

## APPENDIX B

### **Guidelines for Establishing Peer Tuition and Mandatory Fee Rates**

House Bill No. 734 (Re-reengrossed Version) provides that management boards can increase tuition and mandatory fees as follows:

at a rate not to exceed three percent annually if the tuition and mandatory fee amount in effect for the institution is ten percent or less below the average or median tuition and mandatory fee amount of the institution's peers, at a rate not to exceed four percent annually if the tuition and mandatory fee amount in effect for the institution is more than ten percent but less than twenty percent below the average or median tuition and mandatory fee amount of the institution's peers, or a rate not to exceed five percent annually if the tuition and mandatory fee amount in effect for the institution is twenty percent or more below the average or median tuition and mandatory fee amount of the institution's peers. **The Board of Regents shall establish guidelines on the use of data available from the Southern Regional Education Board and other national sources in determining appropriate institution peers and peer average or median tuition and mandatory fee rates. Such guidelines shall be adopted after consultation and coordination with the affected management boards.**

#### Peers for Purposes of Tuition and Mandatory Fee Comparisons

The Board of Regents has for many years used data and information available through the Southern Regional Education Board (SREB) to benchmark appropriate levels of funding available from State appropriations and from tuition and mandatory fees. The SREB-State Data Exchange is a cooperative effort of SREB and the statewide higher education governing and coordinating boards in the South. Founded in 1969-1970, it is one of the nation's oldest, most comprehensive sources of comparative data on public higher education. The Data Exchange annually collects, compiles and publishes the most up-to-date statistics on postsecondary education in the 16-state SREB region, including information by institutional category. Designed for use in making statistical comparisons among states, the SREB system for categorizing postsecondary education institutions is based on a number of factors relevant to determining resource requirements. Four-year institutions are classified based on size (numbers of degrees or full-time-equivalent enrollment), role (types of degrees), breadth of program offerings (number of program areas in which degrees are granted), and comprehensiveness (distribution of degrees across program areas). Two-year and technical colleges are classified by enrollment size.

For purposes of these guidelines for establishing "peer" tuition and mandatory fee rates and comparisons to Louisiana postsecondary education tuition and mandatory fee rates, data on median rates by SREB category is used. There are six categories for four-year institutions, four categories of two-year institutions, and three categories for technical institutes or colleges. Attached is the SREB institutional categories and definitions.

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In the case of LSU – Baton Rouge, the State’s flagship university, national data available from the annual Washington Higher Education Coordinating Board (WHECB) has been used to determine average national “flagship” tuition and mandatory fee rates.

The provisions in the bill regarding use of data in establishing peer rates was agreed to in recognition that actual peer comparison data is always somewhat dated and not completely reflective of the current status of such peer rates. The data available for comparisons of tuition and mandatory fee rates to peers is from the 2006-07 SREB Data Exchange and the annual Washington State Coordinating Board Tuition Survey. This data reflects rates from Fall, 2006, and does not reflect what rates are likely to be in Fall, 2008, the upcoming academic year for which Louisiana’s adjusted rates would apply.

In order to provide reasonable projections of normal rates of increase, the projection approach employed in the Board Tuition Policy adopted in 2005 has been utilized. This approach uses a 10-year trend of tuition and mandatory fees from SREB and national flagship peer groups and can be updated each year based upon most recent actual data collections. The attached table entitled Tuition Authorization and Projected Revenue reflects the projected Peer Target Rates for Fall’ 08 for each Louisiana institution based upon the WHECB national flagship data and the respective SREB category data. Differences in dollar terms and percentage terms are reflected as well.

# SREB Institutional Categories

## Definitions

### Four-Year Universities and Colleges

<u>Category</u>	<u>Definitions</u>
<b>Four-Year 1</b>	Institutions awarding at least 100 doctoral degrees that are distributed among at least 10 CIP categories (2-digit classification) with no more than 50 percent in any one category.
<b>Four-Year 2</b>	Institutions awarding at least 30 doctoral degrees that are distributed among at least 5 CIP categories (2-digit classification).
<b>Four-Year 3</b>	Institutions awarding at least 100 master's, education specialist, post-master's, or doctoral degrees with master's, education specialist, and post-master's degrees distributed among at least 10 CIP categories (2-digit classification).
<b>Four-Year 4</b>	Institutions awarding at least 30 master's, education specialist, post-master's, or doctoral degrees with master's, education specialist, and post-master's degrees distributed among at least 5 CIP categories (2-digit classification).
<b>Four-Year 5</b>	Institutions awarding at least 30 master's, education specialist, post-master's or doctoral degrees.
<b>Four-Year 6</b>	Institutions awarding less than 30 master's, education specialist, post-master's or doctoral degrees.

### Two-Year Colleges

<b>Two-Year with Bachelor's</b>	Institutions awarding primarily associate degrees and offering college transfer courses; some bachelor's degrees may also be awarded.
<b>Two-Year 1</b>	Institutions awarding associate degrees and offering college transfer courses with FTE enrollment of 5,000 or more; some certificates and diplomas may also be awarded.
<b>Two-Year 2</b>	Institutions awarding associate degrees and offering college transfer courses with FTE enrollment of between 2,000 and 4,999; some certificates and diplomas may also be awarded.
<b>Two-Year 3</b>	Institutions awarding associate degrees and offering college transfer courses with FTE enrollment of less than 2,000; some certificates and diplomas may also be awarded.

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### **Technical Institutes or Colleges**

#### **Technical Institute or College 1**

Institutions awarding vocational-technical certificates and diplomas with FTE enrollment of 1,000 or more; some vocational-technical associate degrees may also be awarded.

#### **Technical Institute or College 2**

Institutions awarding vocational-technical certificates and diplomas with FTE enrollment less than 1,000; some vocational-technical associate degrees may also be awarded.

#### **Technical Institute or College -- size unknown**

Institutions awarding vocational-technical certificates and diplomas whose FTE enrollment was not reported; some vocational-technical associate degrees may also be awarded.

### **Specialized**

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Specialized Special purpose institutions with specialized degree programs. These may include medical or health science centers and, in some instances, fine arts schools or military academies.

**Tuition Authorized and Projected Revenue**

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<b>"3-4-5" Plan</b> 0% to 10% below peer: 3% 10%+ to 20% below peer: 4% 20%+ below peer: 5%
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Institutions by Categories	Peer Target Rate Fall '08	Louisiana Annual Rates Fall '07	"3-4-5" Plan Percentage Increase	Semester Increase	Annual Increase	Projected Revenue
<b>SREB 4-Yr 1/Flagship</b>						
National Flagship Rate	\$ 7,320					
<b>LSU - BR</b>		\$ 4,688	5.0%	\$ 117	\$ 234	\$ 6,550,074
Projected Shortfall From Projected '08 Peer Rates		\$ (2,632) -36.0%				
<b>SREB 4-Yr 2</b>						
SREB 4-Yr 2 Rate	\$ 5,405					
<b>ULL</b>		\$ 3,460	5.0%	\$ 87	\$ 173	\$ 2,523,897
Projected Shortfall From Projected '08 Peer Rates		\$ (1,945) -36.0%				
<b>UNO</b>		\$ 3,984	5.0%	\$ 100	\$ 199	\$ 1,896,384
Projected Shortfall From Projected '08 Peer Rates		\$ (1,421) -26.3%				
<b>La Tech</b>		\$ 4,578	4.0%	\$ 92	\$ 183	\$ 1,711,806
Projected Shortfall From Projected '08 Peer Rates		\$ (827) -15.3%				
<b>SREB 4-Yr 3</b>						
SREB 4-Yr 3 Rate	\$ 5,207					
<b>SU - BR</b>		\$ 3,666	5.0%	\$ 92	\$ 183	\$ 1,450,086
Projected Shortfall From Projected '08 Peer Rates		\$ (1,541) -29.6%				
<b>ULM</b>		\$ 3,501	5.0%	\$ 88	\$ 175	\$ 1,356,112
Projected Shortfall From Projected '08 Peer Rates		\$ (1,706) -32.8%				
<b>SLU</b>		\$ 3,219	5.0%	\$ 80	\$ 161	\$ 2,115,849
Projected Shortfall From Projected '08 Peer Rates		\$ (1,988) -38.2%				
<b>SREB 4-Yr 4</b>						
SREB 4-Yr 4 Rate	\$ 5,224					
<b>Grambling</b>		\$ 3,622	5.0%	\$ 91	\$ 181	\$ 909,484
Projected Shortfall From Projected '08 Peer Rates		\$ (1,602) -30.7%				
<b>McNeese</b>		\$ 3,263	5.0%	\$ 82	\$ 163	\$ 1,209,757
Projected Shortfall From Projected '08 Peer Rates		\$ (1,961) -37.5%				
<b>Northwestern</b>		\$ 3,708	5.0%	\$ 93	\$ 185	\$ 1,510,268
Projected Shortfall From Projected '08 Peer Rates		\$ (1,516) -29.0%				
<b>LSU - S</b>		\$ 3,521	5.0%	\$ 88	\$ 176	\$ 548,572
Projected Shortfall From Projected '08 Peer Rates		\$ (1,703) -32.6%				
<b>Nicholls</b>		\$ 3,595	5.0%	\$ 90	\$ 180	\$ 1,102,587
Projected Shortfall From Projected '08 Peer Rates		\$ (1,629) -31.2%				
<b>SREB 4-Yr 5</b>						
SREB 4-Yr 5 Rate	\$ 4,651					
<b>SU - NO</b>		\$ 2,976	5.0%	\$ 74	\$ 149	\$ 307,272
Projected Shortfall From Projected '08 Peer Rates		\$ (1,675) -36.0%				
<b>SREB 4-Yr 6</b>						
SREB 4-Yr 6 Rate	\$ 4,223					
<b>LSU - A</b>		\$ 3,169	5.0%	\$ 79	\$ 158	\$ 305,492
Projected Shortfall From Projected '08 Peer Rates		\$ (1,054) -25.0%				
<b>TOTAL 4-YEAR INSTITUTIONS</b>						<b>\$ 23,497,639</b>

