



Louisiana Higher Education Five-Year Funding Formula

Objective

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 more than \$850M+
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. No race-based metric in the approved formula model.



Previous vs. Current Model

- Increased emphasis on educational attainment in high-demand and high-reward disciplines aligned to workforce needs
- Focus on student success
- Adds metrics that reward passage of gateway courses, work-based learning, and dual enrollment
- Continues rewarding progression, transfers, and grad completers
- Simpler metrics and data
- No minority metric in the current model
- Maintains practice of not funding 100% online, out-of-state students and not funding associate's degree completers at universities

Validated Skills and Learning (Short-Term Credentials)

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

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.

PREVIOUS FORMULA MODEL

BASE 50% **COST 20%** **OUTCOMES 30%**

CURRENT FORMULA MODEL

BASE 65% **OUTCOMES 35%**

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		