

2026 Regular Session

SENATE BILL NO. 478

BY SENATOR BOUDREAUX

COLLEGES/UNIVERSITIES. Provides relative to the Board of Regents powers and duties.
(gov sig)

1 AN ACT

2 To amend and reenact R.S. 17:3134, 3452, and 3454(A) and to repeal R.S. 17:3128.1 and

3 3168, relative to the Board of Regents; to provide relative to the powers and duties

4 of the Board of Regents; to provide for the development of a uniform fiscal policy

5 and accountability framework for public postsecondary education institutions; to

6 provide requirements for fiscal reports and early warning metrics; to provide for

7 corrective action measures; to provide relative to reporting; to provide relative to the

8 Louisiana Universities Marine Consortium for Research and Education; to provide

9 relative to incubator facilities; to provide relative to reporting on state articulation

10 and transfer of credit across education institutions; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 17:3134, 3452, and 3454(A) are hereby amended and reenacted to
13 read as follows:

14 §3134. ~~Financial Accountability~~ **accountability** in higher education; legislative

15 intent; ~~definitions; reporting forms~~ **uniform fiscal policy;**

16 **administrative reporting; early warning metrics; corrective**

17 **actions**

1 A.(1) It is the intent of the legislature ~~that an~~ **to establish and implement**
2 **comprehensive financial** accountability process be established and implemented to
3 provide for the systematic, ongoing evaluation of quality and effectiveness in the
4 **framework for** public institutions of higher education in Louisiana ~~that may be used~~
5 to initiate curriculum, programmatic, funding, policy, or planning changes in higher
6 education **that provides for the systematic and ongoing evaluation of fiscal**
7 **health, operational efficiency, and institutional effectiveness.**

8 (2) It is further the intent of the legislature that ~~the~~ **such** accountability
9 process monitor performance at the institutional level in each of the major areas of
10 research, student learning and development, faculty development and quality, and
11 to assure that progress toward providing excellent educational programming and
12 opportunities consistent with the institutional role, scope, and mission of each of the
13 public institutions of higher education is being made and funded **framework include**
14 **the continuous monitoring and evaluation of institutional fiscal performance,**
15 **including the budgeting, allocation, expenditure, and stewardship of public**
16 **funds at the institutional level. The framework shall ensure that public funds**
17 **are expended in a manner that demonstrates efficiency, effectiveness, and**
18 **measurable return on investment, and that funding decisions are directly tied**
19 **to the achievement of defined performance outcomes consistent with the role,**
20 **scope, and mission of each public institution of higher education.**

21 B.(1) The accountability process shall be developed by the Board of Regents
22 in a collaborative effort involving each higher education management board **shall**
23 **establish a uniform fiscal policy including an institutional cash balance policy,**
24 **to be adopted by each public postsecondary education management board no**
25 **later than December 31, 2026.**

26 (2) **The policy shall require each public postsecondary education**
27 **institution to submit an institutional quarterly financial report to its respective**
28 **public postsecondary education management board.**

29 (3) **Each institutional quarterly financial report shall include, at a**

- 1 **minimum:**
- 2 **(a) Quarterly revenues and expenditures, including comparisons to**
- 3 **budgeted amounts.**
- 4 **(b) Fund balances, including unrestricted, restricted, athletics, and**
- 5 **auxiliary funds.**
- 6 **(c) Cash flow and liquidity metrics.**
- 7 **(d) Outstanding debt obligations and material changes thereto.**
- 8 **(e) Actual and quarterly projected tuition and fee revenue.**
- 9 **(f) Account receivable balances.**
- 10 **(g) Identification of actual or projected deficits or financial risks.**
- 11 **(h) Campus action plans as needed.**
- 12 **(i) Any additional information as required by the Board of Regents.**
- 13 **(4) Institutional quarterly financial reports shall be submitted to the**
- 14 **management board no later than fifteen days after the close of each fiscal**
- 15 **quarter. Management boards shall submit compiled reports to the Board of**
- 16 **Regents no later than thirty days after the close of each fiscal quarter.**
- 17 **(5) Each management board shall review and compile such institutional**
- 18 **quarterly financial reports and submit a system level quarterly financial report,**
- 19 **inclusive of all institutions under its jurisdiction, to the Board of Regents.**
- 20 **Systems shall identify institutions in financial distress and must provide a**
- 21 **corrective action plan and a timeline to address the fiscal challenges of the**
- 22 **distressed institution.**
- 23 **(6) Each management board shall adopt policies to ensure timely and**
- 24 **accurate submission of reports required pursuant to this Section.**
- 25 **(7) Failure to timely submit required reports shall result in a designation**
- 26 **of noncompliance. The Board of Regents shall provide written notice of such**
- 27 **noncompliance to the commissioner of administration, the president of the**
- 28 **Senate, the speaker of the House of Representatives, the House Committee on**
- 29 **Appropriations, and the Senate Committee on Finance.**

1 C.(1) The Board of Regents shall develop and implement a fiscal early
2 warning system to monitor the financial condition of each public postsecondary
3 education institution. be the authorized agency for administration, implementation,
4 monitoring, and evaluation of the accountability process and is authorized to, but is
5 not limited to, the following:

6 (a) ~~Adopt the appropriate measures, necessary standard definitions, and~~
7 ~~program guidelines to implement an accountability process for public institutions of~~
8 ~~higher education.~~

9 (b) ~~Identify institutional and systemwide performance standards and~~
10 ~~performance goals.~~

11 (c) ~~Develop appropriate reporting procedures and formats for use by the~~
12 ~~institutions in reporting data.~~

13 (d) ~~Develop a process for allocating funding in an objective and measurable~~
14 ~~manner designed to assure adequate resources are available to achieve excellent~~
15 ~~educational programming and opportunity consistent with each institution's role,~~
16 ~~scope, and mission and to provide incentive and reward for excellence in institutional~~
17 ~~performance.~~

18 (e) ~~Submit an annual report to the governor and to the Committees on~~
19 ~~Education of the Senate and the House of Representatives beginning in 1997.~~

20 (2) The Board of Regents shall adopt such rules and regulations as may be
21 necessary in implementing this Section, which shall include but shall not be limited
22 to the final recommendations of the Accountability in Public Higher Education
23 Advisory Committee The warning system shall utilize the quarterly financial
24 reports submitted pursuant to this Section, together with any additional data
25 such as system internal audit reports required by the Board of Regents, to
26 identify conditions of financial distress, structural deficit, and risk of financial
27 insolvency at the earliest practicable stage.

28 (3) The Board of Regents shall establish uniform financial metrics and
29 risk indicators, including but not limited to:

Regents (BOR), to provide for the systematic, ongoing evaluation of quality and effectiveness in the public institutions of higher education to be used to initiate curriculum, programmatic, funding, policy, or planning changes in higher education.

Proposed law removes the requirement for the development of an accountability process and requires the BOR to establish a uniform fiscal policy and accountability framework for public postsecondary education institutions.

Proposed law provides for the establishment of a uniform fiscal policy, that includes an institutional cash balance policy, that requires each public postsecondary education institution to submit a quarterly financial report to its management board.

Proposed law requires the report to include the following:

- (1) Quarterly revenues and expenditures, including comparisons to budgeted amounts.
- (2) Fund balances, including unrestricted, restricted, athletics, and auxiliary funds.
- (3) Cash flow and liquidity metrics.
- (4) Outstanding debt obligations and material changes thereto.
- (5) Actual and quarterly projected tuition and fee revenue.
- (6) Account receivable balances.
- (7) Identification of actual or projected deficits or financial risks.
- (8) Campus action plans as needed.
- (9) Any additional information as required by the Board of Regents.

Proposed law provides that each quarterly financial report must be submitted to the management board no later than 15 days after the close of each fiscal quarter, who then must submit compiled reports to the BOR no later than 30 days after the close of each fiscal quarter.

Proposed law provides that each management board must review and compile the reports and submit a system level quarterly financial report to the BOR that identifies institutions in financial distress and must provide a corrective action plan and timeline to address the fiscal challenges of the distressed institution.

Proposed law requires the BOR to develop and implement a fiscal early warning system to monitor the financial condition of each public postsecondary education institution and establish uniform financial metrics and risk indicators that include the following:

- (1) Structural deficits exceeding three percent of an institution's operating budget.
- (2) Declines in cash on hand below two months of operating expenses.
- (3) Negative cash flow.
- (4) Increasing debt burden or unsustainable debt service ratios.
- (5) Enrollment declines materially affecting revenue.
- (6) Increasing accounts receivable balance

Proposed law authorizes the BOR to require each management board to develop and implement a corrective action plan in response to an institution identified as being in fiscal distress that should be submitted to the BOR within 90 days of the institution being deemed in distress. The BOR will refer the matter to the office of inspector general for review if the management board fails to take corrective action.

Proposed law requires the BOR to annually submit a written report to the House Committee on Appropriations, the Senate Committee on Finance, and the Division of Administration no later than 60 days prior to the beginning of the legislative session.

Present law (R.S. 17:3452) creates the Louisiana Universities Marine Consortium for Research and Education as a body corporate under the authority of the BOR.

Present law (R.S. 17:3454) provides that the Louisiana Universities Marine Consortium for Research and Education will be subject to the governance of the BOR and all funds appropriated to the consortium will be appropriated as a separate line item within the appropriation of the board.

Proposed law changes the governing board over Louisiana Universities Marine Consortium for Research and Education from the BOR to the Board of Supervisors for LSU.

Present law (R.S. 17:3128.1) requires the BOR to conduct a survey of state colleges and universities in order to establish incubator facilities on qualified campuses.

Present law (R.S. 17:3168) requires the BOR to submit a written report to the Senate and House committees on education on the status of statewide articulation and transfer of credit across all education institutions.

Proposed law repeals such requirements.

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

(Amends R.S. 17:3134, 3452, and 3454(A); repeals R.S. 17:3128.1 and 3168)