



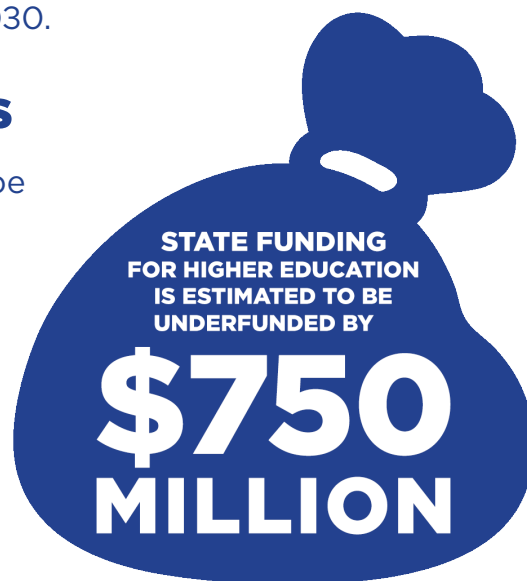
Louisiana Higher Education Five-Year Funding Formula

Objective

To provide a cohesive and successful strategy, through collaboration with the system presidents, to allocate funding to two-year and four-year institutions by rewarding student success through progression, completion, and workforce development in alignment with the Higher Education Master Plan goal of 60% of all working-age adults in Louisiana holding a degree or high-value credential by 2030.

Challenges and Guiding Principles

1. State funding for higher education is estimated to be underfunded by \$750 million
2. Formula must recognize and reward distinctions in institutional missions and scopes
3. Encourage educational attainment in high-demand and high-reward disciplines, as aligned to workforce needs.
4. Focus on student access and success.
5. Use clearly defined, currently available data to drive outcome improvements



Old Model vs. New Model

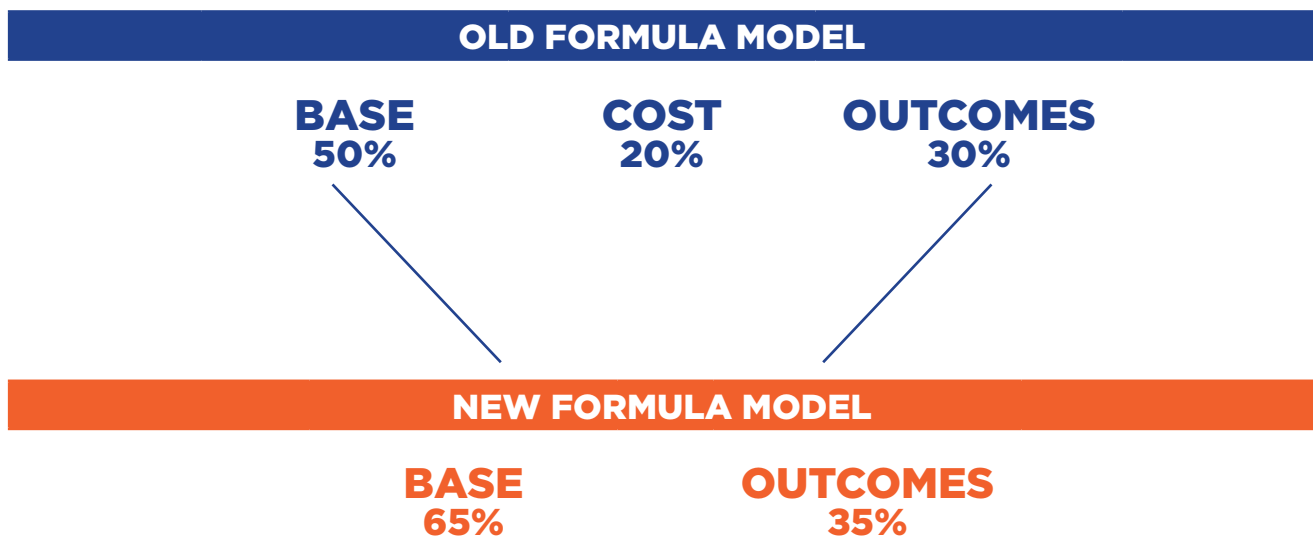
- Increased emphasis on educational attainment in high-demand and high-reward disciplines aligned to workforce needs
- Focus on student success
- Money follows the student – Full-time enrollment (FTE)-based model
- Adds Meauxmentum Framework through metrics that reward passage of gateway courses, work-based learning, and dual enrollment
- Continues rewarding the student path to completing through progression, transfers, and grad completers
- Base component (65%) and Outcomes component (35%)
 - Absorbs the previous formula's Cost model (20%) into Base and Outcomes
- Simpler metrics and data
- No minority metric in the new model
- Maintains practice of not funding 100% online, out-of-state students and not funding associate's degree completers at universities

Research Focused








- The new formula includes an independent research component outside of the overall outcomes measure; in the current formula it resides within the overall outcomes measure.

Validated Skills and Learning (Short-Term Credentials)

- The existing formula provides funding only for outcomes connected with “for-credit” programs. The new formula introduces an innovative methodology that will allow all validated skills and learning credentials (short-term credentials) at two-year institutions to be recognized.



Where Did the Cost Metrics Go?

COST	BASE	OUTCOMES
Operations and Maintenance		
Buildings and Facilities Cost		
Support Services		
Course Offerings		
Degree Levels of Students		
Weighted Credit Hours		
Average/Annualized FTE		
SREB Institutional Level	