

Regular Session, 2013

HOUSE BILL NO. 194

BY REPRESENTATIVES LEGER, WESLEY BISHOP, KLECKLEY, AND SHADOIN

STUDENT/TUITION: Provides relative to the authority of public postsecondary education management boards to increase tuition and mandatory fee amounts

1 AN ACT

2 To enact R.S. 17:3351(A)(5)(f), relative to tuition and mandatory fee amounts for public  
3 postsecondary education institutions; to authorize the public postsecondary education  
4 management boards to increase tuition and mandatory fee amounts in accordance  
5 with the Board of Regents tuition policy, which is subject to legislative approval; to  
6 provide for legislative approval of such policy and legislative approval for such  
7 tuition and fee increases, including subsequent increases pursuant to such policy; to  
8 require that a certain percentage of funds derived from such increases be utilized for  
9 certain financial aid purposes; to authorize uniform imposition of tuition and  
10 mandatory fee amounts on a per-credit-hour basis; to provide for applicability,  
11 limitations, conditions, and exceptions; to provide for implementation; to provide an  
12 effective date; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 17:3351(A)(5)(f) is hereby enacted to read as follows:

15 §3351. General powers, duties, and functions of college and university boards

16 A. Subject only to the powers of the Board of Regents specifically  
17 enumerated in Article VIII, Section 5 of the Constitution of Louisiana, and as  
18 otherwise provided by law, each postsecondary system management board as a body  
19 corporate shall have authority to exercise power necessary to supervise and manage

1 the day-to-day operations of institutions of postsecondary education under its  
2 control, including but not limited to the following:

3 \* \* \*

4 (5)

5 \* \* \*

6 (f)(i) Notwithstanding any limitation on or any authority provided to the  
7 boards by this Paragraph or any other provision of law, and in accordance with  
8 Article VII, Section 2.1 of the Constitution of Louisiana, the Board of Supervisors  
9 of Louisiana State University and Agricultural and Mechanical College, the Board  
10 of Supervisors of Southern University and Agricultural and Mechanical College, the  
11 Board of Supervisors for the University of Louisiana System, and the Board of  
12 Supervisors of Community and Technical Colleges may increase the tuition amount  
13 and mandatory fee amounts applicable to resident students at institutions under their  
14 respective supervision and management in accordance with the tuition policy  
15 established and implemented by the Board of Regents and approved by the  
16 legislature as provided in R.S. 17:3129.5. Increases in tuition and mandatory fee  
17 amounts pursuant to this Subparagraph shall be effective at such institutions as may  
18 be provided by the tuition policy established and implemented by the Board of  
19 Regents and approved by the legislature as provided in R.S. 17:3129.5. Additionally,  
20 the Board of Supervisors of Louisiana State University and Agricultural and  
21 Mechanical College, the Board of Supervisors of Southern University and  
22 Agricultural and Mechanical College, the Board of Supervisors for the University of  
23 Louisiana System, and the Board of Supervisors of Community and Technical  
24 Colleges may provide for the uniform imposition of tuition and mandatory fee  
25 amounts for students attending such institutions under their respective supervision  
26 and management on a per-credit-hour basis.

27 (ii) The authority granted each management board by this Subparagraph to  
28 establish tuition and mandatory fee amounts shall include the authority to establish

1        proportional amounts applicable to part-time students and to students enrolled for  
2        summer and intersession terms.

3                (iii) Beginning with the 2015-2016 academic year and continuing thereafter,  
4        the authority granted by this Subparagraph to each management board to establish  
5        tuition and mandatory fee amounts shall be applicable only to institutions under its  
6        supervision and management that fully achieve the performance metrics established  
7        specifically for each such institution pursuant to the outcomes-based funding formula  
8        developed and implemented by the Board of Regents pursuant to the Act that  
9        originated as Senate Bill No. 117 of the 2013 Regular Session of the Legislature.

10               (iv) If the Act that originated as Senate Bill No. 117 of the 2013 Regular  
11        Session of the Legislature is not enacted into law or is vetoed by the governor, or if  
12        the Board of Regents fails to develop and implement the outcomes-based funding  
13        formula as provided in such Act, the authority granted by this Subparagraph to each  
14        management board to establish tuition and mandatory fee amounts shall be null,  
15        void, and of no effect.

16               (v) Prior to imposing any increase or increases in tuition or mandatory fee  
17        amounts pursuant to the provisions of this Subparagraph, the management board  
18        shall establish criteria for waivers of such increase or increases in cases of financial  
19        hardship. Information about such waivers, including the criteria and procedures for  
20        obtaining a waiver, shall be made available to all prospective students affected by  
21        the increase or increases in a timely manner such that the prospective student can be  
22        aware of the increase or increases and the availability of waivers prior to the student  
23        making any final decision concerning attendance at the college or university.

24               (vi) Each management board shall reserve and use at least ten percent of the  
25        total amount derived from the increases in tuition and mandatory fees imposed  
26        pursuant to the provisions of this Subparagraph to provide assistance to students with  
27        demonstrated financial need as determined by the Board of Regents.

28               (vii) Any additional revenue resulting from the imposition of the tuition or  
29        mandatory fee increase authorized in this Subparagraph shall not displace, replace,

1 or supplant any funding for postsecondary education required in accordance with the  
2 state constitution or any other laws of the state.

3 \* \* \*

4 Section 2. This Act constitutes legislative approval of the tuition policy adopted by  
5 the Board of Regents on April 25, 2012, and presented to the legislature by the board and  
6 also constitutes legislative approval, in compliance with the requirements of Article VII,  
7 Section 2.1 of the Constitution of Louisiana, of the authority for the public postsecondary  
8 management boards to increase tuition or fees consistent with such policy, including initial  
9 and subsequent increases pursuant to such policy, all as authorized by R.S. 17:3129.5.

10 Section 3. This Act shall become effective upon signature by the governor or, if not  
11 signed by the governor, upon expiration of the time for bills to become law without signature  
12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
13 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
14 effective on the day following such approval.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Leger HB No. 194

**Abstract:** Authorizes the public postsecondary education management boards to increase tuition and mandatory fee amounts in accordance with the Board of Regents tuition policy. Provides legislative approval of such policy and of initial and subsequent increases pursuant to such policy. Authorizes uniform imposition of tuition and mandatory fee amounts on a per-credit-hour basis.

Present law (R.S. 17:3129.5) requires the Board of Regents to study and formulate, in cooperation with the public postsecondary education management boards, a state tuition and fee policy applicable to each public postsecondary education institution and system. Requires the board to take into consideration the cost of education provided by each type of institution, the proportion of such costs typically paid by students, the economic status of the state's citizens, the overall rates of increase in public postsecondary education costs and tuition, the existing status of tuition and fees in La. relative to its peer states, and other pertinent factors determined by the board. Provides that the policy shall establish a framework for the imposition of student tuition and fees by the respective management boards and that the delegation of authority to the management boards to establish tuition and fees in accordance with policies adopted by the Board of Regents shall not be construed to authorize the Board of Regents to set a specific tuition or fee. Requires that, prior to the implementation of the initial increase in fees or tuition pursuant to such policy, the authority for the management boards to increase tuition or fees consistent with the policy shall be approved by the legislature by law by the favorable vote of 2/3 of the elected members of

both houses of the legislature. Provides that such approval by law shall constitute compliance with the requirements of Art. VII, §2.1 of the Const. of La. for any subsequent increases pursuant to the policy.

Requires the Board of Regents and each management board annually, not later than Feb.1, to report to the Joint Legislative Committee on the Budget on the status of policy implementation.

Proposed law authorizes the LSU board of supervisors, the SU board of supervisors, the University of La. board of supervisors, and the Board of Supervisors of Community and Technical Colleges to increase the tuition amount and mandatory fee amounts applicable to resident students in accordance with the tuition policy established and implemented by the Board of Regents and approved by the legislature pursuant to present law summarized above. Provides that tuition and fee increases pursuant to proposed law shall be effective at such institutions as may be provided by the Board of Regents policy approved by the legislature. Additionally authorizes the management boards to provide for the uniform imposition of tuition and mandatory fee amounts on a per-credit-hour basis.

Proposed law provides that the authority for such increases includes the authority to establish proportional amounts applicable to part-time students and to students enrolled for summer and intersession terms.

Proposed law provides that, beginning with the 2015-2016 academic year, the authority granted by proposed law applies only to institutions that fully achieve the performance metrics in conformity with the outcomes-based funding formula developed by the Board of Regents according to SB No. 117 of the 2013 R.S. Further provides that if SB No. 117 of the 2013 R.S. is not enacted into law or is vetoed by the governor, or if the Board of Regents fails to develop the outcomes-based funding formula as provided in such Act, proposed law shall be null, void, and of no effect.

Proposed law requires that, prior to imposing any such increase in tuition or fee amounts, the management board establish criteria for waivers of such increase in cases of financial hardship and make information about such waivers and the criteria and procedures for obtaining a waiver available to all prospective students affected by the increase.

Proposed law requires that each management board reserve and use at least 10% of the total amount derived from the increases in tuition and mandatory fees to provide assistance to students with demonstrated financial need. Further provides that additional revenue from the tuition or mandatory fee increase does not displace, replace, or supplant any funding for postsecondary education as required by the state constitution or any other laws of the state.

Present law (R.S. 17:3139 et seq.-GRAD Act) in part authorizes public postsecondary institutions who enter into performance agreements and meet certain goals in such agreements to increase tuition and fee amounts annually, without legislative approval, until the institution reaches the average tuition and fee amounts of its peer institutions, such amounts to be weighted based on the median household income in SREB states in which respective peer institutions are located. The median household income in such states shall be compared with the median household income in La., and any differences between the average of the states shall be factored into the allowable tuition and fee amount increase for the respective institution. Authorizes increases as necessary to maintain tuition and fee amounts as close to that average as practical. Includes provisions for waivers based upon financial hardship of students.

Proposed law is in addition to GRAD Act authority and any other authority of any of the boards to impose tuition or fees.

Proposed law provides that it is in accordance with Const. Art. VII, §2.1(A) which provides that any new fee imposed or assessed by a state board or agency must be enacted by law by a 2/3 vote of the elected members of each house of the legislature.

Proposed law specifies that proposed law constitutes legislative approval of the tuition policy adopted by the Board of Regents on Apr. 25, 2012, and presented to the legislature by the board and legislative approval, in compliance with Const. Art. VII, §2.1, of the authority for the public postsecondary education management boards to increase tuition or fees consistent with such policy, including initial and subsequent increases pursuant to such policy, all as authorized by present law (R.S. 17:3129.5).

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 17:3351(A)(5)(f))

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Education to the original bill.

1. Adds provision that specifies that, beginning with the 2015-2016 academic year, the authority granted by proposed law applies only to institutions that fully achieve the performance metrics in conformity with the outcomes-based funding formula developed by the Board of Regents according to SB No. 117 of the 2013 R.S.
2. Adds provision that provides that, if SB No. 117 of the 2013 R.S. is not enacted into law or is vetoed by the governor, or if the Board of Regents fails to develop the outcomes-based funding formula as provided in such Act, proposed law shall be null, void, and of no effect.
3. Adds requirement that each management board reserve and use at least 10% of the amount derived from the increases in tuition and mandatory fees to provide assistance to students with demonstrated financial need.
4. Adds provision that additional revenue from the tuition or mandatory fee increase does not displace, replace, or supplant any funding for postsecondary education as required by the state constitution or any other laws of the state.