Louisiana's Outcomes-Based Funding Formula Overview

LAIR 2023 Formula Update

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BOARD of REGENTS
STATE OF LOUISIANA

Alignment: Formula & Master Plan

The Master Plan goal is 60% of all working-age adults (ages 25-64) in Louisiana to hold a degree or high-value credential by 2030.

The challenge is to:

1) Expand access and success in completing Postsecondary education;

2) Eliminate persistent and damaging equity gaps;

3) Significantly increase the education level for all adults.

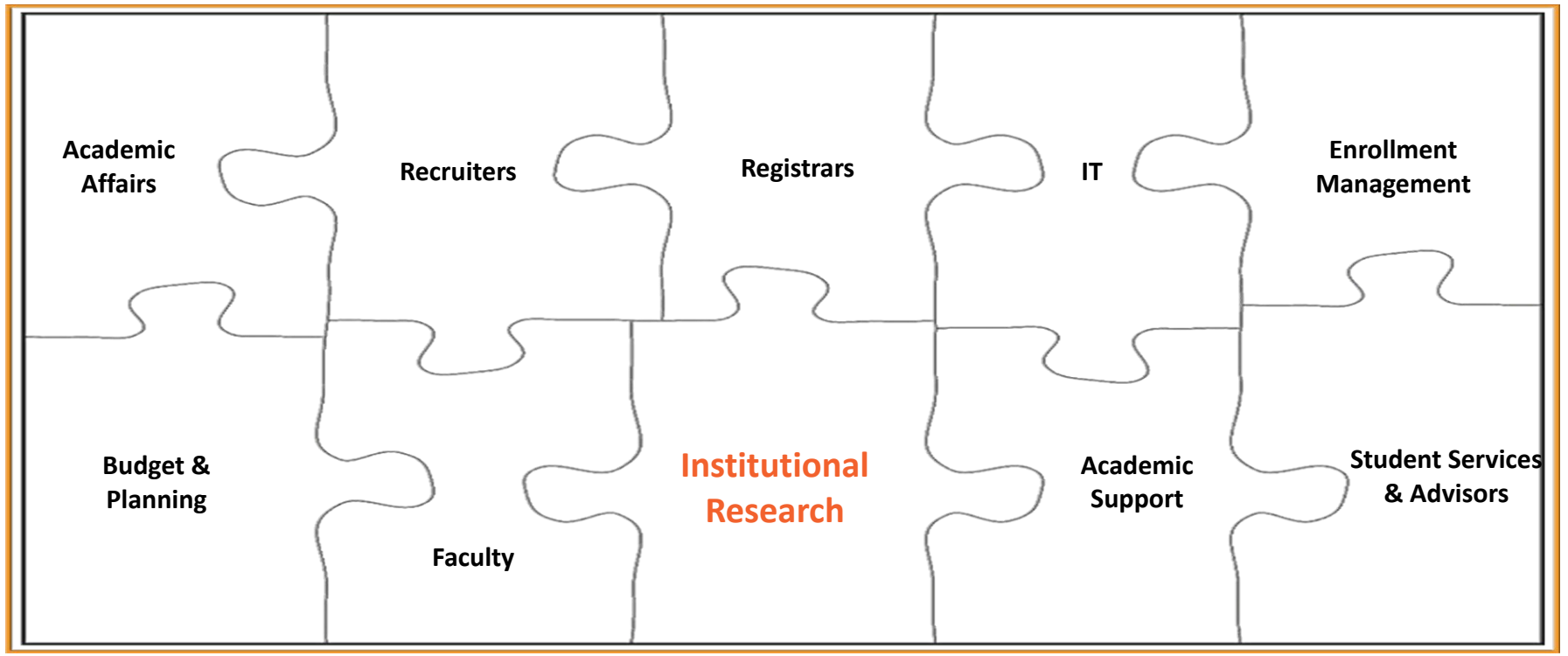
These challenges are the incentives for institutions to be rewarded in the model as the state works towards the attainment goal.

Institutional Success

The funding approach considers, engages, and enables the entirety of the institution.

Understanding the model by all units helps achieve formula success.

OUTCOMES DEMANDS…



How We Determine the Request?

Weighted SCHs* **X** **Base SCH Value** **=** **CORE Cost** $2.4B

+ **OP&M, based on net square footage** **+** **General Support/ Services (IPEDS data)** **=** **TOTAL COST (state support + tuition & fees)**

X

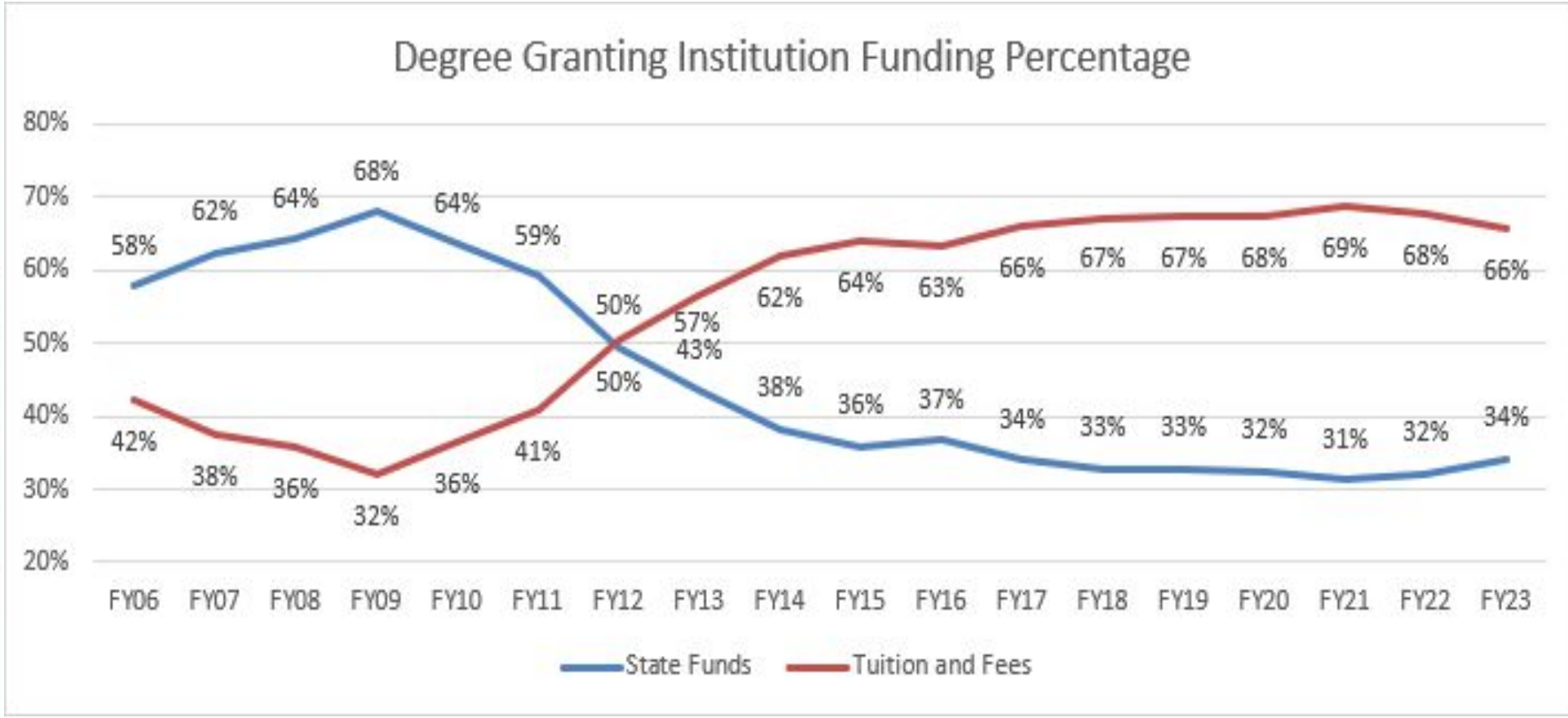
State Share, by SREB Category **+** **URM Cost** **=** **Calculated State Share of COST** $1.07B

$585.2M Allocation for FY23

Understanding Appropriations

State Appropriations and Tuition & Fee Comparison *

CARES Act Funds Included



Thanks to the Governor and Legislative support, the funding percentage is continuing to get closer.

Cost: Weighting Components

Weights are based on Texas Cost Study which consists of 3-year average expenditures and semester credit hours

Group Name	Lower Level UGrad	Upper Level UGrad	Masters	Doctoral/ Prof.
Liberal Arts	**1.00**	1.69	3.91	9.23
Agriculture	2.02	2.54	7.13	9.62
Business Administration	1.11	1.71	3.16	23.34
Engineering	2.42	3.70	7.46	16.03
Fine Arts	1.42	2.33	5.41	7.22
Health Services	1.19	1.81	3.15	9.75
Home Economics	1.03	1.66	2.89	7.24
Law	1.00	1.96	4.15	4.15
Library Science	1.44	1.12	2.69	9.64
Military Science	1.00	1.00	1.00	0.00
Nursing	3.12	5.32	6.49	16.32
Pharmacy	1.48	5.02	23.28	34.24
Physical Training	1.38	1.18	0.00	0.00
Science	1.75	2.92	7.84	21.07
Social Service	1.88	2.09	2.98	14.70
Teacher Education	1.41	1.74	2.27	7.37
Technology	2.10	2.45	3.87	2.84
Veterinary Science	0.00	0.00	20.04	20.04

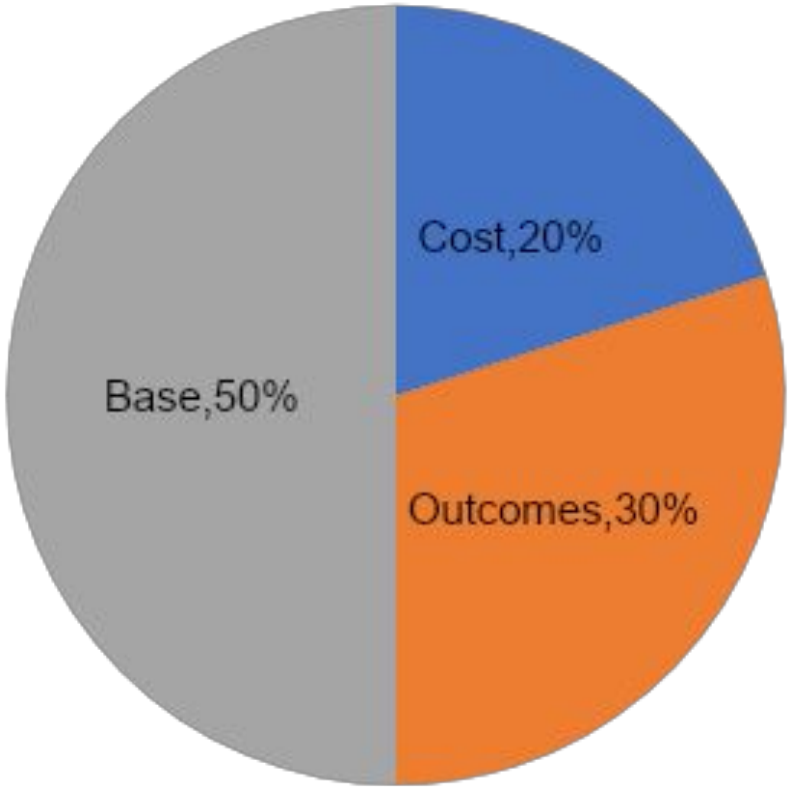
Example: Weighted SCHs as a Class Schedule

Student Progression Matters in Cost and Outcomes

Lower Level Undergraduate Schedule with Weights					
Dept	Course Number	Course Title	Credit Hours	Weight	Weighted SCHs
ENGL	111	English Composition I	3	1.0	3
MATH	151	College Algebra	3	1.0	3
CHEM	111	General Chemistry I	3	1.75	5.25
ECON	211	Economic Principles I	3	1.11	3.33
CISP	200	Programming I	3	2.1	6.3
Total Semester Hours			**15**		**20.88**

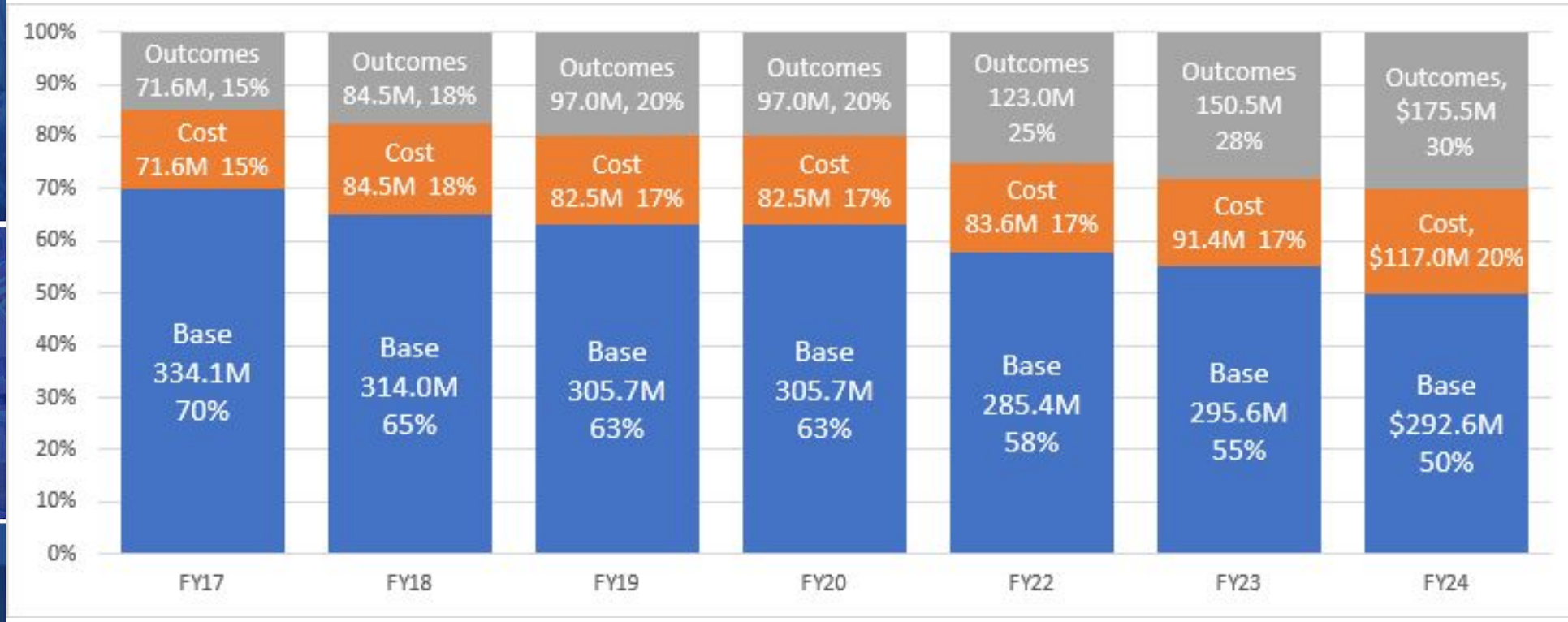
Upper Level Undergraduate Schedule with Weights					
Dept	Course Number	Course Title	Credit Hours	Weight	Weighted SCHs
BADM	310	Business Finance	3	1.71	5.13
MGMT	362	Prin. Of Management	3	1.71	5.13
CISP	320	System Analysis & Design	3	2.45	7.35
HIMS	350	Data Analytics	3	2.45	7.35
HIST	401	History of Louisiana	3	1.69	5.07
Total Semester Hours			**15**		**30.03**

Understanding the Allocation

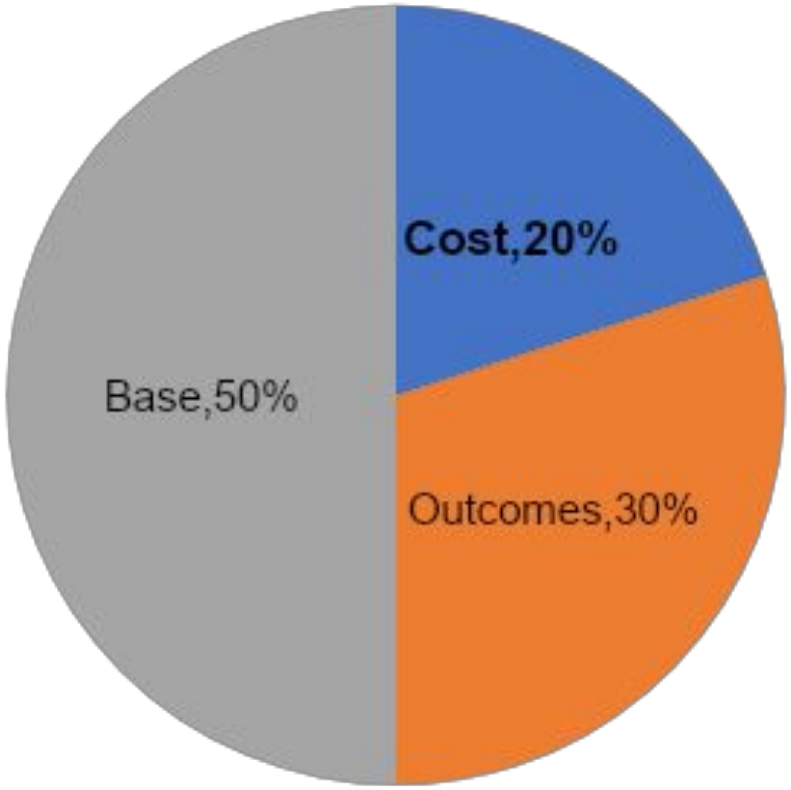


Understanding the Allocation

In Dollars



Understanding Costs



Cost Allocation

Pro-Rata Share of Dollars Allocated to Cost (20%)

Weighted SCHs* X **Base SCH Value** = **CORE Cost**

\+ **OP&M, based on net square footage** + **General Support/ Services (IPEDS data)** = **TOTAL COST (state support + tuition & fees)**

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State Share, by SREB Category + **URM Cost** = **Calculated State Share of COST**

$1.07B

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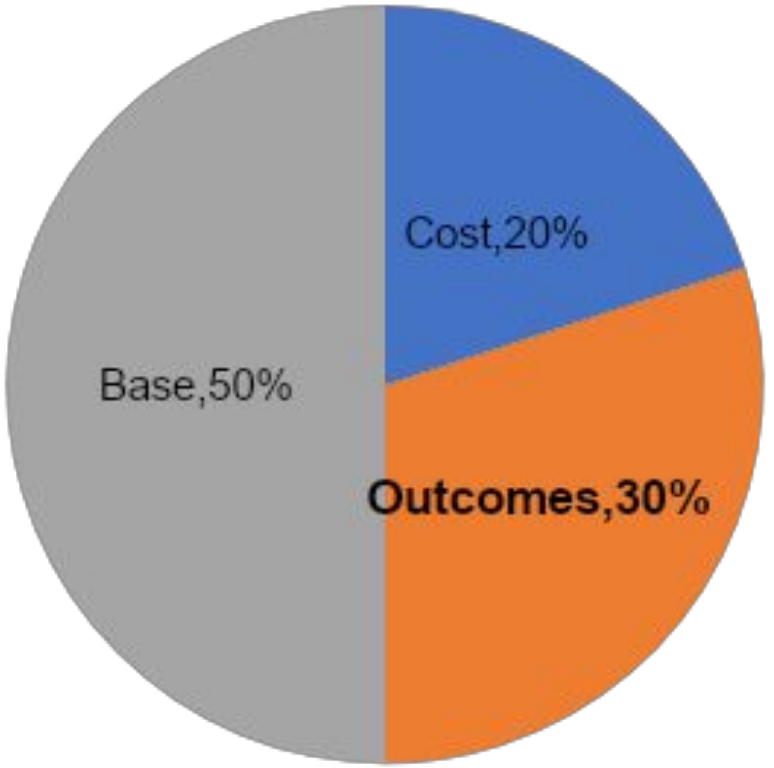
Understanding Outcomes



How Do We Calculate Outcomes?

Points Earned: Progression, Research, Completion, Workforce & Equity

Outcomes Formula

Metrics are weighted to incentivize performance among institutions.

Student Progression

- Prep - 0.5
- Freshman - 0.5
- Sophomore - 0.75
- Junior/Other - 1.0
- Senior - 1.1
- Graduate 1.0

Transfer Students

Accepting from two-year institution - 1.0

Research

Each dollar of federal research expenditures - 1.0

First time Freshman Time-to-Degree

- <=4 yrs - 2.0
- 4.0-4.5 - 1.8
- 4.5-5.0 - 1.6
- 5.0-6.0 - 1.4
- 6.0-8.0 - 1.2
- >8 yrs - 1

Transfer Time-to-Degree

- <=3 yrs - 2.0
- 3.0-3.5 - 1.8
- 3.5-4.0 - 1.6
- 4.0-4.5 - 1.4
- 4.5-6.0 - 1.2
- >6 yrs - 1

Graduate Degree Completion

- Professional - 2.0
- Doctoral - 1.5
- Masters - 1.0
- Post-Master/Prof. - 0.5
- Ed. Specialist - 0.5
- Grad. Certificate - 0.5

Equity

- Adult completer - 2.25
- Pell completer -2.25 to 4.25
- Underrepresented minority completer - 2.25 to 4.25

Workforce

- Tier 4 - 3.5
- Tier 3 - 3.0
- Tier 2 - 2.5
- Tier 1 - 1.5

Total Points Earned

Total points at each institution are divided into total points at all four-year institutions to determine a percentage.

How Do We Calculate Outcomes?

Points Earned: Progression, Partnerships, Completion, Workforce & Equity

Outcomes Formula

Metrics are weighted to incentivize performance among institutions.

Student Progression

- Prep - 0.5
- Freshman - 0.75
- Sophomore - 1.0
- Other - 1.0

Transfer Students

Transfer from two-year institution - 1.0

Cross-Enrolled

Student at two-year institutions also enrolled at a four-year institution - 0.1

Time-to-Degree (Associate's)

- <=2 yrs - 2.0
- 2.0-2.3 - 1.8
- 2.3-2.7 - 1.6
- 2.7-3.0 - 1.4
- 3.0-4.0 - 1.2
- >4 yrs - 1

Certification/ Diploma Completion

- A1 (6 weeks) - 0.15
- A2 (8 weeks) - 0.20
- Certificate - 0.25
- Diploma - 0.5

Equity

- Adult completer - 2.25
- Pell completer -2.25 to 4.25
- Underrepresented minority completer - 2.25 to 4.25

Workforce

- Tier 4 - 3.5
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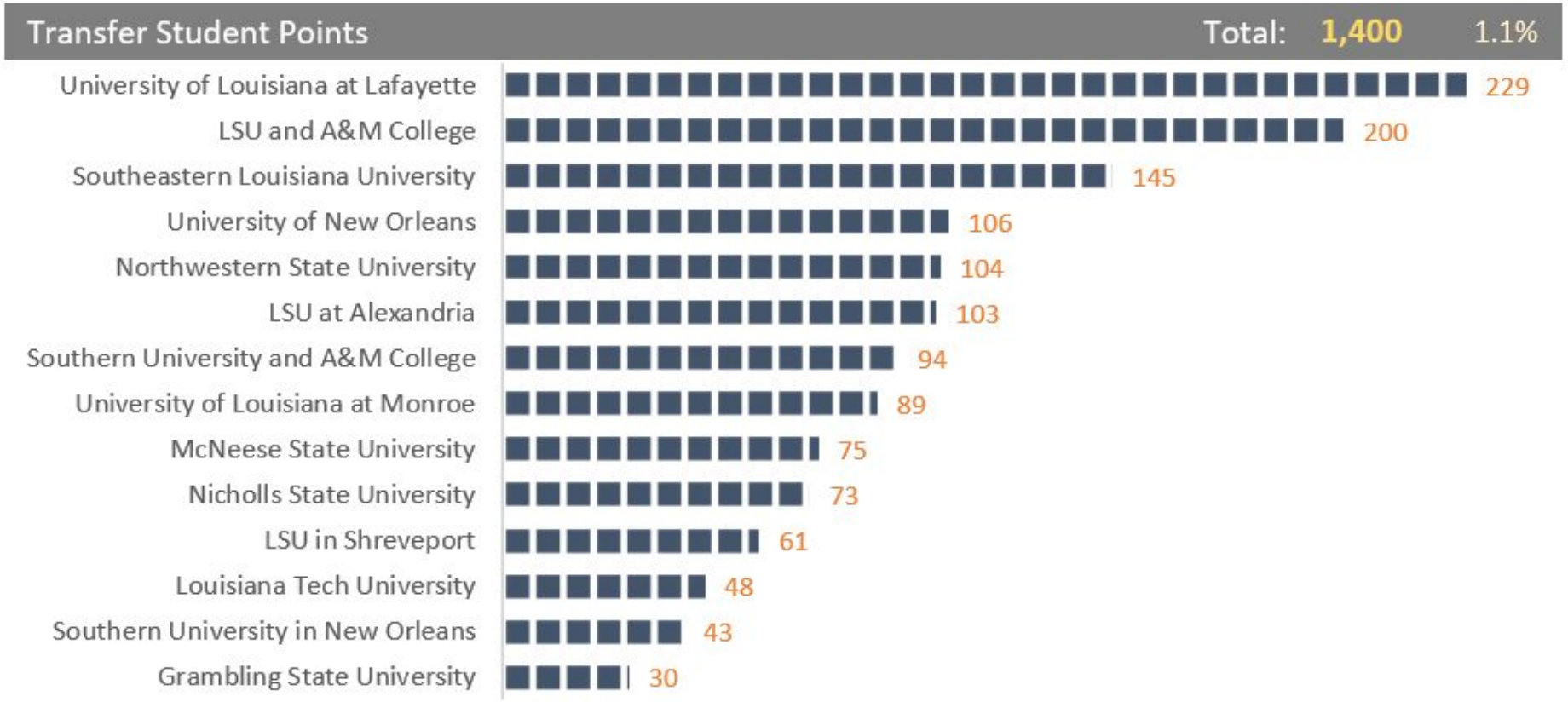
Example: Transfer Outcomes

Both Four-Year and Two-Year Colleges Get Credit



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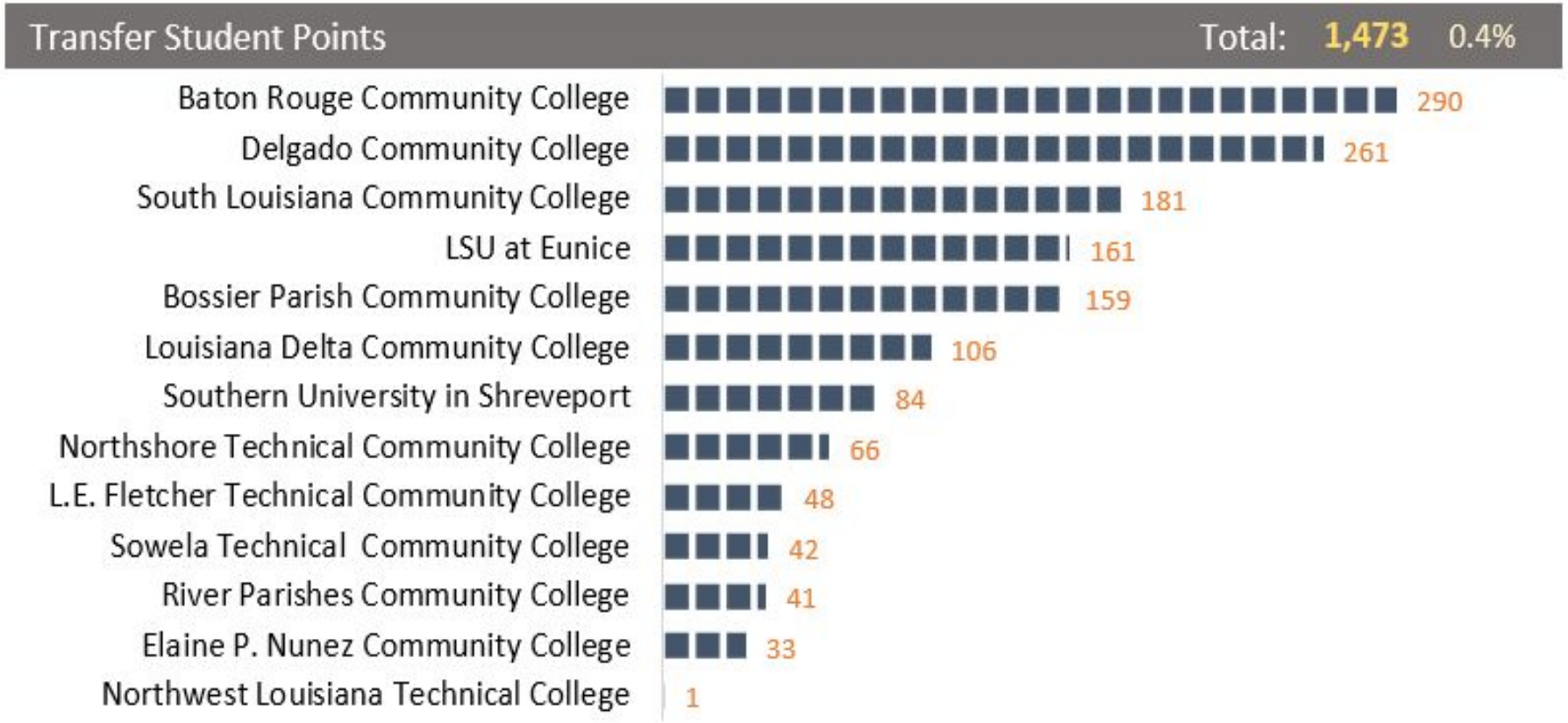


Trend Data: Showing Progress

Examples: Baccalaureate TTD and Two-Year College Completion

Time-to-degree FTF	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<=4 YRS	4,796	5,197	5,681	5,919	6,335	6,510	6,351	6,891
4.0-4.5	1,885	1,834	1,874	1,917	1,934	1,787	1,851	1,737
4.5-5.0	1,807	1,738	1,798	1,750	1,762	1,757	1,563	1,533
5.0-6.0	1,301	1,257	1,204	1,084	1,060	1,021	983	958
6.0-8.0	868	823	756	759	619	644	541	562
>8 YRS	1,019	959	850	845	847	810	691	629
Total	**11,676**	**11,808**	**12,163**	**12,274**	**12,557**	**12,529**	**11,980**	**12,310**

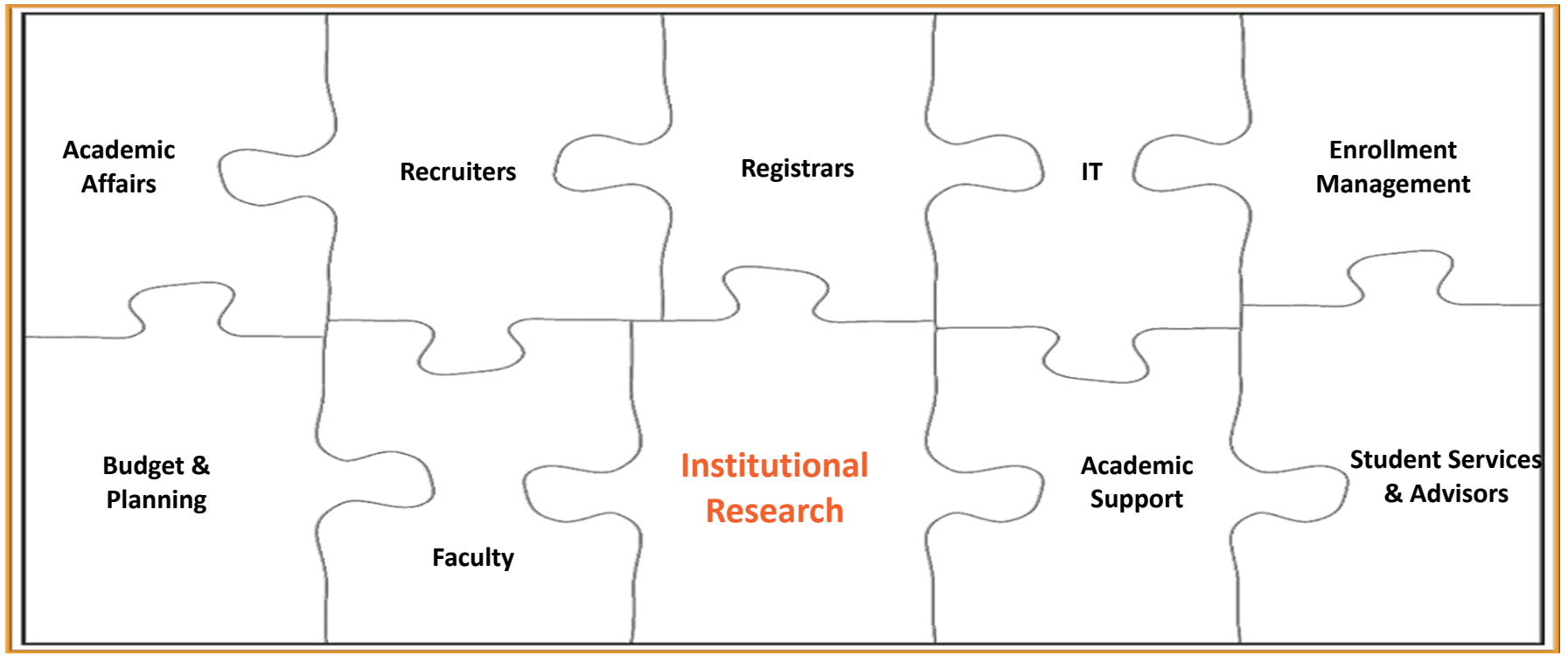
Equity Completers	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
American Indian or Alaskan	73	85	66	90	83	137	102	97
Asian	215	171	183	171	214	248	238	216
Black	3,652	3,493	3,432	3,250	3,942	4,728	4,268	4,046
Hispanic	499	506	460	509	672	812	755	693
Native Hawaiian or other P	14	11	10	20	74	145	170	127
Non-Resident Alien	79	86	93	101	96	169	140	129
Race/Ethnicity Unknown	406	364	302	1,126	1,030	519	338	228
Two or more races	162	198	195	206	316	467	458	394
White	5,734	5,660	5,288	5,194	6,260	7,641	6,727	6,665
Total	**10,834**	**10,574**	**10,029**	**10,667**	**12,687**	**14,866**	**13,196**	**12,595**

Perspectives: Outcomes

We share the same goals in order to achieve BOR's Master Plan

The outcomes approach considers, engages, and enables the entirety of the institution.

OUTCOMES DEMANDS…



Thank You

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