

**Blueprint Louisiana  
Remarks Prepared for Submission to the Postsecondary Education Review Commission  
November 16, 2009**

Jimmy Maurin, *Chairman*, Stirling Properties, Inc., Covington  
Sean Reilly, *COO & President*, Outdoor Division, Lamar Advertising Company, Baton Rouge  
Bill Slaughter, *President*, SSA Consultants, Baton Rouge

Blueprint Louisiana appreciates the opportunity to share our thoughts regarding sustainable improvement of the state's higher education enterprise. We offer a handful of key questions as you face this very important task of strengthening higher education in Louisiana.

- What is in students' best interests?
- What is in parents' best interests?
- What is in the best interest of businesses in Louisiana?
- What is in the overall best interest of the state?

These questions, we hope, will frame your deliberations from the viewpoint of the "customers" of higher education — students who want to better themselves and their futures, parents who often foot a large portion of the financial bill for higher education, and businesses that need educated, trained, and qualified employees. Meeting the needs of those key customers should go a long way toward serving the overall best interests of the state – to create the Louisiana we deserve.

This Commission is in place, in part, because of the difficult state budget-writing process last session. A \$1.3 billion shortfall between revenues and expenditures had to be closed.

Unfortunately, the near future is not any brighter. Initial projections for the next two fiscal years show additional significant shortfalls between revenues and expenditures. This has come to be known as "the cliff." And as everyone knows, higher education and health care are the largest sources of unprotected funds in the state budget, leaving both enterprises as the most vulnerable to cuts. There are no easy answers left to address this problem, the proverbial "low-hanging" fruit has already been picked.

The second reason for the creation of this Commission is the almost universally held belief that Louisiana's system of postsecondary education is woefully underperforming. And we believe the root cause for this poor performance is the historical absence of any real accountability for postsecondary education results.

The financial challenges and performance issues in our system are real. So we are basically left with two choices: (1) try to do something about those shortcomings to better serve the customers; or (2) do nothing and accept the inevitable across-the-board budget cuts throughout the system.

Please put Blueprint in the “do something” category because doing nothing would be a disservice to the customers and a disservice to the best interests of the state.

From our perspective, there are two central issues that must be faced if we hope to improve higher education in Louisiana:

1. An unacceptably low graduation rate in our four-year universities; and
2. An underdeveloped community and technical college system.

We must acknowledge and remedy the fact that the graduation rate in our four-year universities is unacceptably low. Nationally, the standard measure for attainment of a bachelor’s degree is the six-year graduation rate. By that measure, Louisiana performs better than only three states: New Mexico, Nevada, and Alaska. The national average graduation rate is 56.1%, and the top dozen states graduate over 60% of their students in that six-year time period. By contrast, Louisiana’s average six-year graduation rate is 42.2%. Our performance looks even worse if you examine graduation rates by campus.

University Campus	Six-Year Graduation Rate*
LSU A&M	65.1%
<b>National Average</b>	<b>56.1%</b>
Louisiana Tech	52.8%
UL Lafayette	44.6%
<b>Louisiana Average</b>	<b>42.2%</b>
Grambling State	38.9%
Northwestern State	36.5%
Southeastern Louisiana	32.0%
McNeese State	31.1%
UL Monroe	31.1%
SU A&M	30.0%
Nicholls State	29.6%
LSU Shreveport	29.4%
UNO	27.1%
SUNO	13.0%

*\*National and Louisiana average source: NCES, IPEDS Graduation Rate Survey. Louisiana campus rates source: Louisiana Board of Regents’ Graduation Rate (2000 cohort)*

We acknowledge that different campuses have different missions and different student bodies, but we also argue that **all Louisiana campuses with a six-year graduation rate below 40% should be regarded as campuses in crisis**. Something must be done. Going back to our original key questions, a low graduation rate is not only terribly inefficient, it does not serve the students, their parents, or businesses that need qualified and educated employees.

Low graduation rates do not serve the students of our state. Once they “dropout” of higher education, they are less likely to go back because of the sense of failure, and they are left out of consideration for many good jobs.

Low graduation rates do not serve the families of Louisiana. They are left “holding the bag” of much money spent for little in return. They are left with a discouraged child that is not prepared for the majority of jobs that could support their child’s future.

Low graduation rates do not serve the businesses that need qualified and educated employees. It is a cycle of doom where Louisiana does not have the educated workforce to fill jobs that could support a family. Currently, 75% of these jobs require education past high school – university, community, or technical college.

The second central issue is Louisiana’s underdeveloped system of community and technical colleges. Compared to the other states included in the Southern Regional Education Board (SREB), Louisiana has the second-lowest percentage of (full-time equivalent) higher education students enrolled in two-year colleges/technical colleges.

State	Four-Year Enrollment and Percent		Two-Year/Technical Enrollment and Percent	
North Carolina	182,521	45%	221,538	55%
Florida	254,493	46%	301,019	54%
Texas	415,180	51%	403,438	49%
Mississippi	60,363	52%	56,583	48%
Maryland	92,917	56%	73,160	44%
South Carolina	83,280	56%	65,338	44%
Oklahoma	87,046	57%	66,816	43%
Georgia	183,175	61%	118,428	39%
Arkansas	64,785	62%	39,742	38%
Virginia	176,098	64%	100,294	36%
Tennessee	111,366	64%	62,340	36%

Alabama	120,300	65%	63,661	35%
Kentucky	96,765	68%	46,223	32%
Delaware	21,776	69%	9,822	31%
<b>Louisiana</b>	<b>123,478</b>	<b>74%</b>	<b>42,308</b>	<b>26%</b>
West Virginia	55,329	78%	15,487	22%

Source: SREB State Data Exchange Table 50 (December 2008)

Developing Louisiana’s community and technical college system is vital to our economic future. A key finding in a brand-new study by the Democratic Leadership Council is that jobs requiring associate degrees will grow at nearly double the national average. The study also reports that over the next decade, college degrees will become more valuable than ever, but the demand for community college graduates will grow even faster than those for bachelor’s degrees. Here in Louisiana, our Louisiana Economic Development (LED) estimates that the percentage of higher education students in our two-year and technical colleges needs to double to meet our future workforce needs.

**Blueprint Louisiana offers five recommendations** to address the two fundamental problems of low graduation rates and an underdeveloped community and technical college system. These recommendations provide a new framework of accountability that will improve the performance and financial efficiency of postsecondary education in Louisiana.

1. Implementing the performance-based funding formula for higher education
2. Raising university admission standards
3. Establishing “Centers of Excellence” within the Louisiana Community and Technical College System (LCTCS)
4. Providing our higher education systems greater freedom to raise the revenue they need to maintain and improve educational quality
5. Removing all chronically-failing postsecondary schools from the control of their respective governance systems

### **1. Implementing the Performance-Based Funding Formula**

Blueprint believes that performance-based funding is the foundational reform necessary to drive and sustain positive change in our higher educational system. Some of the formula’s highlights include:

- It emphasizes (and rewards) increasing the number of students who acquire a degree or certificate — hopefully, this reform can begin to address our lagging graduation rates. Performance incentives are also available for increasing degrees/certificates to low-income and minority students. This is important because a postsecondary education credential is correlated with higher personal incomes, productivity increases, economic growth, increased civic participation, and increased quality of life. Today,

too many of Louisiana's students leave our higher education institutions with nothing but a new debt load.

- It provides incentives for colleges and universities to produce degrees in high-demand workforce fields. Hopefully, this can help all higher education institutions become even more responsive to state workforce needs.
- It rewards our higher education systems for success in securing external research dollars.
- It recognizes the real cost differences between disciplines and allocates funding accordingly. For example, accepting the reality that engineering programs are more expensive than liberal arts programs. We need both disciplines in our state, but does every single campus need both disciplines — that's a relevant question that deserves investigation, and the consequences of the funding formula will compel our systems of higher education to ask such questions.

We fully support an annual review of the formula to closely examine intended and any unintended consequences. Given time and support, we believe the formula will produce the desired result — more degrees and certificates awarded, expanded research activity, and better alignment with the state's workforce needs. **All in a system that's right-sized through performance, instead of decimated by across-the-board cuts.** If all we do is cut across-the-board, we condemn ourselves to a mediocre system across-the-board.

## 2. Raising University Admission Standards

Blueprint believes that raising the admission standards at our four-year universities will help improve the graduation rates at our four-year schools, and it will also help Louisiana build our underdeveloped community and technical college system. Louisiana's students and the state's economy will benefit.

By historical standards, we have a very "young" community college system, so a viable two-year option is only a recent reality. Regardless, in Louisiana, about 75% of college students attend four-year schools and only 25% start in the technical and community college system. Nationwide, that enrollment mix is much closer to 50/50.

Higher admission requirements at four-year institutions will appropriately shift a more proportionate number of students into the community college pathway — a pathway that offers a greater chance of success and a lower cost. The cost per credit hour is far cheaper, for both the state and the student, at technical and community colleges. And if they require a student loan, a student borrows less in the community college pathway and has a better chance of earning at least an associate degree, which could then lead directly to the workforce or admission to a four-year school.

Long-time political columnist John Maginnis had a fitting summary of this issue in a recent column: “Enticing unprepared students to take out loans to go to universities where they will fail morally equates to the worst practices of the sub-prime mortgage industry.”

### **3. Establishing LCTCS Centers of Excellence**

Blueprint has consistently advocated for a greater role for the Louisiana Community and Technical College System. More specifically, we have touted using LCTCS to establish “Centers of Excellence” to meet industry’s workforce demand in key sectors. Modeled after successful initiatives in the State of Washington and other states, centers of excellence focus on targeted industries that drive a state’s economy and are known for fast, flexible, quality education, and training programs. Perhaps, there is an opportunity to connect “centers of excellence” with the state’s pursuit of a new “blue ocean” strategy for economic development.

Centers are guided by industry representatives to lead collaborative, coordinated statewide education and training efforts to build a competitive workforce. We believe such centers will:

- Act as a broker of information and resources related to their targeted industry for industry representatives, community-based organizations, economic development organizations, community and technical colleges, secondary education institutions, and four-year colleges and universities;
- Translate industry research into best practices;
- Provide system coordination, coaching, and mentoring to assist in building seamless educational and work-related systems; and
- Build a competitive workforce for driver industries in Louisiana.

### **4. Providing Greater Freedom for Higher Education to Raise Revenue**

For a very long time in Louisiana, state sources of funding for higher education remained below the average for southern states. This problem has slowly been resolved over the past 10 years. Today, we can proudly say that state source funding for Louisiana higher education is above the average of southern states. However, total funding for higher education in Louisiana remains below the average of southern states, primarily because funding from tuition and fees have lagged well behind most other states.

Tuition and fees for our colleges and universities are tightly controlled by the Legislature. Blueprint believes this should change. Specifically, Blueprint believes our colleges and universities should have the ongoing authority to raise tuition and fees up to the southern average. This could be accomplished with a simple legislative statute.

The performance-based funding reform will make our institutions of higher education more accountable for the results Louisiana wants and needs. Giving those same institutions greater authority to charge a market rate for student tuition and fees will further focus them on maintaining and improving the quality of their educational offerings. And continuing our

dedication to excellence in our community and technical college system will provide greater opportunity for the people of our state.

### **5. Removing Chronically Failing Postsecondary Schools**

Over 10 years ago, Louisiana installed a new system of accountability for K-12 education. It is widely regarded as the best such system in the nation – and the positive impact of this system on student performance is now beginning to show up in our most basic measures of student performance.

Blueprint argues that we should design and adopt a similar system for our postsecondary education enterprise. Like all effective accountability systems, the basics of Louisiana’s K-12 accountability system are simple:

1. Establish well-defined performance measures;
2. Create minimum target performance levels and target dates for individual school achievement;
3. Remove from their respective governance systems any schools that fail to meet the minimum performance targets; and
4. Place the removed schools in a special temporary governance agreement focused on reform and rehabilitation of school performance.

The design of such a system for postsecondary education would take much effort and time – but we believe the benefits would be well worth the effort.

In closing, we hope you will take these suggestions in the constructive manner in which they were made. We recognize your task is easier said than done. We would simply add that whatever recommendations this body makes, there must be follow-through and accountability. Too many worthy ideas have gone unaccomplished in this state, yet today’s fiscal reality should be enough to prod us to action on this important subject. We very much appreciate this opportunity and welcome any questions you have. Thank you.

— END —

*Blueprint Louisiana is a citizen-driven effort to identify and implement essential changes to fundamentally improve Louisiana.*

Related links: [www.blueprintlouisiana.org](http://www.blueprintlouisiana.org)

Follow Blueprint Louisiana on Facebook: <http://www.facebook.com/blueprintlouisiana>

Follow Blueprint Louisiana on twitter: <http://twitter.com/blueprintla>