



University of Louisiana System

# **BUDGET BRIEFING**

March 20, 2015

# Budget Briefing Webinar Overview

- 30 minutes including presentation, plus Q&A
- All microphones muted except speakers
- Use question/chat module to submit questions
- Your control panel can be minimized/maximized by clicking the orange arrow
- Webinar is being recorded and will be archived at [www.ulsystem.edu/budget](http://www.ulsystem.edu/budget)

FOCUS ON....

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# Budget Briefing Panelists



**Dr. Sandra K. Woodley**  
President



**Rachel Kincaid**  
Vice President of External Affairs



**Dr. Edwin Litolff**  
Vice President of Business & Finance

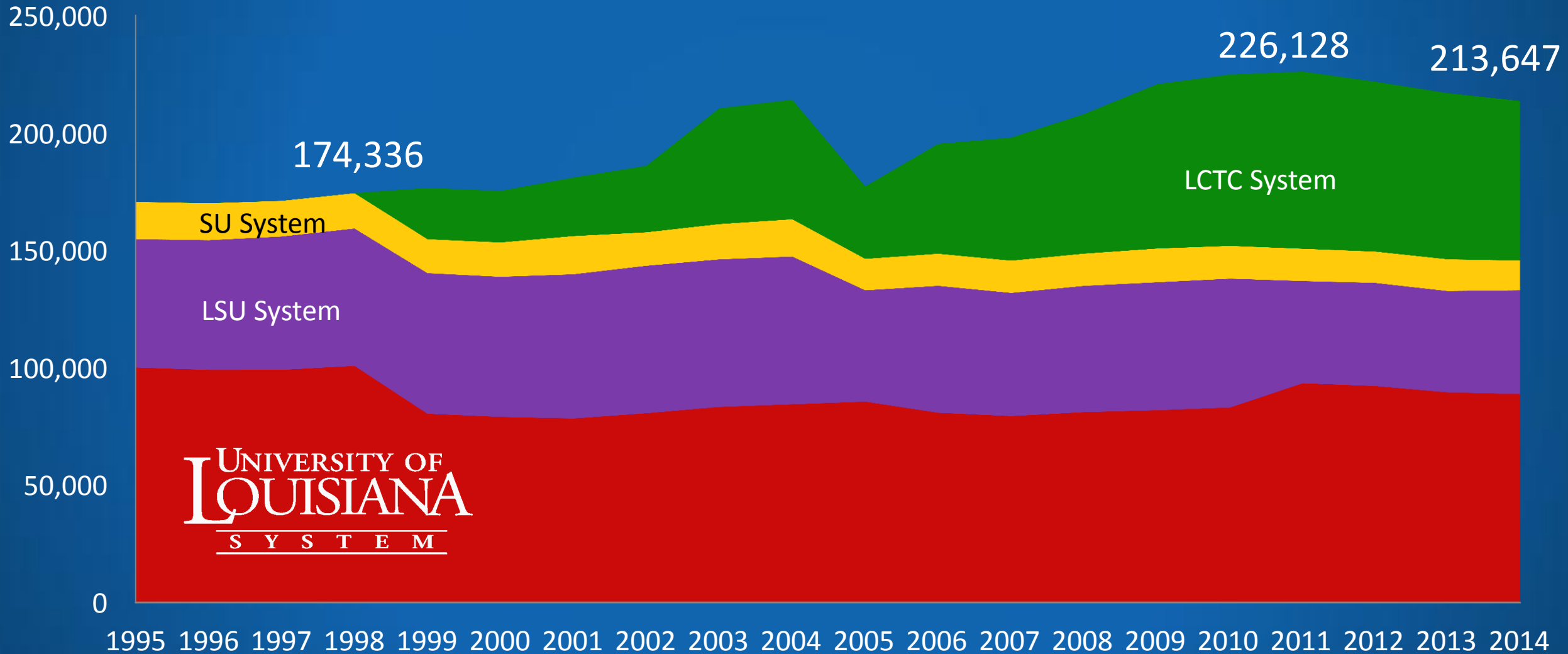
Louisiana Higher Education

**HISTORY**

# LA Public Higher Education Milestones

Dates	Milestones	# 4-Year	# 2-Year
<b>1853-1974</b>	<b>13 universities evolve from creation to 2-year to 4-year status</b>		
<b>1974</b>	<b>Creation of Board of Regents &amp; Management Boards (LSU, SU, &amp; Board of Trustees for State Colleges and Universities)</b>	<b>13</b>	<b>6</b>
<b>1995-1999</b>	<ul style="list-style-type: none"> <li>• <b>BRCC, SLCC, RPCC &amp; Delta CC created</b></li> <li>• <b>Creation of LCTC System</b></li> <li>• <b>Board of Trustees renamed UL System &amp; transferred community colleges to LCTCS</b></li> </ul>	<b>13</b>	<b>10</b>
<b>2001</b>	<b>LSUA becomes the 14<sup>th</sup> school w/4-year status</b>	<b>14</b>	<b>9</b>
<b>2003</b>	<b>Fletcher &amp; Sowela move from technical to 2-year status</b>	<b>14</b>	<b>11</b>
<b>2005-2012</b>	<ul style="list-style-type: none"> <li>• <b>Creation of Central LA Technical CC, South Central LA Technical College, NW Technical College, Northshore Technical CC</b></li> <li>• <b>UNO transferred from LSU System to UL System</b></li> </ul>	<b>14</b>	<b>15</b>

# Historical Enrollment



# Budget History



State Funding  
FY 2009  
to  
FY 2015

**-\$700 Million**  
Higher Education

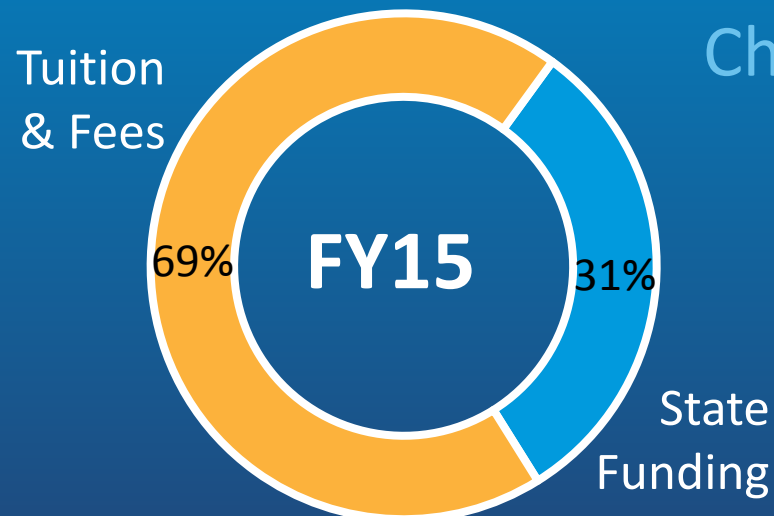
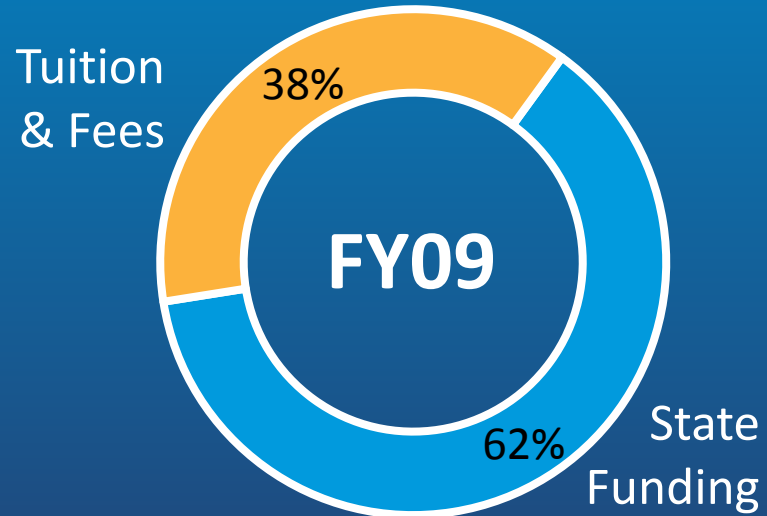
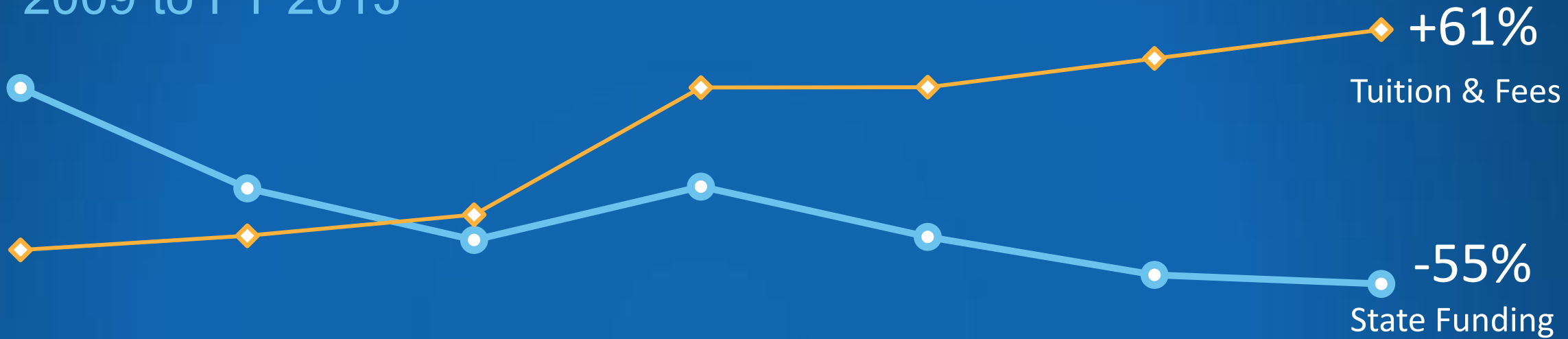


**-\$293 Million**  
UL System



# UL System Budget History

FY 2009 to FY 2015



Change in Total Funding  
**-\$90,000,000**

# FY 16 Executive Budget without Contingency Funding vs. FY 15 Operating Budget Plus Increased Costs

## BUDGET GAP

\$924.1 M – FY 2015 Budget
<u>+\$ 75.1 M – Increased Costs*</u>
\$999.2 M
<u>- \$390.9 M – FY 2016 Base Funds**</u>
<b>\$608.3 M</b>

\*Fully Funding TOPS, WISE, LOSFA & Equity/STEM

\*\*\$372.1 Million in Executive Budget Contingent on Tax Rebates

Louisiana Higher Education

# **GOVERNANCE**

Board of Regents

LSU System

- LSU - BR
- LSU - Shreveport
- LSU - Alexandria
- LSU - Eunice
- LSU - Law Center
- LSU - Ag. Center
- LSUHSC-NO
- LSUHSC-Shreveport
- Pennington

SU System

- SU A&M
- SU - New Orleans
- SU - Shreveport
- SU Law Center
- SU Ag. Research Ctr.

UL System

- Grambling
- La Tech
- McNeese
- Nicholls
- Northwestern
- Southeastern
- UL Lafayette
- UL Monroe
- UNO

LCTC System

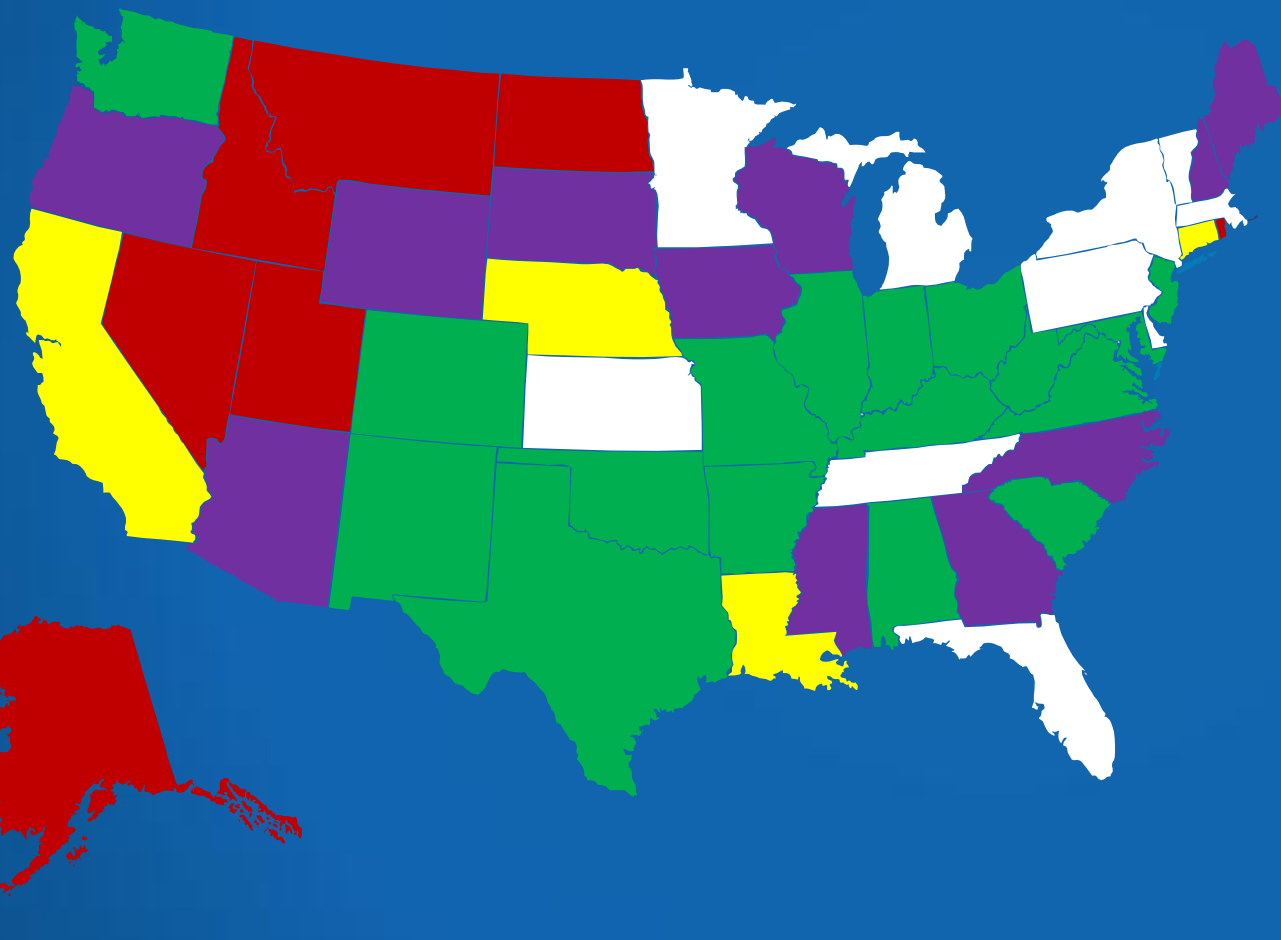
- Baton Rouge CC
- Bossier Parish CC
- Central LA Technical CC
- Delgado CC
- Fletcher Technical CC
- LA Delta CC
- Northshore Technical CC
- Northwest Technical College
- Nunez CC
- River Parishes CC
- South Central LA Technical C
- South LA CC
- Sowela Technical CC

Proprietary Schools

LUMCON

Learning Centers

# Higher Education Governance Structures



- Coordinating, Governing & Institutional Boards (16)
- Coordinating & Governing Boards (4)  
*LA population is 4.6 million*
- Governing Boards (11)
- One Board (10)  
*Populations 723,000 – 2.8 million*
- Unique Governing Structures (10)

“...There is **no ideal postsecondary education governance structure** and that there exists no correlation between the type of governance structure and improved outcomes. Furthermore, the act of restructuring brings with it substantial costs and no guarantee of a positive return on investment.”

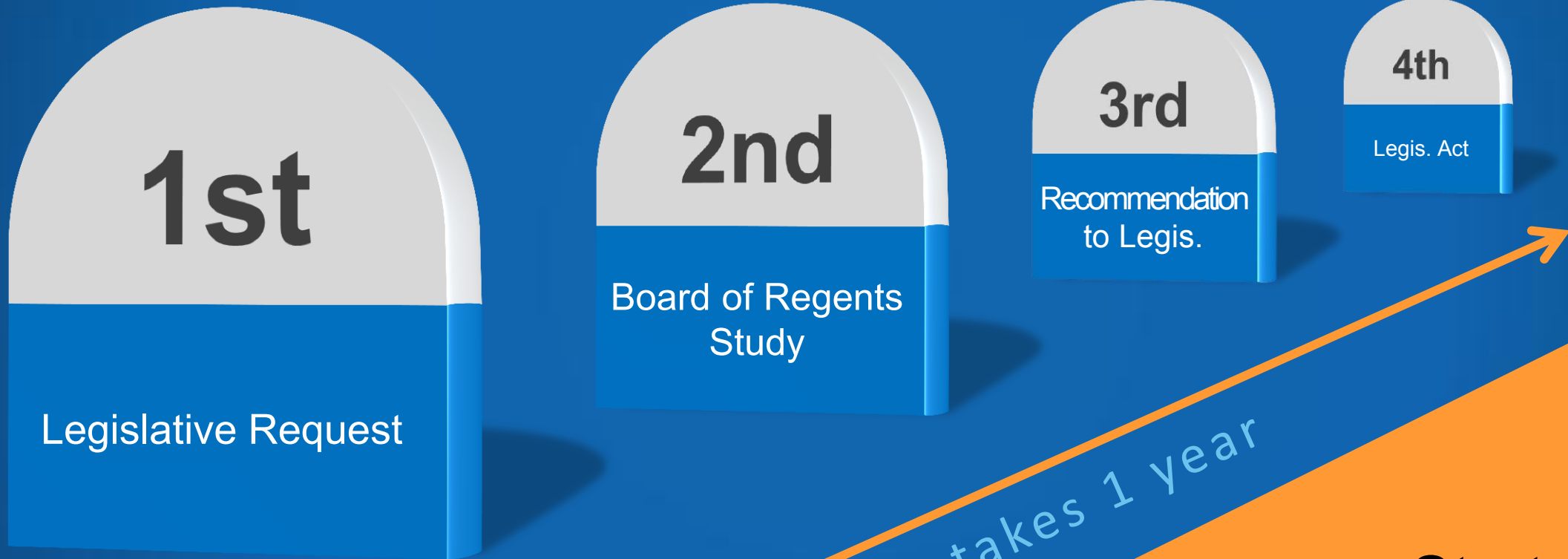
- [Board of Regents Response to HR 93 of the 2012 Regular Session of the Louisiana Legislature](#)

Louisiana Higher Education

**CAMPUS**

**MERGERS OR CLOSURES**

# The Process...

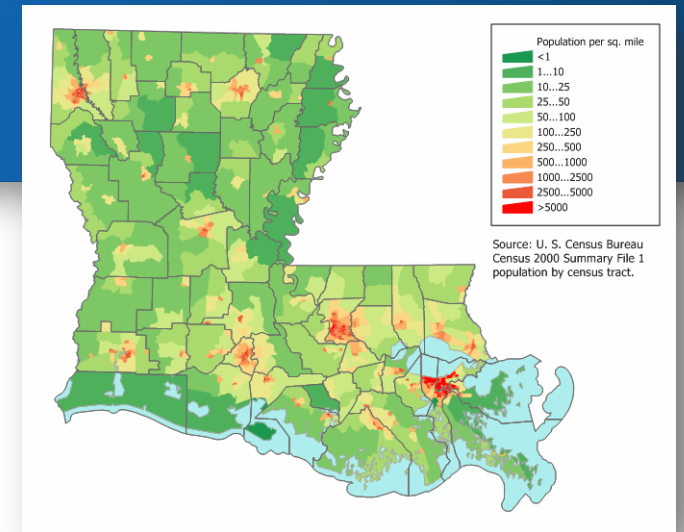
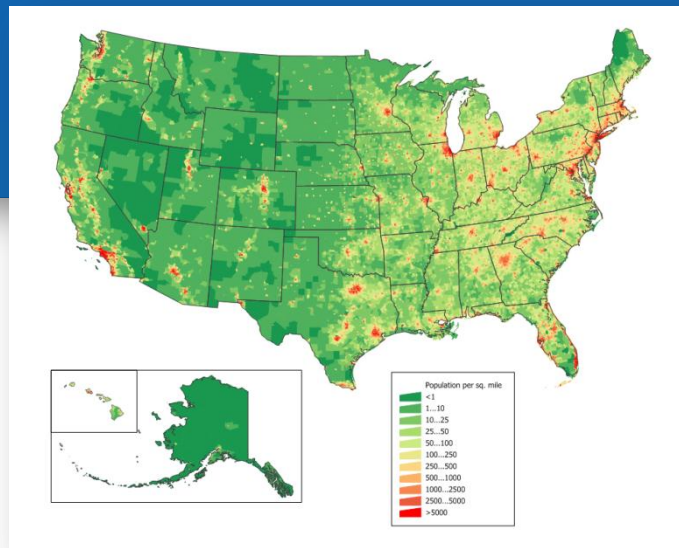


Typically takes 1 year

...Starts and Stops with the Legislature



Does Louisiana have too many colleges & universities?



# Institutions (4yr/2yr)

Population

% Pop. Enrolled in Higher Ed

Bachelor's degree or higher

Total \$/FTE

U.S.

**30 (14/16) avg.**

**6.2 million avg.**

**4.7%**

**28.8%**

**\$11,523**

Louisiana

**29 (14/15)**

**4.6 million**

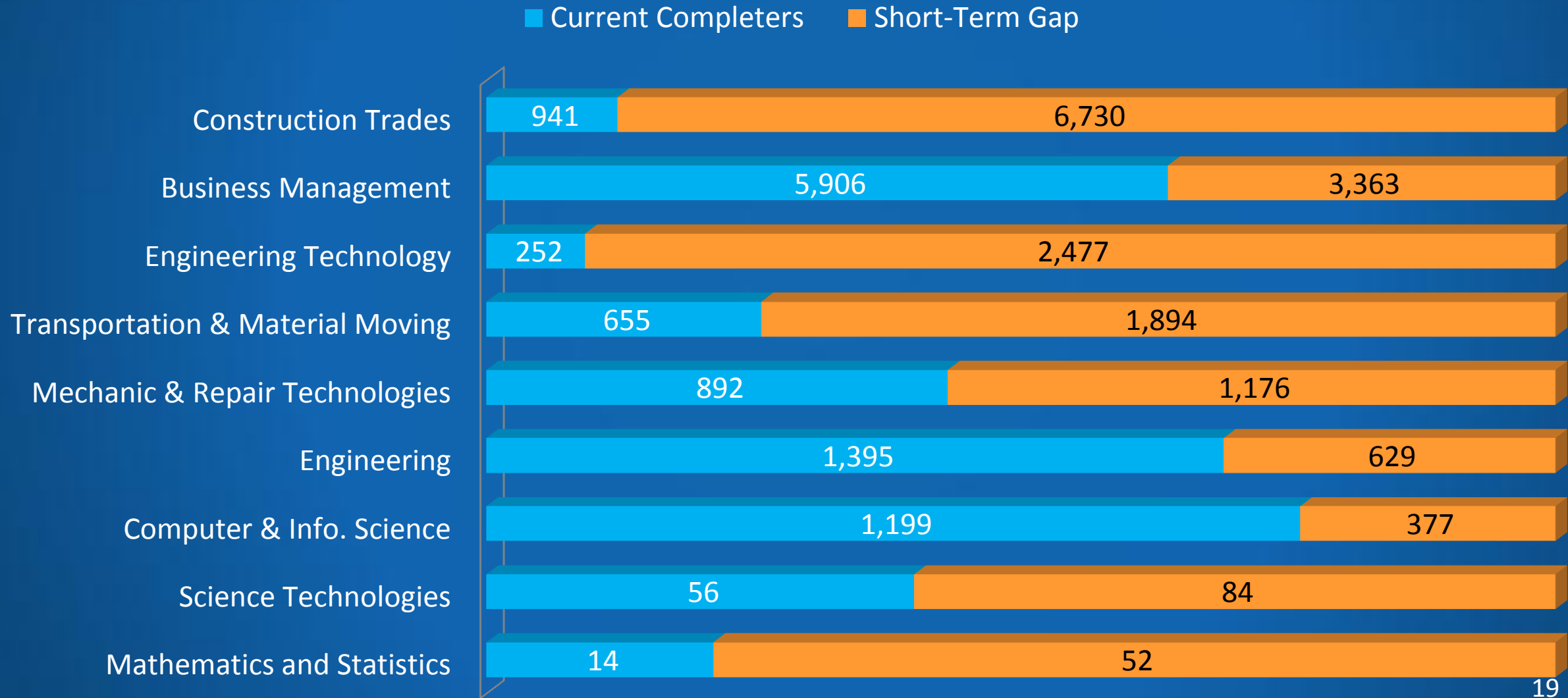
**4.5%**

**21.8%**

**\$9,726**

# +17,000 GRADUATES NEEDED BY 2018

## Gap Analysis of High Demand Jobs

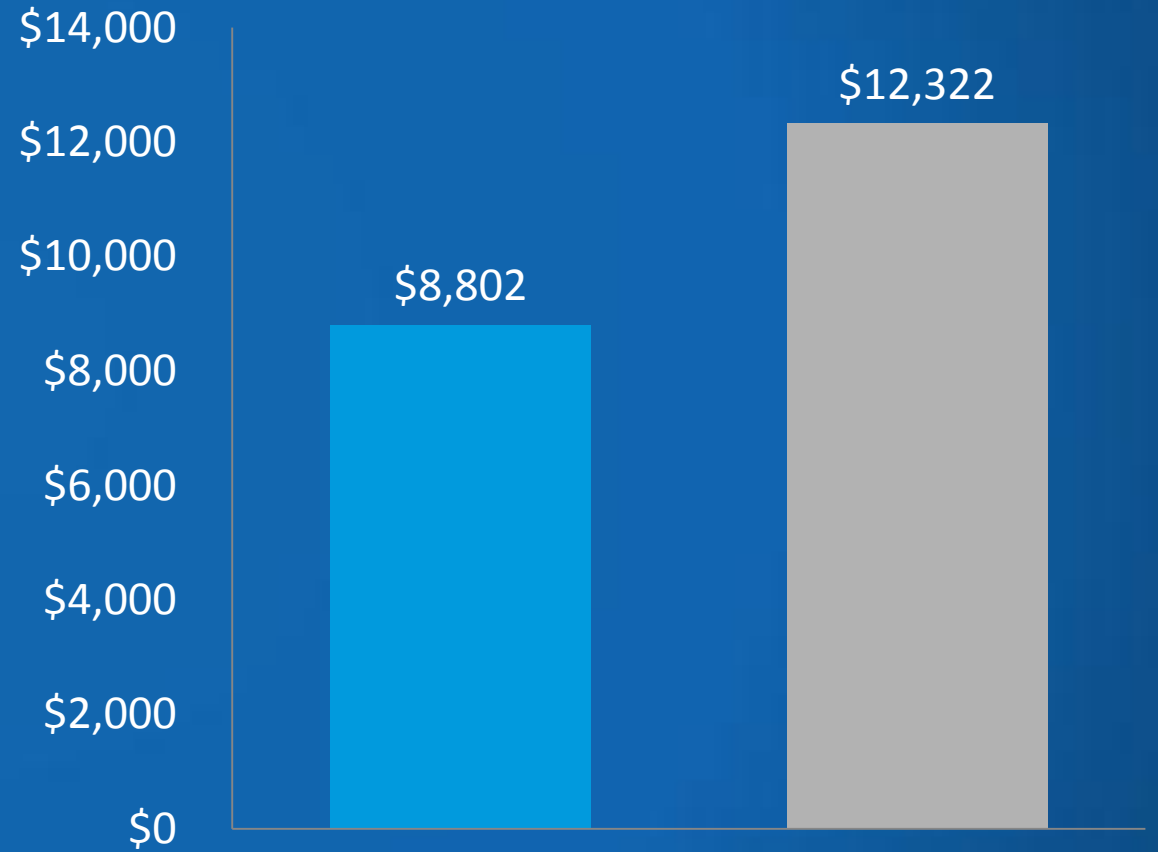
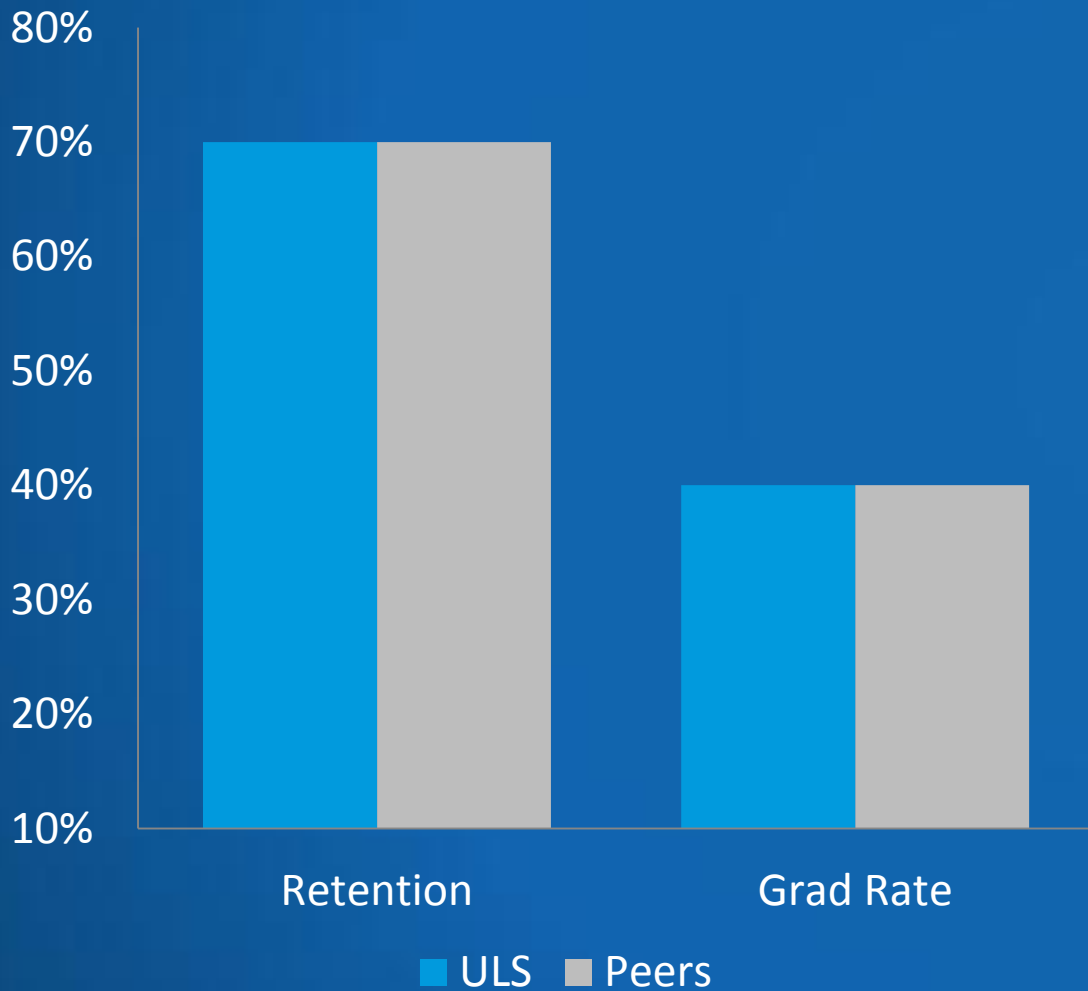


# In the UL System



- 89,000 Students
- 16,500 Degrees Per Year
  - 64% Bachelor's Degrees
  - 61% Master's Degrees
  - 74% Education Degrees
  - 72% Nursing Degrees (4-year)
  - 66% Business Degrees
  - 60% Engineering Degrees
  - 100% Public Pharmacy Degrees

# Performance vs. Funding



Total Dollars Per FTE Student

# What has Higher Ed Done to Operate More Efficiently?

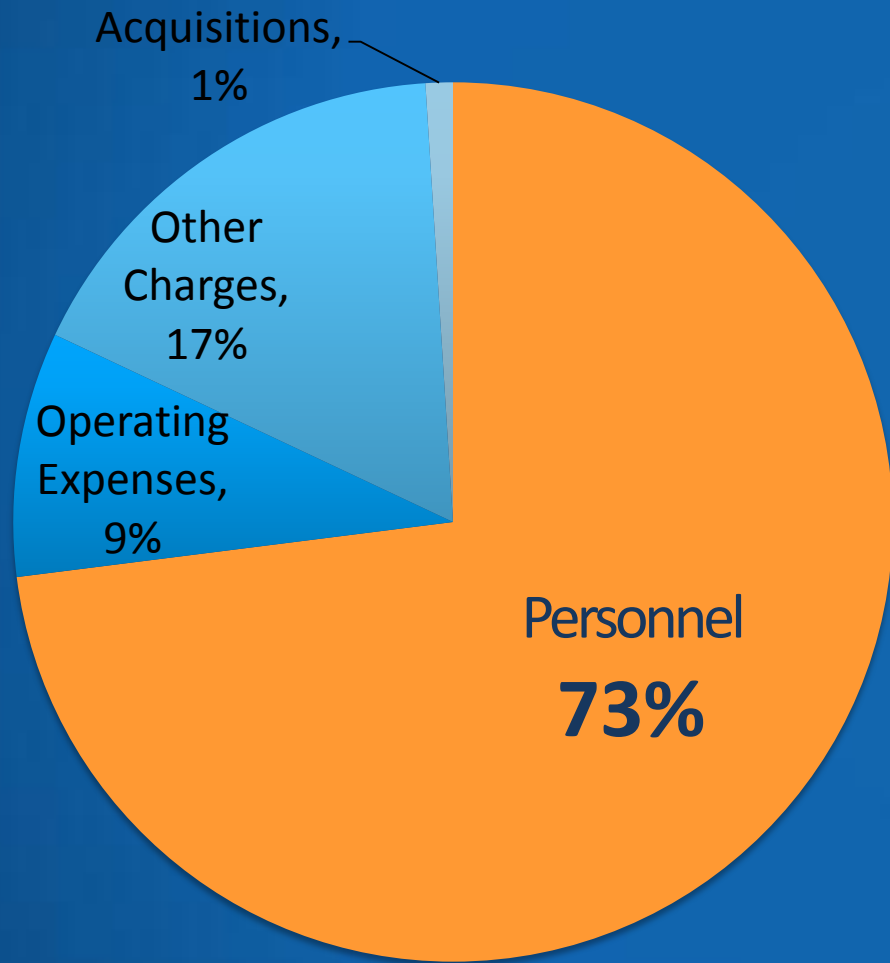
- 4,374 less employees (-12%)
  - 859 less faculty (-7%)
  - 590 less administrators (-25%).
- Eliminated/Consolidated 562 Academic Programs
- Increased Online Courses & Degrees
- Increased Collaborative Degrees
  - Nursing Consortium
  - Educational Leadership

ULS Student/Faculty  
Ratio

**19:1** in 2008

**22:1** in 2012

# Students are the Cost Drivers



UL System Expenditures





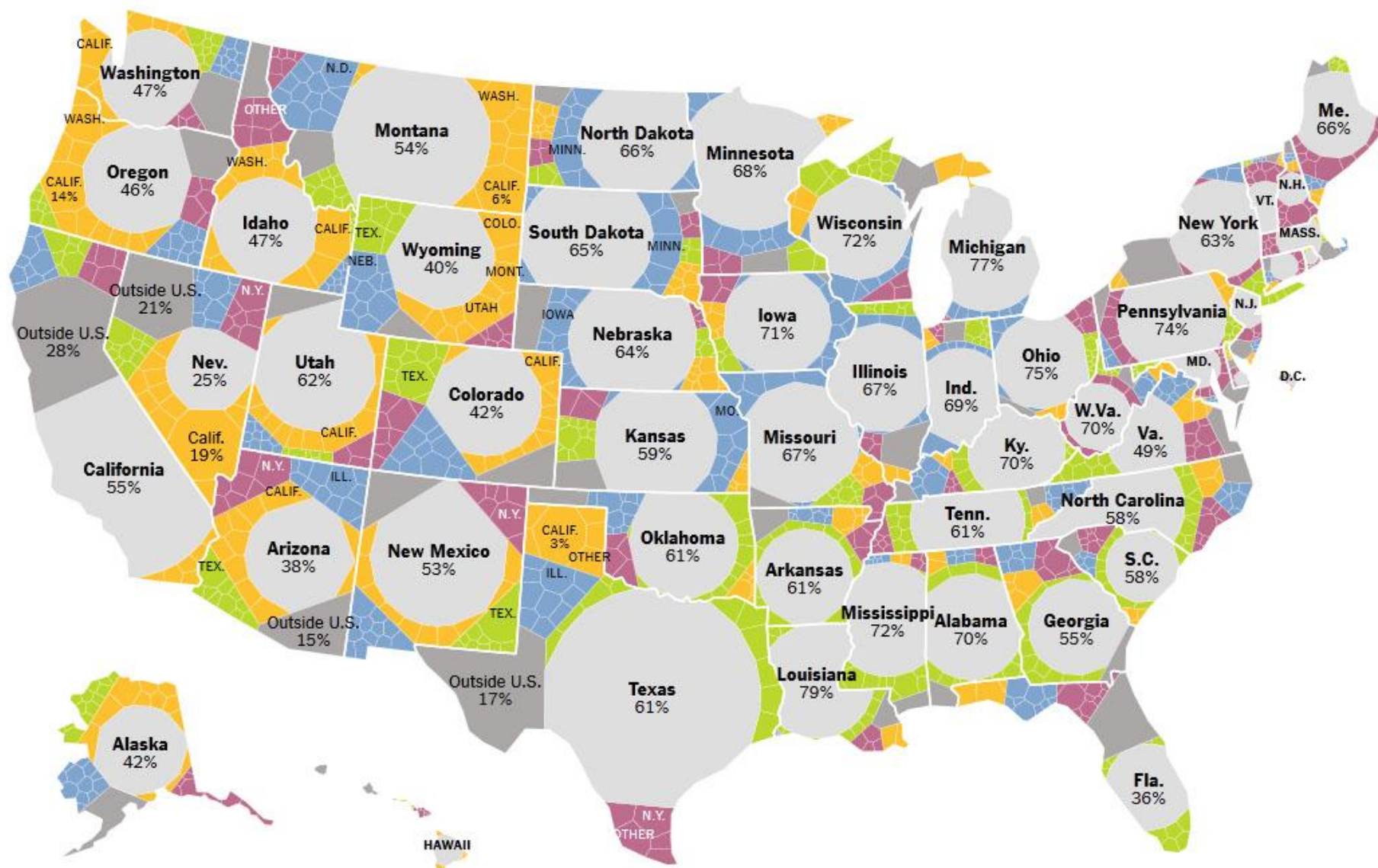
## Where people who lived in each state in 2012 were born

Each shape represents where the people living in a state were born. Within a state, larger shapes mean a group makes up a larger share of the population.

SELECT A YEAR

1900 | 1950 | **2012**

■ Northeast ■ South ■ Midwest ■ West ■ Outside the U.S.\*

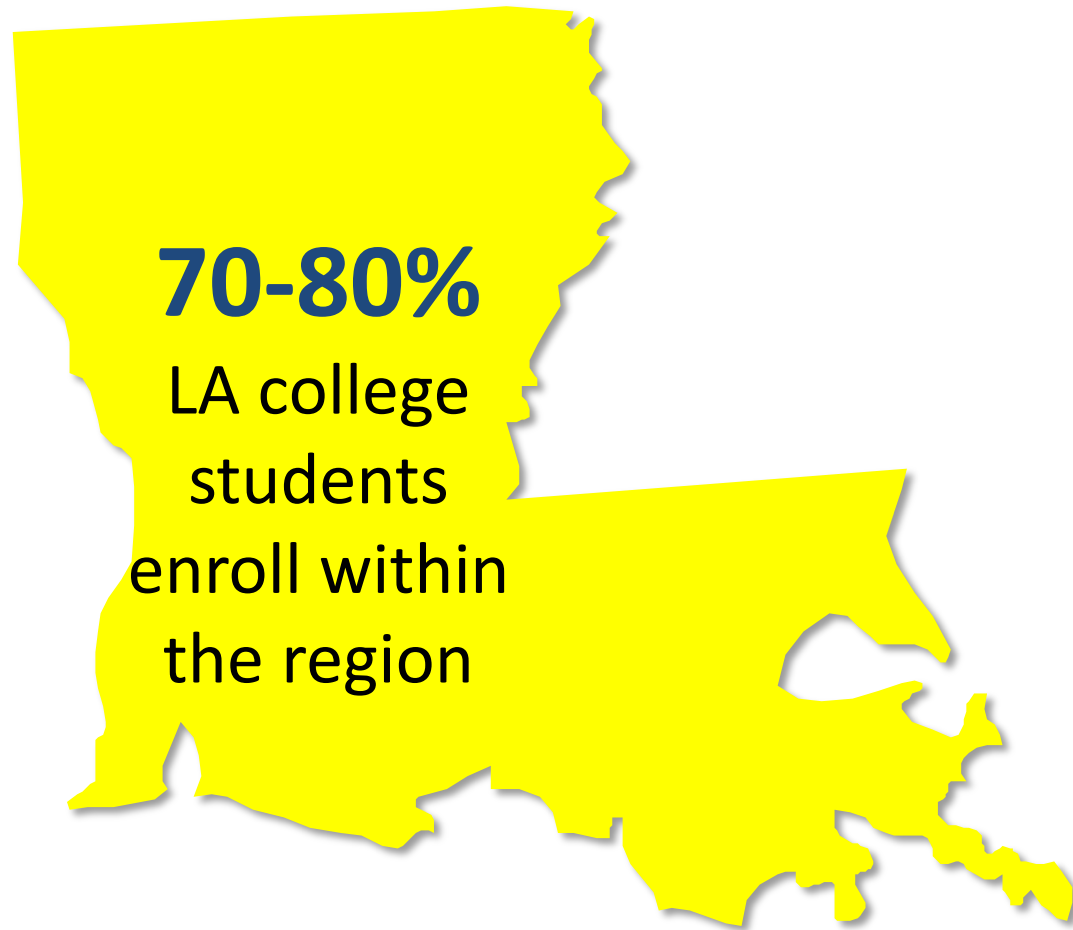


“LA is one of the least diverse states when it comes to domestic migration – **nearly 4 out of 5 residents were born in the state**, a figure that hasn't changed much over the past century.”

Source: NY Times



# Where Do Students Go to College?



Out of 28,759 First-Time Freshmen (FTF) from Louisiana:

- 90% attended college in LA
  - 80% Public Institution
    - 60% 4-year
    - 22% 2-year
  - 6% Private Non-Profit
  - 4% Private for Profit



A [National Center for Higher Education Management Systems Study of the Postsecondary Education Needs of the New Orleans Region, March 14, 2011,](#) **rejected a proposed merger of SUNO and UNO** because it would:

- Deny opportunities to thousands of youth & adults in New Orleans region who could not meet higher entrance requirements of a high-performing urban university
- Place significant burden on the urban research university to serve comparatively under-prepared students & threaten the changes of the institution to achieve its long-term aspirations
- Do little to advance the collaboration between the community college and the university
- Ignore fundamental concerns & differences in culture that are essential for successful mergers

Can the state save money by closing  
campuses?

It could **cost the state \$110 million** to close a university that receives \$32 million in state funding

\$142 M  
Obligated Funds

\$32 M  
State Funding



- Retirement
- Bond Debt for Buildings
- Employee Release Costs

# Take Aways

- Students, not # of institutions, drive the costs
- Louisiana needs more college students and double the graduates to meet workforce gaps
- Regional universities provide access for students who need options close to home
- Closures or mergers will NOT save money but will restrict access



# Question & Answer Session



**Dr. Sandra K. Woodley**  
President



**Rachel Kincaid**  
Vice President of External Affairs



**Dr. Edwin Litolff**  
Vice President of Business & Finance

# Next Briefing

# **FOCUS ON...**

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Friday, March 27, 2015

