*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Gina Brown. I’m a manager with LLA Performance Audit Services. This episode of LLA Reports focuses on our recently released report titled “Impact of Fee Increases on the Affordability of Public Higher Education in Louisiana.”

Overall, we found that as state funding per student decreased over the past ten years by 43 percent, student fees at higher education institutions in Louisiana increased by 155 percent. These fee increases have outpaced inflation by 114 percent. This is significant because fees impact students, and higher fees have made it more costly to earn a college degree or other post-secondary credential in Louisiana. Student fees averaged $3,000 dollars in the 2019-2020 school year, up from $1,100 dollars a decade ago.

Louisiana supports higher education by providing direct state support to pay for the operating expenses of state higher education institutions. This includes state general fund money, statutory dedicated funds, and interagency transfers. According to data from the Southern Regional Education Board, Louisiana ranks last among the 16 member states for two-year institutions and second to last for four-year institutions in state support per student.

Because fees have increased faster than inflation, students who entered college in the fall of 2019 will pay an additional $318 million dollars in fees – or $6,247 dollars per student – to obtain a four-year degree.

The increase in fees has also contributed to higher estimated costs of attending college. The estimated cost of attendance to obtain a four-year degree in Louisiana rose 64 percent over the past ten years. The graduating class of 2010 paid $55,000 dollars to obtain a four-year degree; whereas, the graduating class of 2020 paid $90,000 dollars. The estimated cost of attendance to obtain a two-year degree also rose by 46 percent.

We estimated that while 34 percent of Louisiana-resident students have sufficient financial resources to cover the increased fees, the other 66 percent will find it difficult to afford the $90,000 dollars it costs to obtain a four-year degree at a Louisiana public college for a student who lives on campus.

Students are expected to contribute a certain amount toward their cost of attendance, but many families cannot afford to pay the full amount. Students can cover their financial aid need with Pell grants, federal student loans, Go Grants, institutional aid, and even merit-based awards like TOPS. However, even with these awards, some students still cannot afford to pay their remaining costs.

The remaining portion is referred to as unmet need. Because fees have increased faster than inflation, students will face an additional $158 million dollars in unmet need – or $4,700 dollars per student – over a four-year undergraduate enrollment.

To cover their unmet need, students could try to get a job or a third-party scholarship, their parents could take out a loan, or the students could take out a private student loan. However, these options may not be available to all students. From academic year 2011-2012 through 2016 and 17, the Southern Regional Education Board reported that student loan borrowing in Louisiana increased 20 percent at public four-year institutions and 23 percent at public two-year institutions.

We also found that none of the state’s higher education system management boards has a formal review process to determine if specific fees are still warranted and if schools are using them as intended. It’s possible some fees may no longer be needed and could be eliminated or re-designated for a more useful purpose.

As a result of our audit, we made two recommendations to the management boards for the state’s higher education systems.

The first recommendation was that the management boards periodically review all fees to see if they are still needed or if they can be eliminated or reassigned for a different purpose.

The second recommendation was that the management boards require each of their institutions to publish an itemized list of fees and their descriptions on their websites.

We also suggested one matter for legislative consideration. The Legislature may wish to consider requiring the management boards for each higher education system to periodically review all fees to determine if they are still needed or if they can be eliminated or repurposed.

In their response to our report, which is detailed in the report appendix, the Board of Regents and the Boards of Supervisors for the Louisiana State University System, the University of Louisiana System, the Southern University System, and the Louisiana Community and Technical College System agreed with both of our recommendations.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.*

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. The full report, the podcast, and a fact sheet for each of the state’s public universities can be found on the LLA website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*