

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 32** SLS 202ES 21  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> October 7, 2020 8:24 AM	<b>Author:</b> FIELDS
<b>Dept./Agy.:</b> Higher Education	
<b>Subject:</b> Tuition and Operational Autonomies	<b>Analyst:</b> Jodi Mauroner

COLLEGES/UNIVERSITIES RE SEE FISC NOTE SG EX See Note Page 1 of 1  
 Grants certain operational autonomies to certain public postsecondary education institutions (gov sig) (Item #42)

Proposed legislation extends operational autonomies granted to some institutions under the authority of the GRAD act to all institutions, as approved by the Division of Administration, pursuant to audit compliance including 1) authority to retain unexpended, unobligated funds; 2) authority to dispose of certain obsolete equipment; 3) authority to be excluded from the table of organization; 4) authority to participate in the procurement code previously approved for LSU, subject to prior review and approval by JLCB; 5) exemption from the state's risk management program pursuant to certification by DOA of operational capacity; 6) authority to administer certain facility projects; and 7) investment authority in certain bonds.

Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There may be an impact to expenditures of institutions associated with certain operational autonomies, to the extent they are approved by Joint Legislative Committee on the Budget (JLCB) and/or the Division of Administration (DOA). Currently, institutions have been granted certain autonomies which expired on July 1, 2020. It is not possible to project which institutions may request additional autonomies and whether such requests will be approved by the JLCB and/or the DOA. Expenditures could increase (as in the case of establishing a self-insured insurance program) or decrease (as in the case of procurement autonomies.)

There will be an impact to the expenditures of Office of Risk Management (ORM) and state agencies participating in the state's risk management program to the extent institutions are exempted. As part of the approval process, ORM would incur costs associated with actuarial valuations. Further, in order to maintain an actuarially sound program, premium rates for remaining ORM participants could increase. It is not possible to project the potential number of institutions exempted and the amount of ORM expenses, or the extent to which ORM would be required to increase premiums.

**NOTE:** LSU, which has been granted what were identified as high level autonomies under the Grad Act (self-insurance, and procurement), will likely experience expenditure impacts to the extent these autonomies are not renewed and the institutions are required to revert to participation in the state programs.

**REVENUE EXPLANATION**

There may be a reduction in IAT revenues to the Office of Risk Management (ORM) to the extent institutions are granted the authority to establish their own self-insurance program and no longer make payments to ORM. It is not possible to project the potential number of institutions which may be exempted and the extent of the revenue loss.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Alan M. Boxberger**  
**Staff Director**