

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 399** SLS 26RS 642
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 22, 2026 3:44 PM	Author: BASS
Dept./Agy.: Higher Education	
Subject: Louisiana Higher Education Research Security Council	Analyst: Tanesha Morgan

COLLEGES/UNIVERSITIES OR INCREASE GF EX See Note Page 1 of 2
 Creates the Louisiana Higher Education Research Security Council. (2/3-CA7s2.1(A)) (1/1/27)

Proposed law provides for the creation of the Louisiana Higher Education Research Security Council, made up of state officials and university representatives. The council would review gifts, contracts, and research partnerships involving foreign adversary nations, develop security training for university staff, and report to the governor and legislature every two years. Proposed law provides that universities receiving offers of gifts, contracts, or partnerships from foreign sources must first seek a national security review from a federal law enforcement agency and the council. If either finds the arrangement to be a security risk, the university cannot proceed. A public web portal would list all such proposals and their outcomes. Proposed law provides that violations has civil fines starting at \$10,000, rising to \$20,000 for repeat offenses. Institutions that knowingly hide foreign funding may be penalized 105% of the undisclosed amount, paid from non-state funds. Proposed law provides that university employees and researchers cannot accept travel, lodging, or gifts from foreign adversary representatives, and must report any contact with such individuals to the Louisiana Board of Ethics within 30 days.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation may result in an increased cost in FY 27 and future fiscal years. The bill creates the Louisiana Higher Education Research Security Council and establishes new compliance, reporting, screening, and training requirements for institutions of higher education related to foreign adversary sources. The cost of implementing these requirements varies by system, from no additional cost to a maximum of \$1,225,000 in FY 27 and annualized at approximately \$575,000 in future fiscal years. Most of the costs are associated with up to ten (10) new unclassified positions at the LSU System and additional compliance staffing at the University of Louisiana System to support expanded research security, export control, and foreign partnership oversight functions. **The LFO cannot corroborate that the proposed law's requirements will create a workload level sufficient to require additional employees across all systems. To the extent the additional workload is less than what the systems anticipate, the additional workload may be absorbable, either wholly or partially, using existing staff and resources, or may be achievable without new positions.**

The LFO requested information from each agency to determine the cost of implementing the bill's requirements. The LSU System reports the fiscal impact is indeterminable but anticipates significant new compliance, administrative, IT, and research costs and projects a minimum of \$891,517 annually associated with up to 10 new unclassified positions. The University of Louisiana System projects \$1,225,000 in FY 27 and \$575,000 in FY 28 and future fiscal years. The Office of the Lieutenant Governor, the Louisiana Community and Technical College System, and the Ethics Administration each report that the additional requirements of this bill can be implemented with little to no increase in expenses using existing staff and resources. A detailed explanation of these expenses and assumptions can be found on page 2.

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REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
 Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

CONTINUED FROM PAGE 1

University of Louisiana System (ULS)

Table with 2 columns: Category and Amount. Rows include FY 27 Personal Services (\$350,000), FY 27 Operating Expenses (\$875,000), FY 27 Total (\$1,225,000), and FY 28 and Future FYs (\$575,000).

Assumptions: Annual costs include \$350,000 for additional compliance staffing (research security, export control, legal support), \$125,000 for required training, background checks, and monitoring tools, and \$100,000 for administrative support for reporting, disclosures, and approvals.

LSU System

Table with 2 columns: Category and Amount. Rows include FY 27 Personal Services (\$891,517), FY 27 Other Costs (\$0), FY 27 Total (\$891,517), and FY 28 and Future FYs (\$891,517 annually).

Assumptions: Expanded restrictions on foreign partnerships would require additional training, policy revisions, screening tools, and increased oversight of research, contracts, admissions, and employment.

Southern University System

The Southern University System does not anticipate any fiscal impact from the implementation of SB 399. The system would monitor the requirements of this bill and make all necessary provisions as needed.

Louisiana Community & Technical College System (LCTCS)

LCTCS does not anticipate any discernible fiscal impact to expenditures or revenues from implementation of SB 399.

Office of the Lieutenant Governor

The Office of the Lieutenant Governor does not anticipate any fiscal impact. The bill provides the Lieutenant Governor or his designee a seat on the newly created council, which can be accommodated using existing staff and resources.

Ethics Administration

The Ethics Administration anticipates minimal fiscal impact under current assumptions, using existing personnel and resources. This assumes the required foreign adversary interaction reports will be paper-filed and number fewer than 100 per year.

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[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[X] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Patrice Thomas
Patrice Thomas
Deputy Fiscal Officer