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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jeanne C. Johnston.

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DIGEST

Appel (SB 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 15 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.
  - (m) The chairman of the Louisiana Workforce Commission.

- (n) Two 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 postsecondary 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) Provides that the task force may also 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 postsecondary institution based upon performance in meeting the outcomes established in the formula.
  - (b) Establish a concise set of outcomes to be measured for each postsecondary 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 public postsecondary 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.
  - (d) Consider the characteristics unique to each individual postsecondary 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 postsecondary 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 2014-2015 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 as needed. Requires represented boards and agencies and each public postsecondary 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 not later than January 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, not later than January 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 postsecondary 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 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))