
DIGEST

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HB 733 Original

2020 Regular Session

Zeringue

Abstract: Extends the authority of public postsecondary education institutions to exercise certain operational autonomies.

Operational autonomy

Present law (R.S. 17:3139.5) authorizes public postsecondary education institutions that meet certain conditions to be granted various exemptions and exceptions from state regulations of their operations (operational autonomies). Provides that a public postsecondary education institution may exercise certain operational autonomies until July 1, 2020, if the institution's management board approves the exercise of autonomies by any 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.

Present law specifies that such operational autonomies are as follows:

- (1) Authority to retain funds unexpended and unobligated at the end of the fiscal year for use at the institution's discretion.
- (2) Authority to identify and dispose of obsolete equipment.
- (3) Authority to be excluded by the division of administration from any table of organization.
- (4) Authority to participate in the higher education procurement code as established by Louisiana State University and approved by the division of administration.
- (5) Exemption from participation in the state's risk management program pursuant to certain conditions.
- (6) The authority to administer facilities projects funded with self-generated revenue, federal funds, donations, grants, or revenue bonds.

(7) Authority to invest certain funds in certain bonds.

Proposed law indefinitely extends an institution's authority to exercise such operational autonomies under such conditions by removing the July 1, 2020, "sunset" date and otherwise retains present law. Proposed law also authorizes cooperative procurement under the higher education procurement code (4 above).

Performance agreements

Present law (R.S. 17:3139.2) provides that any public postsecondary education institution, including professional schools, may enter into an initial performance agreement with the Bd. of Regents in order to be granted limited tuition autonomy and flexibility in exchange for committing to meet established targets for the certain performance objectives, including those relative to student success, articulation and transfer, workforce and economic development, institutional efficiency, and accountability. Proposed law repeals present law.

Present law (R.S. 17:3139.3) provides that the initial performance agreement and each subsequent agreement shall be a six-year agreement and shall be reviewed annually by the Bd. of Regents. Proposed law repeals present law.

Present law (R.S. 17:3139.7) requires any agreements between the Bd. of Regents and institutions authorized by present law to be certified by the respective management boards. Proposed law repeals present law.

Tuition and fee autonomy

Present law (R.S. 17:3439.5(A)), applicable to the 2010-2011, 2011-2012, 2012-2013 fiscal years, authorized institutions that entered performance agreements or that met targets set in those agreements to increase tuition and mandatory fees. Proposed law repeals present law.

Audits

Present law (R.S. 17:3139.4) requires the legislative auditor to annually audit institutional data relative to meeting performance objective targets to ensure data reliability. Proposed law repeals present law.

(Amends R.S. 17:3139.5(B)(1) and 2(a) and (d)(i); Repeals R.S. 17:3139.1 through 3139.4, 3139.5(A), 3139.6, and 3139.7)