

2016 Legislative Summary



University of Louisiana System

When the 2016 Louisiana Regular Legislature opened on March 14, the state faced a \$600 million shortfall after raising \$1.2 billion in the 1st Special Session. Members filed a total of 1,644 bills for the Regular Session, addressing issues such as constitutional dedications, retirement, higher education governance and TOPS.

Lawmakers ended the Regular Session on June 6, unable to secure passage on most of those bills and also failing to secure passage of HB 2, the state's construction budget. Of the funding available, members allocated \$669 million to Higher Education, \$81.2 million to TOPS and \$26.4 million to the Go Grants program. In order to maintain higher education funding at 15/16 levels, legislators will need to allocate an additional \$97 million to universities and colleges and another \$155 million to TOPS in the 2nd Special Session.

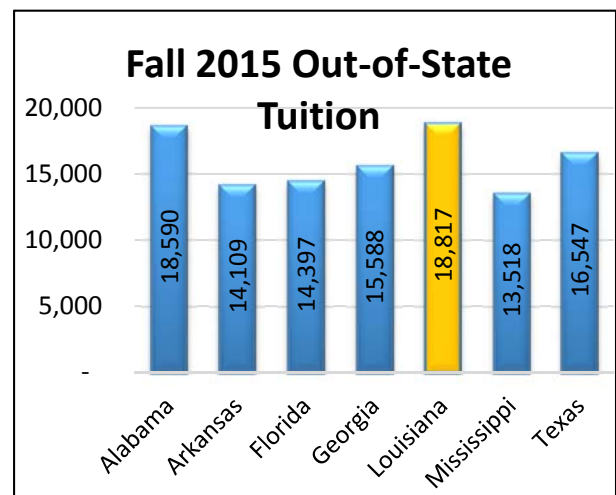
Lawmakers enjoyed a short 30-minute break as the Regular Session closed, with the 2nd Special Session beginning at 6:30 p.m. on June 6. When the 2nd Special Session ends, members will have spent the greatest number of days at the capitol (including the 1st Special Session, the Regular Session, and the 2nd Special Session) in over 200 years. As of Tuesday, June 21, lawmakers have raised \$284 towards the \$600 million gap left to fill before they can finalize the nearly \$26 billion spending plan for the budget that will take effect on July 1.

A summary of the key legislation passed during the 2016 Regular Session is below:

Tuition Authority

After 21 years, college and universities may once again have the ability to set tuition and fees under the authority of the management boards. SB 80, filed by Senate Education Chair Blade Morrish, is a constitutional amendment restoring authority to set tuition and fees to the management boards. Higher education lost the authority to set tuition and fees in 1995 and has since been required to secure approval of 2/3 of the legislature to set tuition and fees. Louisiana is one of only two states in the nation that require legislative approval for the setting of tuition and fees and the only state requiring a 2/3 vote. Florida, the other state that controls tuition and fees, requires a majority vote.

Louisiana and Florida have another higher education related similarity – together they rank the lowest nationwide in total funding for higher education, respectively ranking 49th and 50th.



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In addition to securing the ability to seek full tuition authority, higher education also secured passage of tuition authority to set out-of-state fees. HB 989 by Rep. Rob Shadoin will allow all universities to set out-of-state tuition and fees, an authority that was provided last year to HBCUs. GRAD Act requirements have increased out-of-state tuition and fees by 10% each year since 2009, exceeding the out-of-state tuition charged by surrounding states, leaving Louisiana universities at competitive disadvantage.

TOPS

Legislators filed 18 bills to make changes to the \$300 million TOPS program that provides scholarships to more than 51,000 students across the state. In the end, only three bills secured passage:

SB 174 by Senator Jack Donahue will limit future TOPS awards to the 2016-17 academic year level, unless the legislature, by law, increases the award amounts. SB 174 passed after multiple attempts to “cap” TOPS failed in the past.

SB 329 by Senator Dan Claitor will limit further future awards by increasing eligibility requirements for the TOPS Performance Award to 3.25 and the TOPS Honors award to 3.50. The bill is effective with the 2020-21 school year.

Legislators also filed bills to establish guidelines for future budget shortfalls in the TOPS program. After the state failed to make all payments to universities for TOPS students in the spring, Senator Blade Morrish filed and secured passage of SB 470. SB 470, in the event of another shortfall, requires the Louisiana Office of Student Financial Assistance to reduce all TOPS awards on a pro-rata basis and provides authority for universities to bill the difference to scholarship recipients. The University of Louisiana System suffered the greatest impact of the state’s nonpayment of TOPS this spring, resulting in a \$12.9 million cut to University of Louisiana System’ campuses.

Management Boards and Governance

Legislators filed nine bills concerning higher education structure or governance, only one of which secured passage. Rep. Walt Leger, Rep. Lance Harris, Rep. Rick Edmonds, and Senator Conrad Appel filed bills on behalf of the Board of Regents that would have limited the power of the management boards to the powers of the Board of Regents. None of the proposed bills secured passage.

Rep. Leger, Rep. Harris, and Rep. Broadwater filed bills to move the Louisiana Office of Student Financial Assistance and the Louisiana University Marine Consortium under the authority of the Board of Regents. HB 842 by Rep. Broadwater ultimately received passage and has been signed by the Governor.

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Senator Sharon Hewitt secured passage of SB 446, which requires the Board of Regents to review the higher education system and determine whether a region is overserved or underserved. The Board of Regents has begun a review of all graduate programs in anticipation of the bill's passage.

HB 948 by Rep. Steve Carter will require management boards to adopt policies to ensure full use of campus facilities and develop future plans for distance learning. The bill will also require public hearings on capital outlay projects over \$10 million before a capital outlay request can be submitted. Universities currently report facility usage information to the Board of Regents which is considered in the formula funding appropriation.

Other bills filed by Rep. Steve Carter that would have established, by law, certain requirements for appointees to postsecondary management boards did not secure passage.

Student Aid

Rep. James Armes secured passage of HB 906, creating the Success for Homeless and Foster Youth in Higher Education Act. The Act requires universities to designate a liaison to assist students who are considered homeless youth under the age of 25, or who were foster children under the care of the Department of Children & Family Services prior to their 18th birthday. Rep. Armes, who is a foster parent, cited foster children often have no one to assist them in applying for financial aid and often are unaware of financial aid programs available to them.

Retirement

Members passed House Bill 603 and House Bill 696 by Rep. Walt Leger to address the state's rising retirement costs by increasing UAL (unfunded accrued liability) debt payments. HB 603 is a constitutional amendment that will be placed before the voters in November and; if approved, will establish the Revenue Stabilization Trust Fund. The bill will allocate a portion of mineral revenues to the state's long-standing debt on the state's retirement plan. In prior years, the state underfunded the state's retirement system as a cost savings measure increasing the costs of future payments. In 1989, the state assigned a portion of those costs to state employees. The refinancing of the state's obligation with increasing payments toward the end of the loan has continued to create pressure on the legislature and state agencies to fund prior debt.

Other Higher Education Legislation

Legislators passed several other bills affecting higher education including a student id voter bill which will require changes in student identification cards that will allow students to use them as identification

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for voting purposes. HB 940 by Rep. Randal Gaines was widely supported by student leaders statewide, securing speedy passage in both chambers.

Members also approved a fee increase for university prestige license plates from \$20 to \$51. HB 572 by Rep. Pat Smith allows universities to retain \$50 of the proceeds with \$1 allocated to the state per plate sold. Another bill by Rep. Pat Smith, HB 272, will allow universities to extend complimentary invitations to legislators for non-athletic events.

What didn't pass?

In addition to HB 2 not securing passage, several other bills that would have affected higher education did not pass:

HB 706 by Rep. Valarie Hodges would have allowed the state to use a portion of the Louisiana Education Quality Trust Fund in the event of a budget deficit.

HB 881 by Rep. Jay Morris would have required universities to produce an annual report on all university research that would be published on the Board of Regents website.

HB 916 by Rep. Jay Morris would have required each management board to report annually to the Joint Legislative Committee on the Budget information concerning athletic programs.

HB 971 by Rep. Steve Carter would have limited athletic travel to within a geographic area.

SB 147 by Senator Ryan Gatti would have required universities to first use capital outlay funds on deferred maintenance.

SB 246 by Senator Eric LaFleur would have transferred the Eddie G. Robinson Museum from the Secretary of the State to the University of Louisiana System.