

BLUEPRINT FOR LOUISIANA'S
"FINANCIAL CLIFF" YEAR

TOTALING \$1+ BILLION IN
POTENTIAL SAVINGS & NEW REVENUE
FOR FISCAL YEAR 2012

February 2011

It's time to create the state we deserve.

**BLUEPRINT
LOUISIANA**

INTRODUCTION

For four years now, Blueprint Louisiana has advocated for systemic reforms to fundamentally improve Louisiana in targeted areas. We focused on long-term change intentionally, recognizing that meaningful reform requires time to implement. We are grateful for the leadership, commitment, and follow-through from legislators and the Jindal Administration to enact these reforms. “Together” has been the general rule, not the exception.

Louisiana’s state budget has reached the so-called “financial cliff”—a year when anticipated state expenditures are significantly higher than revenue forecasts. Building on Blueprint’s commitment to state government reform, we have prepared an array of research-driven recommendations that deliver substantive budget solutions for Fiscal Year 2012 and provide real reforms to address long-standing problems in state government. The list of 14 recommendations provides an estimated \$972 million to \$1.64 billion in potential savings and new revenue for the upcoming budget cycle.

Budget reductions are necessary, and we believe it matters immensely how those cuts are made. Our goal is a state government that operates more efficiently and is more sustainable in the future. This year’s budget challenges offer an opportunity to move toward that goal.

Blueprint Louisiana is motivated by a simple motto—together, we can create the state we deserve. We encourage not only thoughtful dialogue, but bold and decisive action to advance statewide priorities that build a foundation for sustainable government.

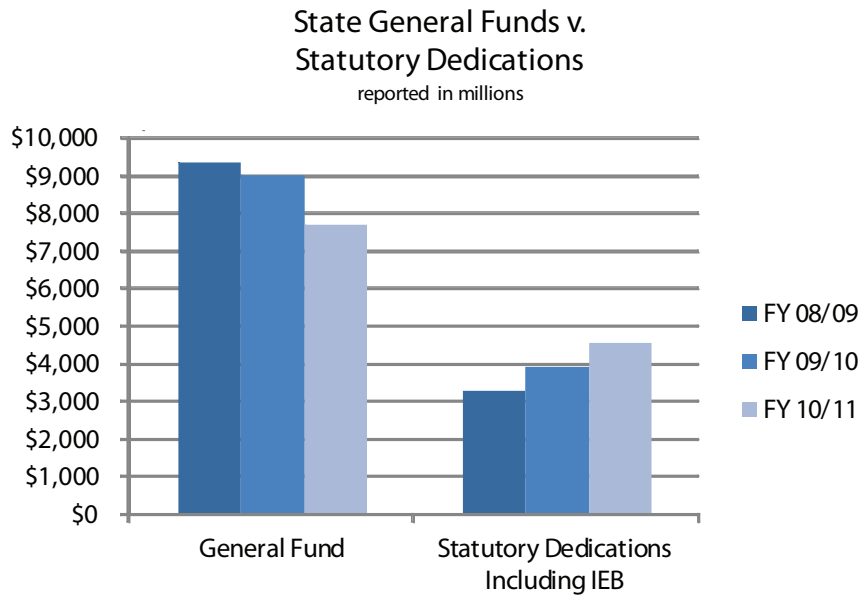
GENERAL RECOMMENDATIONS FOR STATE GOVERNMENT

\$362+ million in Potential Savings in Fiscal Year 2012

The following recommendations apply across state government. As a starting point, the administration and legislature should make performance-based budget reductions, not across-the-board cuts to state agencies. We need to prioritize programs that serve taxpayers well. For example, we should maintain funding levels for early childhood education, especially the highly-effective LA4 program. Similarly, the state should continue funding for the Fast Start worker training program, which has become nationally recognized and is growing economic development opportunities in the state. Dual enrollment also produces a significant return on investment, as research nationwide shows an increase in both college enrollment and graduation by students who begin taking college courses while still in high school.¹ Louisiana should be applauded for moving to second among Southern states for the percent of undergraduate credit hours taken by high school students last year, and this must be sustained.² Beyond specific programs, there are a number of structural changes that can be made in state government for short and long-term savings.

1. Open up statutorily protected funding: \$100+ million in potential savings in FY12.

The legislature should unlock protected dollars in dozens of statutes to free up funding for statewide priorities, such as health care and higher education. Of the \$4.6 billion appropriated in statutory dedications in the current fiscal year,³ there are numerous funds that are not constitutionally protected, nor do they assess a fee for a specific service. Instead, some dedications re-direct millions in State General Fund (SGF) dollars to a certain purpose, but are seldom re-visited.



Source Data⁴

The review of statutory dedications currently underway by the Joint Legislative Committee on the Budget should be expedited, and the Committee should recommend either the elimination or extension of each individual fund. The Division of Administration has compiled a list of special funds that exclude constitutional requirements and other mandates, pursuant to Act 492 of 2009.⁵ This list totals more than \$1.8 billion of the Fiscal Year 2011 budget.⁶ The administration and legislature should target at least \$100 million in non-constitutional, non-fee for service dedicated funds from this list for elimination, representing just two percent of all protected dollars. This conservative target could be expanded after careful analysis and debate. Re-directing these funds to the SGF means additional resources for more urgent priorities.

2. **Reduce state workers by 9,486 over two years: \$235+ million in potential savings in FY12.** A targeted approach to reducing the size of state government can bring Louisiana's state workforce more in line with similar states. The most recent data available from the U.S. Census (2009) shows 91,809 state workers in Louisiana.^{7A} Because Louisiana has a high poverty rate and delivers health care to this population largely through state-run hospitals, the number of workers is slightly inflated when compared to neighboring states that provide more care at the local level or in other ways.

Even after considering these distinctive characteristics, Louisiana should reduce its workforce by 9,486 to reach the Southern average for the number of citizens served by state workers. Under these assumptions, the target number of full-time equivalent state workers across all branches of government should be 82,323 (see chart below). It is not possible to rely on attrition alone; personnel reductions should be made strategically as duplicative or lower-value programs are phased out. Particularly because higher education makes up 47 percent of the executive branch,⁸ the latter should not be the only arm of government forced to prioritize. The legislature and the judicial system also should be making proportionate cutbacks, which has not occurred in recent rounds of state personnel reductions.

In addition, the administration and legislature should seize this opportunity to seek a better span of control in the remaining workforce, bringing the number of supervisors to regular employees more in line with the private sector. In 2009, the Louisiana Commission on Streamlining Government recommended a 1:10 ratio on average for each department, with lower ratios authorized for more technical and front-line positions.⁹ Louisiana should explore models in other states and codify a benchmark that begins to realize these efficiencies in the Fiscal Year 2012 budget.

Source Data ¹	Total Number of State Government Employees	Citizens Served By Each State Worker Not Including Hospital Employees
Southern State Average	103,292	66.6
Louisiana Current	91,809	58.4
Louisiana Target	82,323	66.6
Difference	(9,486)	

^A These are measured as full-time equivalent employees. Headcount data indicates just 84,321 full-time workers and another 23,267 part-time workers.

3. **Reform state employee and teacher retirement systems: \$25+ million in potential savings in FY12.** Employer contributions for public pensions cost taxpayers more than \$1 billion annually, which is primarily from the State General Fund.¹¹ Employee contributions are also mandatory and range in statute from seven to 10 percent of pay—which is less than the Constitution requires in terms of the ratio of employee to total contributions.^{12B} In Fiscal Year 2010, for example, the state contributed to LASERS at a rate of 18.6 percent of payroll,¹³ indicating a split of roughly 29% by employees and 71% by the employer.

Following the lead of other states, Louisiana should increase the employee share of state retirement benefits. Colorado passed legislation in 2010 to change the employee contribution rate from eight percent to 10.5 percent of salary, simultaneously decreasing the employer rate from 10.15 percent to 7.65 percent.¹⁴ Louisiana should consider moving all new employees to a higher contribution level, as well as those workers who have not yet vested in the systems (served less than 10 years in LASERS, for example). The state should adopt a sliding scale approach to increasing required contributions from employees based on salary levels. For example, front-line service workers making less than \$50,000 a year may not be required to increase their contribution, while those over that level would be required to increase by one percent or greater, depending on the individual's salary.

In addition, the administration and legislature should consider requiring the two largest state retirement systems to jointly administer back-office and investment functions for millions in savings—eventually bringing in the other statewide systems, as well. Together, LASERS and the Teachers Retirement System of Louisiana (TRSL) represent 72 percent of the 353,000 active and inactive members of the 13 state retirement systems.¹⁵ In Fiscal Year 2010, LASERS and TRSL spent \$17 million and \$16 million on administration, respectively; the systems spent \$46 million and \$28 million on investment management fees, respectively.¹⁶ In the long-term, LASERS and TRSL should consider consolidation, as independent organizations like the Public Affairs Research Council of Louisiana have long recommended.¹⁷ But immediately, the legislature should provide statutory authorization for these two large systems to seek efficiencies where functions overlap.

Meanwhile, the long-term problem continues to loom, as the Unfunded Accrued Liability (UAL) for retirement and health care costs to the state of Louisiana is now estimated at \$30 billion.¹⁸ Utah closed its existing defined benefits plan this past year, requiring new workers to choose between a defined contribution plan and a hybrid plan.¹⁹ In future years, Louisiana should also look to move from defined benefits to defined contributions, or a hybrid concept, which starts with a comprehensive evaluation and a plan to fund the transitional costs.

^B The Constitution states that the ratio of employee contributions to total contributions cannot exceed the ratio that existed on January 1, 1987. At that time, employees contributed roughly 36 percent.

4. **Be “smart on crime” by revising outdated sentencing and parole guidelines: \$2 to \$6 million in potential savings in FY12.**²⁰ Louisiana incarcerates nearly 40,000 adults, of which almost 30 percent are non-violent drug offenders—many who are not eligible for parole consideration.²¹ This cost the state nearly \$670 million in the current fiscal year, of which the vast majority is State General Fund.²² In 2008, the legislature required the Louisiana Sentencing Commission to conduct a rigorous review of statutes and sentencing guidelines and make biannual recommendations for consistency and adequacy of prison terms. The re-invigorated Commission should be encouraged to produce specific recommendations for re-visiting and standardizing sentencing guidelines, especially for outdated laws on drug offenses—which the legislature and administration should act upon. These recommendations should include more parole eligibility and community-based options, which are less expensive and more effective in reducing recidivism when evidence-based practices are utilized.²³

In the short-term, a number of states are pursuing early medical parole, where vacant nursing home beds and wings are utilized for terminally ill and incapacitated prisoners at a lower cost than state institutions while still providing for public safety—a policy change that national groups are supporting across the U.S.²⁴ Nearly 6,000 offenders in Louisiana are over the age of 50.²⁵ This first step could provide immediate State General Fund savings for Fiscal Year 2012. The legislature should consider a change to the statutes to clarify eligibility criteria and to authorize a majority vote of the board for medical parole hearings, rather than a unanimous vote.

HEALTH CARE RECOMMENDATIONS

\$465+ million in Potential Savings/New Revenue in Fiscal Year 2012

The following recommendations apply to the health care portion of the state budget, which will likely bear a disproportionate share of the statewide reductions due to the structure and mandates of Louisiana's budget. At the same time, our health care system is on the cusp of significant change due to new policies at the state and federal level. We must get this change right.

America's Health Ranking 2010	Snapshot of LA's Ranking Compared to Other States
Prevalence of Obesity	#49
Premature Death	#49
Low Birth Weight	#49
Preterm Birth	#48
Infant Mortality	#48
Cancer Deaths	#48
Cardiovascular Deaths	#47
Preventable Hospitalizations	#47
Infectious Disease	#46

- 1. Implement a Medicaid coordinated care system in Fiscal Year 2012 for immediate savings: \$20+ million in potential savings in FY12.** Coordinated care will provide both savings to taxpayers and better outcomes to Louisiana's most vulnerable population. Louisiana dropped to 49th in America's Health Rankings in 2010 and fared worst in categories that relate to preventive care, including obesity, avoidable hospitalizations, and infant mortality.²⁷ A major focus of coordinated care is preventive, which would improve Louisiana's health outcomes. Thirty-six states are already utilizing managed care programs with more than 24 million people enrolled.²⁸ The Department of Health and Hospitals (DHH) has committed that the proposed networks will not be allowed to pay providers less than current Medicaid fee-for-service rates, nor offer less coverage to patients than what is available today.²⁹ The Department's rules also require insurers to spend at least 85 percent of premium dollars on patient care and to pay 99 percent of claims within 30 days.³⁰ A sense of urgency should guide the state and providers as they work together to implement a managed care system this fiscal year that benefits taxpayers and patients.

2. Reform the charity hospital system: \$50+ million in potential savings in FY12.

Louisiana's unique charity hospital system has historic value, but must be re-evaluated in lieu of a changing health care marketplace. With the exception of the two medical school sites in New Orleans and Shreveport, the state should immediately begin to transition state-run charity hospitals to alternative local ownership or establish a public-private collaborative model. Numerous non-governmental organizations and research institutions have been advocating for dramatic changes to the "two-tiered" system of care for years, citing inefficiencies and ineffectiveness in the way Louisiana cares for the uninsured in centralized, state-run, brick-and-mortar institutions.³¹ A system where state and federal dollars follow the patient will improve access and outcomes.

Some progress has been achieved in recent years, namely the network of 25 clinics in New Orleans that opened in 2007 to provide primary care to nearly 300,000 low-income and uninsured citizens³² and the upcoming public-private partnership in Baton Rouge between Our Lady of the Lake Regional Medical Center and Earl K. Long Hospital. In northwest Louisiana, a strong public-private partnership has existed between the LSU Health Sciences Center and the Willis-Knighton Health System for over a decade.

These types of initiatives should be applauded as in-state best practice models, and other regions must follow suit. The Dr. Walter O. Moss Regional Medical Center in Lake Charles and other sites with low in-patient admissions near private facilities with capacity should be the first to expand partnerships and transition to an out-patient clinic model.³³ Federal Disproportionate Share Hospital (DSH) dollars will continue to decrease, and the state cannot afford to back-stop charities with unmatched State General Fund—while leaving federal Graduate Medical Education (GME) dollars on the table.

3. **Maximize federal matching funds for current state health expenditures: \$125 to \$575 million in potential savings and new revenue in FY12.**

- Do not back-fill lost federal Disproportionate Share Hospital (DSH) dollars within public and rural hospitals with State General Fund, which is nearly \$100 million in the current fiscal year.³⁴ Instead, leverage state funds with nearly 70:30 matching federal Medicaid funds.
- Pursue innovative Medicaid state plan waiver programs, such as Upper Payment Limit (UPL) reimbursement for private hospitals. The UPL is the ceiling for federal matching funds for Medicaid, which is tied to the amount the federal Medicare program would pay for the same services. States are typically below this ceiling, as is Louisiana. As a result, legislation passed in 2010 authorizes DHH to utilize UPL reimbursement methodologies.³⁵ The arrangement allows non-profit private hospitals to provide some services generally paid for with taxpayer dollars, freeing up state and local funds to be matched with federal dollars in the Medicaid program. As of January 2011, the Department of Health and Hospitals reports that \$27 million in supplemental funding has been distributed to private hospitals as a result of this program.³⁶ The UPL program should be accelerated and more hospitals recruited to leverage available federal funds.
- Implement a Coordinated System of Care (CSoC) for at-risk children and youth in the child welfare and juvenile justice populations, which is currently in the planning stages. CSoC will leverage Medicaid, coordinate service delivery, and keep children and youth in their communities. Evidence-based practices, inter-agency coordination, and blended resources will lower costs and bring better outcomes to children and families. The state should implement CSoC as soon as possible to realize savings in Fiscal Year 2012.

4. **Implement a hospital provider assessment to generate new state dollars for the federal match: \$245 million in potential new revenue in FY12.** Nineteen states established or expanded this program in 2009 and 2010. Consider the Arkansas model, which assessed a fee of up to one percent of hospitals' annual net patient revenue in Fiscal Year 2010. This generates more than \$100 million in new state funds, draws down the federal match, then re-distributes the dollars back to Arkansas hospitals based on the number of Medicaid patients.³⁷ Louisiana enacted similar legislation in 2005 (and repealed it in 2006 in the wake of Hurricanes Katrina and Rita), which was estimated to generate \$87 million in new state dollars and \$200 million in new federal dollars with a 1.5 percent assessment.³⁸ When stakeholders are in agreement, particularly those paying the assessment, the administration and legislature should consider each revenue-generating proposal on its merits—rather than a blanket approach.

5. **Strike the right balance of institutional, community and home-based care for citizens with behavioral health issues, developmental disabilities, and long-term care needs: \$25+ million in potential savings in FY12.** The state should continue and accelerate the implementation of national best practices for treatment in the least restrictive settings appropriate for a specific illness or disability. This will guarantee the necessary services are provided—recognizing the desire of these individuals to achieve their maximum potential—while saving money and reaching more people. In addition, the state should continue to privatize state-run institutions. Facilities and services for mental health, addictive disorders, and developmental disabilities can be provided by the private sector at a lower cost and with better outcomes.

HIGHER EDUCATION

\$145+ million in Potential Savings/New Revenue in Fiscal Year 2012

The following recommendations apply to the higher education portion of the budget, which—like health care—faces a disproportionate shortfall due to the structure of the state budget, but also to the loss of federal Recovery Act funding. This is neither unexpected, nor is Louisiana alone in this “cliff year.” In 2010, the Center on Budget and Policy Priorities estimated 43 states made cuts to public colleges and/or “made large increases in tuition to make up for insufficient state funding.”³⁹ There is growing national recognition that public funding for higher education will continue to decline or remain stagnant for at least the next decade—that we are entering a “new normal” where institutional transformation in financing, function, and performance will be necessary for survival.⁴⁰ Blueprint Louisiana’s recommendations represent a combination of reforms for structural transformation, improved academic performance, and operational and funding autonomy for Louisiana’s post-secondary institutions to not only survive this current crisis, but thrive going forward. Our citizens are counting on us to do just that.

- 1. Sharpen the focus on academic performance, and eliminate programs that do not meet acceptable standards: Millions in strategic reductions to re-invest in higher education in FY12.** While Louisiana’s institutions have made some strides in recent years, the state continues to lag too far behind in too many indicators. We need higher graduation rates and more completers. Budget reductions should be used as an opportunity for fundamental re-engineering in higher education, and greater emphasis should be placed on the cost of delivering service and performance. The administration, legislature, and the Board of Regents should not apply across-the-board reductions to post-secondary campuses, nor should the legislature attempt to set campus-specific budgets outside of the performance-based funding formula.

Instead, Regents should act boldly to eliminate many of the 450 low-completer and duplicative academic programs identified in its January 2011 analysis. Over the past two years, the Louisiana Community and Technical College System (LCTCS) has eliminated over 700 such programs based primarily on workforce demand, dropping from 2,240 programs to 1,536.⁴¹ Whether the budget reduction for higher education is five percent or 15 percent or more, a strategic approach requires such a data-driven examination of programs and subsequent elimination of units, personnel reductions, consolidations across systems and institutions, and the creation of a “watch list” for programs that need improvement. In the future, this systematic review should expand to academic centers and departments, and it should take into account the varied missions of institutions—such as workforce relevance and high-caliber research.

Four-Year ^c Institution	Baseline GRAD Act Graduation Rate ⁴² As reported in institutional agreements with Regents
LSU Baton Rouge	60.7%
La. Tech	47.3%
UL Lafayette	40.2%
Grambling	36.3%
McNeese State	36.0%
UL Monroe	30.9%
Southeastern	28.5%
Southern Baton Rouge	28.3%
Northwestern State	28.1%
Nicholls State	26.6%
UNO	22.0%
LSU Shreveport	20.0%
SUNO	5.0%

2. **Undertake and incentivize structural reform in higher education: \$25+ million in potential savings in FY12.** If Louisiana were to start anew to design a comprehensive post-secondary system, it would undoubtedly look different than what we have today. Although transformational change in structures and institutions cannot (and should not) be accomplished overnight, it is time to re-engineer the system with attention to need, demand, and balance statewide. The “new normal” in higher education requires systemic transformation to make universities sustainable in service delivery, cost control, and reliable state funding levels. The following **structural reforms should be linked to tuition authority and operational flexibility in a GRAD Act 2.0** that incentivizes regionalization, re-organization, and fiscal performance, in addition to academic performance.

- Eliminating academic programs and departments with low completers and regional duplication, as outlined in recommendation one above.
- Re-organizing institutions from a statewide and regional perspective. The Board of Regents must be willing to take this on as it develops a new Master Plan and should require regional higher education plans to focus on articulation, to reduce duplication, to share services, coordinate with area economic development agencies, and to develop niches of excellence that make sense regionally—regardless of institution or system affiliation.

^c Note: LSU Alexandria is not included in the table, as the school was not a four-year institution at the point in time measured by the data (the 2002-2008 cohort).

- Fully implementing a performance-based funding formula to drive structural change by incentivizing programs that graduate students, meet workforce and economic demand, and accomplish the specific mission of each institution. Customized metrics aligned with the GRAD Act must be applicable to the varied role, scope, and missions of Louisiana's colleges and universities.
- Hitting the right balance of enrollment in two-year and four-year schools. In addition to continuing to raise admissions standards to appropriate levels at four-year schools, completing statewide articulation, and implementing the performance-based funding formula, this requires making the tough decisions with regard to right-sizing institutions and programs to get us there.
- Raising academic standards to obtain and maintain TOPS scholarships and improving the award for two-year schools—in order to promote not only access to, but the completion of, post-secondary education and training.
- Moving away from classified civil service to a system with less bureaucracy and greater flexibility that can respond to the evolving needs of a university community.
- Recognizing that institutions can no longer afford to deliver one-size-fits-all benefits packages for health care and retirement to employees. The legislature should grant higher education systems more flexibility than other state agencies on the selection of retirement and health insurance in recognition that mandated expenditures continue to escalate.

3. Create savings and efficiencies in the management of higher education: \$20+ million in potential savings in FY12. The latest data from the Southern Regional Education Board (SREB) on staff in four-year universities shows that Louisiana is tied for sixth (of 16) in the percentage of staff that are “administrative and executive” (4.5 percent).⁴³ The chart below compares the State General Fund budget and personnel across the four higher education systems within Louisiana. Systems should spend less on board offices and administration and more on faculty, instruction, and support to students to complete their degrees. Institutions should also continue eliminating vacant positions, freezing travel and purchases, sharing services, and seeking better operational practices. Community colleges and technical schools, in particular, should complete the regionalization of back-office functions for immediate savings in administrative costs.

SYSTEM <i>Source Data</i> ⁴⁴	FY11 Appropriated SGF for System	FY11 Appropriated SGF for Board/System Office^o	Percentage of FY11 Appropriated SGF for Board/System Office
LCTCS	\$133,808,834	\$7,041,985	5.26%
SU	\$53,799,469	\$2,380,818	4.43%
LSU	\$430,802,730	\$6,095,022	1.41%
UL	\$276,615,476	\$1,350,906	0.49%

SYSTEM	FY11 Approved Positions for System	FY11 Approved Positions for Board/ System Office	Percentage of FY11 Approved Positions for Board/System Office
LCTCS	3,812	92	2.41%
SU	2,288	52	2.27%
LSU	19,238	67	0.35%
UL	8,926	22	0.25%

- 4. Grant more operational freedom to post-secondary institutions: \$10+ million in potential savings in FY12.** When requested by universities and where savings will result, expand the operational autonomies granted to post-secondary schools in the GRAD Act of 2010. In many instances where the GRAD Act intended to provide flexibility, conflicting statutes prevented implementation. Autonomies for travel and obsolete equipment, for example, should be granted in law this session. Additional freedoms are also recommended to allow campuses to operate more like a private business. These include revamping the “red tape” components of procurement, inventory control, and facility planning laws. Systems should also be authorized to carry forward their fund balances at the end of the fiscal year to eliminate the spending spree each June in favor of more strategic approach that captures efficiencies and incentivizes savings. The administration and legislature should seriously consider the operational autonomies proposed by the Flagship Coalition—not only for the flagship, but on the basis of will and capacity, these options should also be available on a more limited basis to other universities and systems. Still, a baseline of oversight and monitoring of public funds remains necessary and must be incorporated into institutional proposals. The combination of autonomy and accountability will drive institutions to greater effectiveness.

^o Some programmatic functions exist in system offices; this figure does not distinguish between the programs and the operations of the office itself, if it is supported by State General Fund. This figure also does not include any additional State General Fund that may be transferred from institutions to the board/system office.

5. **Re-define the role of the legislature in establishing tuition rates: \$90 to \$300 million in potential new revenues in FY12.** Legislative control over tuition by a two-thirds vote gives Louisiana the distinction of having “the most restrictive requirement in the country.”⁴⁶ It is no surprise then that Louisiana’s tuition and fees are the lowest of the 16 Southern states.⁴⁷ According to the most recent Southern Regional Education Board (SREB) data, the annual tuition and fees for in-state undergraduates at public universities in Louisiana are \$4,016—well below the SREB average of \$5,670.⁴⁸ Even when these tuition costs are compared as a percentage of median household income in the state, Louisiana ranks fourth lowest in the SREB.⁴⁹ The difference is even more significant for out-of-state students, where Louisiana charges the second lowest at \$10,669 annually compared to the SREB average of \$15,103.⁵⁰ Furthermore, these rankings do not take TOPS scholarships into account, which provide tuition relief to over 40,000 Louisiana students annually.⁵¹ These awards range from roughly \$1,000 for eligible students at technical schools to more than \$4,300 to students at the LSU Health Science Center in Shreveport.⁵²

STATE (With Percentage In-State Tuition Increase from 2008-09 to 2009-10)	Annual Tuition and Fees for In-State Undergraduates at Public Four-Year Institutions 2009-10	Annual Tuition and Fees for Out-of-State Undergraduates at Public Four-Year Institutions 2009-10
<i>Source Data</i> ⁴⁵		
SREB States Median 2009-10	\$5,670	\$15,103
South Carolina (+4.3%)	\$8,760	\$18,770
Delaware (+5.6)	\$7,984	\$18,464
Virginia (+4.9%)	\$7,281	\$19,326
Maryland (+1.1%)	\$6,684	\$16,880
Kentucky (+3.9%)	\$6,552	\$16,513
Texas (+5.3%)	\$6,308	\$14,711
Alabama (+10.6%)	\$6,185	\$12,282
Arkansas (+5.1%)	\$6,135	\$10,962
Tennessee (+8.6%)	\$5,769	\$17,671
Georgia (+26.3%)	\$5,093	\$16,707
West Virginia (+5.8%)	\$4,963	\$11,826
Mississippi (0%)	\$4,605	\$11,785
Florida (+15.6%)	\$4,373	\$17,829
North Carolina (+3.7%)	\$4,330	\$15,039
Oklahoma (0%)	\$4,221	\$10,236
Louisiana (+6.5%)	\$4,016	\$10,669

Tied to academic and fiscal performance, new revenue-generating strategies could include the authority to:

- “Price to the market” for the services provided by Louisiana’s colleges and universities;
- Charge for the full course-load, even if it is beyond 12 hours per student;
- Eliminate geographic fluctuations in tuition and maximize federal Pell grants at two-year and technical schools across the state, but remain below the Southern average;
- Increase current fees to account for inflation, as these build on the existing fee structure and are fiscally neutral for the state budget; and
- Accelerate the timeframe to reach GRAD Act goals and receive the additional tuition authority.

In addition, the Board of Regents should establish a limit on the number of waivers issued annually for out-of-state tuition. Because Louisiana’s tuition for non-residents is already nearly the lowest in the South, there should be strict criteria and restrictions for how often this rate is further decreased.

ENDNOTES

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