
DIGEST

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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.