
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Appel

SB No. 117

Proposed law provides for the creation of the Outcomes-Based Funding Task Force as follows:

- (1) Requires the Bd. of Regents to establish such task force to develop a funding formula for the equitable allocation of state funds to public postsecondary educational institutions that appropriately consider cost, but places significant emphasis on student and institutional outcomes and is aligned with state economic development and workforce needs and strategies.
- (2) Requires that the task force be composed of 21 members:
 - (a) The chairman of the Bd. of Regents, who shall serve as chairman.
 - (b) One member of the Bd. of Regents, appointed by the chairman.
 - (c) The chairman of the LSU Bd. of Supervisors, or his designee.
 - (d) The chairman of the Southern University Bd. of Supervisors, or his designee.
 - (e) The chairman of the Bd. of Supervisors for the University of Louisiana System, or his designee.
 - (f) The chairman of the Bd. of Supervisors of Community and Technical Colleges, or his designee.
 - (g) The commissioner of higher education.
 - (h) The president of the LSU System.
 - (i) The president of the Southern University System.
 - (j) The president of the University of Louisiana System.
 - (k) The president of the Louisiana Community and Technical College System.
 - (l) The secretary of the Louisiana Department of Economic Development, or his designee.
 - (m) The executive director of the Louisiana Workforce Commission, or his designee.
 - (n) One member representing the business community, appointed by the governor.
 - (o) One member appointed by the chairman of the Senate Committee on Education.
 - (p) One member appointed by the chairman of the House Committee on Education.
 - (q) The president of the Association of Louisiana Faculty Senates.

- (r) The chairman of the executive board of the Council of Student Body Presidents of Louisiana.
 - (s) Three members representing business or civic organizations, appointed by the governor.
- (3) Requires the task force to focus on course, certificate, and degree completion when developing the outcomes-based formula and consider a range of factors to be weighted in accordance with the role, scope, and mission of each institution. Requires that such factors include retention, timely progression toward degree completion, certificate and degree production, alignment with current and projected workforce needs, and consideration of the potential earning power of graduates.
- (4) Authorizes the task force to consider factors such as graduation rates; research; transfer and articulation policies and activity; student enrollment characteristics; graduates in high need, demand, and growth areas; graduates in science, technology, engineering, and mathematics disciplines; and any other factors deemed appropriate by the task force.
- (5) Requires the task force to:
- (a) Ensure that the formula considers the role, scope, and mission of each institution and class of institution and allocates funding to each institution based upon performance in meeting the outcomes established in the formula.
 - (b) Establish a concise set of outcomes to be measured for each institution and define metrics for each outcome included in the formula that are reliable, accurate, nationally recognized, and easily understood.
 - (c) Determine the optimal percentage of state appropriated funds to be allocated to institutions based upon outcomes and the percentage to be based upon costs. Requires that the percentage based upon outcomes be sufficient to incentivize increased performance at the campus level. Proposed law provides that the legislature is not required by proposed law to fund the outcomes-based formula developed by the task force.
 - (d) Consider the characteristics unique to each institution, including student enrollment characteristics and geographic location and delivery area.
 - (e) Consider factors unique to community colleges and professional schools.
 - (f) Ensure that the formula includes provisions to prevent sudden, dramatic changes in funding for any institution.
 - (g) Consult with and solicit feedback from institutional presidents, chancellors, faculty, chief academic officers, chief financial officers, and business and civic leaders through subcommittees, advisory committees, or work groups.
 - (h) Determine a reasonable time line for full implementation of the new outcomes-based funding formula, beginning with the 2014-15 fiscal year.
 - (i) Make recommendations for any changes needed in the Master Plan for Postsecondary Education and the Granting Resources and Autonomies for Diplomas Act (GRAD Act) to support and facilitate implementation of the outcomes-based funding formula.
- (6) Requires that the task force's first meeting be held not later than Sept. 1, 2013, on the call of the chairman and that the task force meet at least once a month. Requires the task force to elect a vice chairman and such other officers as it deems necessary.
- (7) Provides that a majority of the task force constitutes a quorum for the transaction of business.

- (8) Provides that members will serve without compensation but may receive per diem or reimbursement for travel and expenses as may be provided by their board, agency, or appointing authority.
- (9) Provides that the Bd. of Regents shall provide primary administrative and staff support to the task force but may solicit information and staff assistance from each represented board or agency and each postsecondary education system and institution. Requires represented boards and agencies and each such system and institution to cooperate with the task force and the Bd. of Regents and provide information and assistance as requested.
- (10) Authorizes the task force to accept grants, donations, gifts, monies, aid, and technical and research assistance and services from public or private sources for the purposes of completing its work and specifies that receipt of such is a public record.
- (11) Requires the task force to complete its work and submit a written report containing the proposed outcomes-based funding formula and related recommendations for related policy and statutory changes to the Bd. of Regents by Jan. 15, 2014. Requires the board to review the report and submit the report and its comments to the Senate and House Committees on Education, the Senate Committee on Finance, and the House Committee on Appropriations by Jan. 31, 2014.
- (12) Requires the Bd. of Regents, after the outcomes-based funding formula is implemented, to evaluate the formula at least once every two years and submit a written report to the Senate and House Committees on Education, the Senate Committee on Finance, and the House Committee on Appropriations regarding the formula's effectiveness and the outcomes achieved by each institution. Further requires that such report include recommendations for any adjustments to the formula needed to recognize and increase student and institutional performance.

Proposed law places the task force within the Department of Education under the jurisdiction of the Bd. of Regents and provides that the task force shall terminate on June 30, 2014.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 17:3129.2 and R.S. 36:651(N))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

- 1. Changes the number of members that will compose the task force from fifteen to twenty-one.
- 2. Changes the number of members that will represent the business community on the task force, and removes civic organization representatives.
- 3. Adds additional members to the task force.
- 4. Provides that there is no obligation on the legislature to fund the outcomes-based formula.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Education to the reengrossed bill.

- 1. Revises the membership of the task force as follows:

Removes the president of LSUnited, the chairman of the Council of Faculty Advisors of the LSU System, the president of the Faculty Senate of SU, and the chairmen of the Faculty Advisory Councils to the UL System and the LCTCS.

Adds the president of the Assoc. of La. Faculty Senates, the chairman of the executive board of the Council of Student Body Presidents of La., and three members representing business or civic organizations, appointed by the governor.