
DIGEST

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HB 689 Reengrossed

2020 Regular Session

Zeringue

Abstract: Provides relative to mandatory fees and operational autonomies at colleges and universities.

Proposed law provides that the legislature authorizes the public postsecondary education management boards to establish fees and adjust fee amounts at institutions under their respective management and supervision. Provides that such authority shall apply for the 2020-2021 through the 2022-2023 academic years only and that the authority to increase fees pursuant thereto shall terminate on June 30, 2023. Requires a management board to report to the Joint Legislative Committee on the Budget within 90 days if it establishes or increases a fee pursuant to proposed law that would be imposed on all undergraduate students at an institution. Provides that such authority specifically includes authority to impose per credit fees and differential fees for certain programs and to charge proportional amounts for part-time students and summer sessions. Provides that except for the LSU Health Sciences Centers, the pharmacy program at the University of La. at Monroe, and the Southern University Law Center, the revenue per full time equivalent student from all tuition and fee amounts charged to a student plus the revenue per full time equivalent student from state and local appropriations shall not exceed the national average of total per full time equivalent student revenue from state appropriations, local appropriations, tuition, and fees as reported by the National Center for Education Statistics (NCES) by Carnegie classification, which maximum amount may be annually adjusted based on the most recent full time equivalent funding statistics as reported by the NCES and adjusted to the current fiscal year using the Higher Education Price Index (HEPI). Provides that the total of all tuition and fee amounts charged to a student enrolled in the LSU Health Sciences Centers, the pharmacy program at the University of La. at Monroe, and the Southern University Law Center shall not exceed the tuition and fees charged, as reported by the NCES, of national peers selected by the institution, which maximum amount may be annually adjusted based on the most recent tuition and fee amounts per full time equivalent student as reported by the NCES and adjusted to the current fiscal year using the HEPI.

Proposed law also:

- (1) Requires each institution to allocate not less than 5% of revenues realized pursuant to proposed law to provide need-based financial assistance to students eligible to receive a Pell Grant.
- (2) Prohibits revenues generated by fees imposed pursuant to proposed law from being used for any other purpose except for support of the university at which the fees are collected.

- (3) Requires each management board to submit a report to the House and Senate education committees by Feb. 15th of 2021, 2022, and 2023 regarding how fees authorized by proposed law have been implemented at each institution under its supervision and management, including an overview of the distribution of the monies in the need-based financial assistance fund as provided in proposed law.
- (4) Provides that the fee authority granted by proposed law includes the authority to impose a fee for the administration of certain student surveys.

Proposed law authorizes public postsecondary institutions that meet certain conditions to be granted various exemptions and exceptions from state regulations of their operations (operational autonomies).

Proposed law provides that the division of administration shall approve the exercise of operational autonomies by an institution, if the institution's management board approves the exercise of autonomies by an institution in the system and one of the following conditions is met:

- (1) The institution is in a system that received, for its most recent audit, a financial audit with an unmodified opinion, where the financial statements were free of material misstatements and material weaknesses, and the financial position, results of operations, and cash flows were represented fairly in accordance with Generally Accepted Accounting Principles.
- (2) The institution is in a system that did not meet (1) above, but the institution was not responsible for the finding of noncompliance at the system level.

Proposed law provides that if an institution with the authority to exercise operational autonomies subsequently receives a financial audit with a material weakness, it shall lose such authority unless it develops and implements a corrective action plan and demonstrates to the management board that the necessary corrective actions have been taken within six months after the audit finding was reported.

Proposed law provides for operational autonomies as follows:

- (1) Proposed law authorizes an institution to retain funds with are unexpended and unobligated at the end of the fiscal year for use at the institution's discretion.
- (2) Proposed law authorizes an institution to dispose of obsolete equipment, excluding vehicles and items deemed by federal law to be of a dangerous nature. Further requires that the postsecondary management board provide certification to the division of administration that electronic devices are sanitized of any personally identifiable information.
- (3) Proposed law authorizes the division of administration to exclude the institution as a whole from any table of organization.
- (4) Proposed law authorizes exemption from participation in the state's management program.

Further requires that the division of administration determine that the institution or management board has the capacity to manage its own risk as a condition for this exemption.

- (5) Proposed law generally authorizes an institution to administer facilities projects funded with self-generated revenue, federal funds, donations, grants, or revenue bonds.
- (6) Proposed law authorizes adoption of a higher education procurement code which has been developed by LSU.
- (7) Proposed law authorizes investment of certain funds in governmental or public corporation bonds. Further authorizes investment of funds in municipal bonds.

Proposed law provides that the exemption from participation in the state's risk management program does not alter the authority of the attorney general and the Dept. of Justice to represent state agencies in litigation arising out of tort or contract.

(Adds R.S. 17:3351.21)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Add requirement that a management board report certain new fees and fee increases to the Joint Legislative Committee on the Budget.