that focuses on accelerating student learning and eliminating persistent equity gaps has unified the postsecondary education community in Louisiana. In support of the Master Plan and the role higher education plays in recovery and stability, the Governor and Legislature strategically reinvested in postsecondary education during the 2022 Regular Legislative Session with the largest state funding increase in Louisiana's history. For the first time in nearly a decade, Louisiana continued its reinvestment in higher education with back-to-back years of funding increases exceeding 10%. These increases supported students by almost doubling the need-based aid program GO Grants and incentivizing improved student outcomes at degree-granting institutions while also boosting faculty pay statewide for the first time since FY09, and advancing research at specialized institutions. After weathering more than a decade of disinvestment, we are grateful for this renewed investment in the education of our people.

Looking ahead, higher education is focused on meeting its attainment goal by following a clear pathway to 2030. This requires a sustained commitment to more than double the number of credentials earned at our colleges and universities. 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.” Our budget request is aligned to support achieving this important state goal.

Education opens doors, strengthens families, and improves communities by impacting a wide variety of wellness indicators, including:

- Increased lifetime wages of \$1M compared with those who received a high school diploma as their highest educational attainment (Georgetown Center for Education and Workforce);
- Increased economic resiliency to weather future economic shocks (Federal Reserve Bank of San Francisco); and
- Increased life expectancy of a decade longer for individuals who completed college compared with those who have not completed high school (National Center for Health Statistics).

Today we must build on the recent reinvestments to ensure a more prosperous future - prioritizing talent development and student support, expanding research, and aligning education with workforce needs. Additionally, by increasing college affordability through national best practices such as need-based aid, expansion of dual enrollment opportunities, and investments in low- and no-cost textbooks (open educational resources), Louisiana can improve access to and success in higher education across our state.

Thank you for your consideration of the attached 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 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

# Louisiana Board of Regents

## FY 2023-24 Postsecondary Budget Request

### **Prioritize Talent Development and Student Support (\$200M)**

- **Master Plan Credential Alignment - \$80M**
  - Workforce Training - \$40M
    - Funding to support student success services, short-term training/credentials, and adult basic education for two-year community and technical colleges (LCTCS colleges, LSU Eunice, and Southern University at Shreveport).
  - High-Demand Career Funding - \$40M
    - Funding to support student success services and to create/expand programs preparing students for high-demand fields (nursing, education, STEM, etc.) across all four-year institutions, as well as the health sciences centers.
  
- **Talent Recruitment and Investment - \$75M**
  - An increase in on-campus talent recruitment and investment will allow institutions and entities across the state to allocate funds to their most targeted needs. Institutions may allocate dollars to provide faculty pay increases, expand and support staff critical to improving student outcomes, update financial/student management systems, or all of the above.
  
- **Drive Performance-Based Funding - \$18M**
  - The Board of Regents will support its focus on talent development by leveraging its funding formula to reward improved student completion 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 - \$10M**
  - 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.
  
- **Fund Annual Legacy and Mandated Cost Increases - \$17M (projected)**
  - For years, higher education was the only state entity that did not have its legacy and mandated cost increases reflected annually 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. The final allocation is determined based on information received from the Office of Planning and Budget.

### **Focus on Affordability (\$50M)**

- **Dual Enrollment - \$25.3M**
  - Expansion of dual enrollment funding will provide greater opportunities for students to enroll in and complete college courses in high school, focusing on both two-year credentials and four-year degree programs, expansion of online and on-campus classes, and ensuring accessibility and affordability for all students.
  
- **Increased Funding of GO Grants - \$15M**
  - 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 \$15M will 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 60,987 eligible students with the current financial aid packaging policy, an additional \$73.1M would be required in FY 2023-24. Each institution sets its own award range, with a minimum of \$300 and maximum of \$3,000 per student.
  - To fund all 60,987 eligible students at the maximum GO Grant award amount of \$3,000 per student, an additional \$125.9M would be needed.
  - Currently only 30,250 students, 49% of those eligible for the program, receive GO Grant awards.
- **TOPS Increases - \$7.6M (projected)**
    - Additional funding for TOPS will cover the growth in participation, projected to be approximately 1,500 students.
  - **Increase Textbook Affordability - \$2.5M**
    - Funding will enable the statewide library network (LOUIS) to continue providing institutions with open-source documents and eTextbooks, proven to reduce the cost of attendance for students, with a priority focus on OER development for and usage in high-demand, high-wage fields of study. Since 2012, LOUIS has saved students \$8M in textbook costs through the purchase of eTextbooks.

#### **Targeted Request Package (\$44M)**

- **National Cancer Institute (NCI) Designation - \$16M**
  - The funding will support development of multidisciplinary cancer care and clinical programs at institutions and centers across the state, with the intent to receive an NCI designation. This designation will recognize both laboratory and clinical research, as well as the quality of care provided to the community by healthcare professionals. NCI dedicates significant resources toward developing research programs, faculty, and facilities, leading to better and more innovative approaches to cancer protection, diagnosis, and treatment. NCI supports the research infrastructure of cancer centers to advance scientific goals and fosters programs that draw together investigators from different disciplines.
- **LOSFA High School Outreach and Engagement - \$7M**
  - Informed by recent survey information provided by students and families related to outreach and engagement, LOSFA requests \$3.5M to implement outreach specific to the state's K-12 population including career exploration, career-related dual enrollment, college-going, and financial aid, along with an additional \$3.5M for outreach to non-traditional students and adult learners and services related to state programs including TOPS, GO Grants, 529 Savings, and M.J. Foster Promise.
- **Cyber Program Development and Expansion - \$5M**
  - The increase in cybersecurity funding will support the creation of additional talent development avenues. First, funds will be used to support the work of the Cyber Education Management Council to continue expanding the scope and scale of established programs, as well as to ensure the development of strong new programs that increase and diversify Louisiana's cyber workforce. Second, funds will enable creation of collaborative curricular resources, which will be made available to every public university and college. Institutions will use these curricular resources to create new cyber program capacity, in both traditional and new degrees and credentials.

- **Focus on Coastal and Marine Consortium (LUMCON) - \$2M**
  - Increases will provide additional funding for operational needs as LUMCON expands coastal and maritime research and education critical to our state and the Gulf region with the opening of its BlueWorks campus in Houma.

### **Deferred Maintenance**

Finally, in terms of the FY 2021-22 budget surplus, the Board of Regents requests that \$170M of available funds be utilized for deferred maintenance across the state's public postsecondary institutions. Addressing maintenance needs 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 \$1.6B. Deferred maintenance funding would be allocated based on priority projects and needs.

- **Priority Projects - \$100M**
  - Costs to address the top two priority projects for each institution, which range in categories from roofing, HVAC, and utilities/infrastructure, to safety, accessibility and other needs, total \$100M.
- **Priority Needs - \$70M**
  - Each system has identified priority needs for its institutions beyond the top two projects. This pool of funds would allow the systems to target needs across campuses to further improve building and infrastructure across the state in addition to addressing existing demolition needs.