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## **Institutions Seek GRAD Act Changes** *Regents Hold Firm on “Extraordinary Circumstances”*

BATON ROUGE, La – Two institutions of higher education asked the Board of Regents this month to consider lowering annual performance targets for the GRAD Act which grants tuition authority and autonomies in exchange for improved outcomes. Louisiana State University Law Center and Louisiana State University at Eunice both brought recommended changes to Regents, but only LSU Law was granted approval based on the trigger provided in the law.

Current state law allows for changes to be considered by the Board of Regents and the Joint Legislative Committee on the Budget (JLCB) only in the event “extraordinary circumstances” prevent an institution from meeting its targets. Regents must first approve any changes before sending recommendations to JLCB for a final vote.

In the case of the LSU Law Center, a Louisiana Supreme Court rule changed the way the state’s bar exam will be graded, which is expected to impact the Institutional Passage Rate category of the Law School’s GRAD Act agreement. Regents approved the change indicating the Supreme Court decision was in fact an “extraordinary circumstance.”

However, in the case of LSU Eunice, the institution argued that continued budget reductions coupled with overly-aggressive targets set by the campus resulted in the need to request changes to several Student Success measures including First to Second Year Retention Rate, Same Institution Graduation Rate and Statewide Graduation Rate for this year and the following four years. Chancellor Bill Nunez indicated if LSU-E was not permitted to renegotiate its targets it would not only lose a 9% tuition increase, but also 15% in performance formula funding resulting in potential accreditation and fiscal issues.

Regents’ staff testified that when the GRAD Act agreements were initially negotiated, meeting notes indicate that all campuses were notified that future budget cuts were likely and would not be considered an “extraordinary circumstance.” Additionally, LSU-E was specifically asked to reconsider its targets but chose not to do so.

“The GRAD Act stakes are very high and this is the first test of whether this law will truly impact performance by rewarding improvement over time or not,” said Commissioner of Higher Education Jim Purcell. “We will work with the system and campus to make sure the impact is manageable. Our intention is not to close LSU Eunice, but to help them. So we recommend that the performance funds be set aside at Regents to support specific interventions that can get the campus back on track.”

“We can’t change the goal line in the middle of the game and I believe it is imperative that we are responsive to law which clearly states ‘extraordinary circumstance’ as the trigger for change,” said Board of Regents Chairman Bob Levy. “Regents has an opportunity to follow up and assist all higher education institutions to ensure changes to the law and/or the formula are considered.”