

2018 Regular Session

SENATE BILL NO. 431

BY SENATOR WALSWORTH

POSTSECONDARY ED. Provide relative to the Louisiana Office of Student and Financial Assistance. (gov sig)

1 AN ACT
2 To amend and reenact R.S. 17:427.3(B)(1)(a) and (F)(1), 3021, the introductory paragraph
3 of 3023(A), (1),(2)(a) and introductory paragraph of (b), (3) through (9), and (B),
4 3023.1(C), (D), and (E), 3023.3, 3023.4(A), 3023.6, 3023.7, 3023.8, 3024, 3024.1,
5 3024.2, 3031, the introductory paragraph of 3041.10(A), 3041.12, 3041.13, the
6 introductory paragraph of 3041.21(A), 3041.22, 3041.23, 3041.24, 3041.26, the
7 introductory paragraph of 3042.1(A)(1) and (f) and (2), (B) through (D), introductory
8 paragraph of (E), and F, 3042.2, 3042.3, 3042.4, 3042.6, 3042.7(B)(1), the
9 introductory paragraph of 3042.52(A) and, (1), (B), (C), the introductory paragraph
10 of (D), and (E), 3042.54, 3042.55, 3042.56, the introductory paragraph of
11 3042.62(A) and (5), (B), (C), introductory paragraph of (D), and (E), 3042.63,
12 3042.64, 3042.65(A), 3042.66, 3045.1(B), 3046.2(B), 3050.3, 3093(A) and (B)(1)
13 and (2), 3129.4(A), the introductory paragraph of (B), and (C)(2), 3351(B)(2)(c),
14 5061, R.S. 36:8(E)(1), 8.2(B)(3), 642(D)(2), and 651(BB), R.S. 37:2951(A), R.S.
15 42:261(J), and to enact R.S.17:3093.3(B)(5), (6), and (7), and 3093.1, relative to
16 postsecondary education; to provide for the powers and duties of the office of student
17 financial assistance; to provide for an executive director of the office; and to provide

1 for related matters.

2 Be it enacted by the Legislature of Louisiana:

3 Section 1. R.S. 17:427.3(B)(1)(a) and (F)(1), 3021, 3023(A)(1) through (9) and (B),
4 3023.1(C) through (E), 3023.3, 3023.4(A), 3023.6, 3023.7, 3023.8, 3024, 3024.1, 3024.2,
5 3031, 3041.10(A), 3041.12, 3041.13, 3041.21(A), 3041.22, 3041.23, 3041.24, 3041.26,
6 3042.1(A)(1)(a) and (f), (A)(2), (B) through (F), 3042.2, 3042.3, 3042.4, 3042.6
7 3042.7(B)(1), 3042.52(A), (A)(1)(a) and(b), (B) through (E), 3042.54(A) through (C),
8 3042.55, 3042.56, 3042.62(A)(1), (A)(5) and (B) through (E), 3042.63, 3042.64,
9 3042.65(A), 3042.66, 3045.1(B), 3046.2(B), 3050.3, 3093(A) and (B)(1), 3129.4(A), (B),
10 and (C)(2), 3351(B)(2)(c), 5061 are hereby amended and reenacted, and R.S.
11 17:R.S.17:3093.3(B)(5), (6), and (7), and 3093.1 is enacted to read as follows:

12 §427.3. Teach Louisiana First Program; purpose; eligibility criteria; incentive
13 payments; reports; administration; funding

14 A. * * *

15 B.(1)(a) The program shall provide for the payment, pursuant to a contract
16 with the ~~Louisiana Student Financial Assistance Commission~~ **office of student**
17 **financial assistance**, referred to in this Section as the "administering agency," of
18 incentive pay to highly qualified teachers who are employed by city, parish, or other
19 local public school boards, referred to in this Section as a "school board," selected
20 by the state Department of Education, referred to in this Section as the "department,"
21 pursuant to standards established by the state board, all as provided in this Section.

22 * * *

23 F.(1) The program shall be administered by the ~~Louisiana Student Financial~~
24 ~~Assistance Commission~~ **office of student financial assistance** which shall
25 promulgate rules and regulations in accordance with the Administrative Procedure
26 Act for the implementation of the program.

27 * * *

28 §3021. Louisiana **office of** student financial assistance; ~~Board of Regents~~

29 The ~~Board of Regents~~ **Office of Student Financial Assistance**, hereafter

1 referred to in this Chapter as the **board office**, shall supervise, control, direct, and
2 administer state and federal programs to provide loans to assist persons in meeting
3 the expenses of higher education, and state and federal scholarship programs for
4 higher education in accordance with the provisions of this Chapter **and Chapter 50**
5 **of this Title. The office shall be advised by the Louisiana Trust Authority,**
6 **created in R.S. 17:3093.**

7 §3023. Powers and duties

8 A. The **board office** may:

9 (1) Guarantee the loan of money to lending agencies and/or any holders of
10 such loans, subject to the requirement of R.S. 17:3023.4 and upon such other terms
11 and conditions as the **board office** may prescribe, for persons attending or planning
12 to attend institutions of higher education to assist them in meeting their expenses of
13 higher education, including graduate, professional, vocational, business, or technical
14 education.

15 (2)(a) Pay to the lending agencies or any holders of such loans the interest as
16 prescribed in R.S. 17:3023.4 on loans made to students as long as the student is
17 enrolled in any postsecondary education institution approved by the **board office** or
18 for not in excess of three years during which the borrower is in the active military
19 service of the United States.

20 (b) When federal funds are available to refund the **board office** for payment
21 of interest on student loans, periodic installment payments of principal may be
22 delayed, and interest may accrue and may be paid during any period:

23 * * *

24 (3) Operate in the other capacities permitted by federal law and regulation in
25 the Title IV student financial assistance programs administered by the ~~commission~~
26 **office.**

27 (4) Reject or take or hold and administer, on behalf of the **board office** and
28 for any of its purposes, real property, personal property, and monies, or any interest
29 therein, and the income therefrom, either absolutely or in trust, for any purpose of

1 the **board office**. The **board office** may invest its funds in any investments in which
2 funds of the state employees retirement system may be invested pursuant to R.S.
3 11:517. The **board office** may acquire property or monies for its purposes by the
4 acceptance of gifts, grants, appropriations, bequests, devises, or loans.

5 (5) Enter into such contracts, as may be desirable, with institutions of higher
6 education, upon such terms as may be agreed upon between the **board office** and the
7 institution, to provide for the administration by such institution of any loan or loan
8 plan guaranteed by the **board office**, including but not limited to applications therefor
9 and repayment thereof.

10 (6) Enter into contracts with any bank or other lending agency or any holder
11 of such loan upon such terms as may be agreed upon between the **board office** and
12 the bank or other lending agency or holder, to provide for the administration by such
13 bank or other lending agency or holder, of any loan or loan plan guaranteed by the
14 **commission office** including but not limited to applications therefor and terms of
15 repayment thereof, and to establish the conditions for payment by the **board office**
16 to the bank or other lending agency or the holder of the guarantee on any loan. A
17 loan shall be defaulted when the bank or other lending agency or holder makes
18 application to the **board office** for payment on the loan stating that such loan is in
19 default in accordance with the terms of a contract executed under this Paragraph.

20 (7) Sue and be sued in the name of the **board office**.

21 (8) Collect loans guaranteed by the **board office** on which the **board office**
22 has met its guarantee obligations.

23 (9) Adopt rules and regulations in accordance with the provisions of the
24 Administrative Procedure Act, not inconsistent with the provisions of this Chapter,
25 governing the guarantee, disbursement, or servicing of loans made by the **board**
26 **office** and governing any other matters relating to the activities of the **board office**.
27 Such rules and regulations shall include procedures for the denial of licenses,
28 permits, and certificates required by the state to practice or engage in a trade,
29 occupation, or profession to applicants and renewal applicants in default on the

1 repayment of loans guaranteed by the **board office**, for the conditional issuance or
2 renewal of such a license, permit, or certificate pending an applicant's compliance
3 with loan repayment requirements, and for other matters necessary to implement the
4 provisions of R.S. 37:2951.

5 * * *

6 B. In addition to any other powers and duties authorized by this Section, the
7 **board office** shall establish an internal audit function and shall establish an office of
8 the chief audit executive who shall be responsible for ensuring that the internal audit
9 function adheres to the Institute of Internal Auditors, International Standards for the
10 Professional Practice of Internal Auditing. The chief audit executive shall maintain
11 organizational independence in accordance with these standards and shall have direct
12 and unrestricted access to the **board office**. The chief audit executive shall annually
13 certify to the **board office** that the internal audit function conforms to the Institute of
14 Internal Auditors, International Standards for the Professional Practice of Internal
15 Auditing.

16 §3023.1. Credit unions, savings and loan associations, schools and insurance
17 companies as lending agencies

18 * * *

19 C. Savings and loan associations in Louisiana shall be empowered to make
20 student loans guaranteed by the **board office** up to five percent of their assets in
21 accordance with the provisions of any federal law relating to federally insured
22 student loan programs.

23 D. Postsecondary schools in Louisiana shall be empowered to make student
24 loans guaranteed by the **board office** in accordance with the provisions of the Federal
25 Higher Education Act of 1965 as amended or as hereafter amended.

26 E. Insurance companies domiciled, licensed, or registered to do business and
27 subject to examination and supervision by an agency of the state shall be empowered
28 to make student loans guaranteed by the **board office** pursuant to the provisions of
29 applicable state laws and the provisions of the Federal Higher Education Act of

1 1965, as amended or hereafter amended.

2 §3023.3. Loan of reserve funds

3 The **board office** may authorize the granting of guaranteed student loans
4 made pursuant to the provisions of this Chapter out of reserve funds available to the
5 **board office** for such purpose, and may sell or discount, or both, such loans to banks,
6 credit unions, and other authorized lending institutions, at such consideration and
7 upon such terms as may be agreed upon by the **board office**.

8 §3023.4. Student loan guarantees

9 A. Notwithstanding any other provisions of law, the **board office** may
10 guarantee loans made to students attending or planning to attend institutions of
11 higher education, including graduate, professional, vocational, business, or technical
12 education, subject to the conditions, limitations, reinsurance provisions and in
13 accordance with the terms and provisions of and within the amounts established by
14 20 U.S.C. §1071 et seq., or in accordance with the provisions of any federal law or
15 regulations relating to student loan guarantee or insurance programs, provided that
16 the aggregate value of all loans guaranteed and outstanding at any one time shall not
17 exceed fifteen times the total value of funds, investments, properties, and other assets
18 available to the **board office** for such purpose, except that this guarantee may be
19 further expanded by use of federal credit.

20 * * *

21 §3023.6. Loan qualification; legal capacity

22 Any person otherwise qualifying for a loan guaranteed by the **board office**
23 shall not be disqualified by reason of his being under the age of twenty-one, and for
24 the purpose of applying for, receiving, and repaying such a loan, any such person,
25 notwithstanding the provisions of any law to the contrary, shall be deemed to have
26 full legal capacity to act and shall have all the rights, powers, privileges, and
27 obligations of a person of full age with respect thereto.

28 §3023.7. Tax exemption

29 All property and income of the **board office** used exclusively for the purposes

1 of this Chapter shall be exempt from all taxes and assessments.

2 §3023.8. Examination by commissioner of financial institutions

3 The **board office** in its actions pursuant to this Chapter is subject to
4 examination by the commissioner of financial institutions, but shall not be deemed
5 to be a banking organization nor be required to pay a fee for any such supervision or
6 examination. The **board office** shall make an annual report of its condition to the
7 governor, the legislature, and the commissioner of financial institutions on or before
8 June thirtieth.

9 §3024. Acceptance and use of funds

10 The **board office** shall accept any contributions or subsidies made to it from
11 state funds and shall use the funds to meet administrative expenses for any of its
12 purposes and to provide a reserve fund to guarantee loans made pursuant to the
13 provisions of this Chapter and to pay interest on guaranteed loans, as provided by
14 R.S. 17:3023.

15 §3024.1. Student loans as security for deposit of public funds

16 Notes representing loans to students which are guaranteed by this **board**
17 **office** in accordance with a contract agreement under the provisions of this Chapter,
18 may be pledged as collateral security for deposit of public funds as required in R.S.
19 39:1221.

20 §3024.2. Appropriation for guaranteed student loan program

21 The legislature shall annually appropriate sufficient funds to pay those
22 eligible claims resulting from the guarantee of student loans by the **board office**
23 under this Chapter, but only to the extent that anticipated federal reinsurance or
24 reimbursement payments pursuant to 20 U.S.C. §1071 et seq., and any other monies
25 available to the **board office** for such purpose are insufficient to pay such claims.

26 §3031. State student incentive grant; federal participation

27 A. The **board office** may administer the state student incentive grant program
28 for student financial aid as provided in Title IV of the Federal Higher Education Act,
29 as amended, and to prescribe appropriate rules and regulations applicable thereto.

1 The ~~board~~ **office** may enter into contracts or agreements with the federal government
2 for their financial participation in the program on such terms and conditions as may
3 be agreed upon by the ~~board~~ **office**.

4 B. The ~~board~~ **office** may implement a program to train and further acquaint
5 administrators of financial aid and assistance with the federal and state programs of
6 student financial aid, pursuant to the Federal Higher Education Act as amended. The
7 ~~board~~ **office** shall design and develop this program in consultation with the statewide
8 financial aid administrators association. The ~~board~~ **office** may provide appropriate
9 rules and regulations in order to execute this provision. The ~~board~~ **office** may enter
10 into contracts or agreements with the federal government for their financial
11 participation in the program on such terms and conditions as may be agreed upon by
12 the ~~board~~ **office**.

13 §3041.10. Tuition payment program for medical students; Louisiana State
14 University Health Sciences Center; eligibility; applications;
15 definition

16 A. The ~~Louisiana Student Financial Assistance Commission~~ **office of student**
17 **financial assistance**, hereinafter referred to as "the ~~commission~~ **office**," shall provide
18 for and administer a tuition payment program for students who meet all of the
19 following eligibility criteria:

20 * * *

21 §3041.12. Louisiana State University Health Sciences Center; contracts

22 The ~~commission~~ **office** shall enter into such contracts for students who have
23 been admitted to the medical school, and the money obligations of such contract as
24 made by the ~~commission~~ **office** with the medical school shall be paid for out of funds
25 to be provided in accordance with law for such purposes.

26 §3041.13. Cancellation

27 The ~~commission~~ **office** shall have authority to cancel any contract made
28 between it and any applicant upon cause deemed sufficient by the ~~commission~~ **office**,
29 and the ~~commission~~ **office** shall have authority to cancel such contracts which it may

1 lawfully cancel made with any of the schools as herein provided.

2 §3041.21. Tuition payment program for medical students; Tulane University

3 School of Medicine; eligibility; applications; definition

4 A. The Louisiana Student Financial Assistance Commission **office of student**
5 **financial assistance**, hereinafter referred to as "the **commission office**," shall provide
6 for and administer a tuition payment program for students who meet all of the
7 following eligibility criteria:

8 * * *

9 §3041.22. Contracts

10 The applicant shall enter into a contract with the state of Louisiana, agreeing
11 to the terms and conditions upon which the tuition shall be paid, and such contract
12 shall be prepared, approved, and signed by the chairman of the **commission office**
13 and shall be signed by the applicant. If the applicant fails to abide by the terms of the
14 contract, the applicant shall be responsible for full and immediate payment in an
15 amount equal to double the amount of any tuition paid on his behalf through the
16 program, and the **commission office** shall take all necessary steps to secure collection
17 of the payment.

18 §3041.23. Tulane University School of Medicine; contracts

19 The **commission office** shall enter into such contracts for students who have
20 been admitted to the medical school, and the money obligations of any such contract
21 as made by the **commission office** with the medical school shall be paid for out of
22 funds to be provided in accordance with law for such purposes.

23 §3041.24. Cancellation

24 The **commission office** shall have authority to cancel any contract made
25 between it and any applicant upon cause deemed sufficient by the **commission office**,
26 and the **commission office** shall have authority to cancel such contracts which it may
27 lawfully cancel made with the Tulane University School of Medicine and any of the
28 schools as herein provided.

29 §3041.26. Rules and regulations

1 The ~~commission~~ **office** shall prescribe such rules and regulations as it deems
2 necessary and proper to implement the provisions of this Chapter.

3 §3042.1. Loans for students enrolled in colleges or universities to prepare to teach

4 A.(1) In addition to all other powers and duties of the ~~Louisiana Student~~
5 ~~Financial Assistance Commission~~ **office of student financial assistance**, the
6 ~~commission~~ **office** may make loans to a student who meets all of the following
7 requirements:

8 * * *

9 (f) Meets such other qualifications as the ~~commission~~ **office** may prescribe
10 by rule.

11 (2) The ~~commission~~ **office** also may make loans to a student who meets the
12 requirements of any one of the following Subparagraphs:

13 (a) Meets the requirements of Subparagraphs (1)(a) and (b) of this
14 Subsection, has successfully completed not less than forty-eight credit hours of
15 academic course work from an accredited college or university, has a cumulative
16 grade point average on such course work of at least 3.00 calculated on a 4.00 scale,
17 and meets such other qualifications as the ~~commission~~ **office** may prescribe by rule.

18 (b) Meets the requirements of Subparagraphs (1)(a) and (b) of this
19 Subsection, has a baccalaureate degree from an accredited college or university, has
20 a cumulative undergraduate grade point average of at least 3.00 calculated on a 4.00
21 scale, and meets such other qualifications as the ~~commission~~ **office** may prescribe
22 by rule.

23 (c) Meets the requirements of Subparagraphs (1)(a) and (b) of this
24 Subsection, has at least a master's degree from an accredited college or university,
25 and meets such other qualifications as the ~~commission~~ **office** may prescribe by rule.

26 B. The authority of the ~~commission~~ **office** to make loans to persons eligible
27 as provided in this Chapter shall be exercised in accordance with and be subject to
28 the provisions of this Chapter.

29 C. The ~~commission~~ **office** may make a loan to a student whom it deems to be

1 qualified, upon such terms and conditions as the ~~commission~~ **office** may impose in
 2 accordance with the provisions of this Chapter, provided the student intends to
 3 acquire a degree from a program approved by the State Board of Elementary and
 4 Secondary Education pursuant to R.S. 17:7.2 which leads to a degree in education
 5 or intends to pursue an alternative program which leads to regular certification as a
 6 teacher as provided by the State Board of Elementary and Secondary Education.

7 D. Any student to whom the ~~commission~~ **office** has made a loan shall be
 8 required to maintain a cumulative college grade point average of at least 3.0 on a 4.0
 9 scale at the conclusion of each academic year and to enter a program approved by
 10 the State Board of Elementary and Secondary Education pursuant to R.S. 17:7.2
 11 which leads either to a degree in education or to regular certification as a teacher as
 12 soon as the student has earned sufficient credits to do so. If at any time a student
 13 who is receiving a loan fails to maintain the cumulative grade point average required
 14 by this Chapter for continued eligibility for this program or is placed on academic
 15 probation by the college or university he attends, he shall be ineligible for additional
 16 loans under this Chapter. The ~~commission~~ **office** may resume making loans as
 17 provided in this Chapter when and if a student regains the cumulative grade point
 18 average required by this Chapter for continuing eligibility and is no longer on
 19 academic probation, provided that the period of ineligibility did not persist for more
 20 than two years from the date of loss of eligibility. The ~~commission~~ **office**, by rule,
 21 may provide that a loan made to a student who leaves school for reasons specified
 22 by rule may be continued at the discretion of the ~~commission~~ **office**.

23 E. It shall be the duty of the ~~Louisiana Student Financial Assistance~~
 24 ~~Commission, hereinafter referred to in this Chapter as "the commission",~~ **office of**
 25 **student financial assistance** to:

26 * * *

27 F. The ~~commission~~ **office** may prescribe such rules and regulations as it
 28 deems necessary and proper to carry out the purposes of this Chapter.

29 * * *

1 §3042.2. Amount; requirements

2 A.(1) A loan may be made by the ~~commission~~ **office** pursuant to this Chapter
3 for not in excess of four thousand dollars per undergraduate year for up to eight
4 semesters or the equivalent of eight semesters at schools operating on a different
5 schedule for any approved applicant who intends to acquire a degree in education
6 from a program approved by the State Board of Elementary and Secondary
7 Education as provided in R.S. 17:3042.1(C), provided such loan is used to defray the
8 tuition and other expenses of any such applicant at a public or ~~commission-approved~~
9 **office-approved** independent college or university in Louisiana.

10 (2) A loan may be made by the ~~commission~~ **office** pursuant to this Chapter
11 for not in excess of six thousand dollars per undergraduate year for up to eight
12 semesters or the equivalent of eight semesters at schools operating on a different
13 schedule for any approved applicant who intends to acquire a degree in either the
14 area of mathematics or chemistry and who intends to pursue an alternative program
15 which leads to regular certification as a teacher as provided in R.S. 17:3042.1(C),
16 provided such loan is used to defray the tuition and other expenses of any such
17 applicant at a public or ~~commission-approved~~ **office-approved** independent college
18 or university in Louisiana.

19 B. A loan made under the provisions of this Chapter to any applicant shall
20 not exceed the amount provided in this Chapter, and shall be under such terms and
21 conditions as may be provided under rules and regulations of the ~~commission~~ **office**.

22 C. A student for whom a loan is made by the ~~commission~~ **office** pursuant to
23 the provisions of this Chapter shall be required to repay the full amount of the loan
24 and interest thereon to the ~~commission~~ **office**. Notwithstanding the foregoing, the
25 ~~commission~~ **office** shall forgive such a loan to the applicant in return for services
26 rendered by the applicant by practicing his or her profession as a classroom teacher
27 in the elementary or secondary schools of the state. One year's funding of the loan
28 together with the interest thereon shall be forgiven by the ~~commission~~ **office** for the
29 applicant for each year of practicing his profession in any elementary or secondary

1 school in Louisiana.

2 §3042.3. Contract required; cancellation

3 A. Before the ~~commission~~ **office of student financial assistance** makes a
4 loan for an applicant, the applicant shall enter into a contract with the ~~Louisiana~~
5 ~~Student Financial Assistance Commission~~ **office**, agreeing to the terms and
6 conditions upon which the loan shall be made, which said contract shall include such
7 terms and provisions as will carry out the full purpose and intent of this Chapter.
8 The form for the contract shall be prepared and approved by the attorney general and
9 shall be signed by such officer or employee of the ~~commission~~ **office** as the
10 ~~commission~~ **office** shall designate, and shall be signed by the applicant.

11 B.(1) The obligation of the applicant to repay a loan pursuant to the
12 provisions of this Chapter shall remain in effect until the applicant has repaid the
13 loan and the interest thereon as provided in this Chapter or the ~~commission~~ **office** has
14 forgiven the loan, all in accordance with the terms of the contract with the applicant
15 for the loan.

16 (2) Upon breach of any terms of the contract by the applicant, or for any
17 cause deemed sufficient by the ~~commission~~ **office**, the remaining amount of the loan
18 paid to the applicant which the ~~commission~~ **office** has not forgiven in return for
19 service shall become due and payable by the applicant in accordance with the terms
20 of the contract between the ~~commission~~ **office** and the applicant and the ~~commission~~
21 **office** shall take all necessary steps to secure collection.

22 C. The ~~commission~~ **office** is hereby vested with full and complete authority
23 and power to sue in its own name any applicant for any balance due on a loan made
24 by the ~~commission~~ **office**.

25 * * *

26 §3042.4. Colleges and universities; contracts; cancellation

27 A. The ~~commission~~ **office** may make inquiry of the colleges and universities
28 of Louisiana, make such arrangements and enter into such contracts or agreements
29 with institutions of higher education in the state as shall be appropriate to carry out

1 the provisions of this Chapter. Such contracts and agreements shall include such
 2 provisions as shall be agreed upon by the ~~commission~~ **office** and the institution to
 3 provide for the administration by the institution of loans made pursuant to the
 4 provisions of this Chapter, including applications therefor and repayment thereof.
 5 Such contracts and agreements shall be approved by the attorney general.

6 B. The ~~commission~~ **office** shall have authority to cancel such contracts and
 7 agreements, which it may lawfully cancel, made with any of the colleges or
 8 universities as herein provided.

9 * * *

10 §3042.6. Reports

11 The ~~commission~~ **office** shall make an annual report to the legislature of its
 12 activities under the provisions of this Chapter.

13 * * *

14 §3042.7. Louisiana Teacher Corps

15 A. * * *

16 B.(1) Notwithstanding any other provision of this Chapter, the ~~commission~~
 17 **office** shall forgive any loan made to an applicant in return for services rendered by
 18 the applicant by practicing his profession as a classroom teacher in an elementary or
 19 secondary school which is located in an economically disadvantaged region of the
 20 state as shall be defined by the State Board of Elementary and Secondary Education.
 21 Two year's funding of the loan together with the interest thereon shall be forgiven
 22 by the ~~commission~~ **office** for the applicant for each year of practicing his profession
 23 in an elementary or secondary school in an economically disadvantaged region of
 24 Louisiana.

25 * * *

26 §3042.52. Loans for certain nursing students; ~~Louisiana Student Financial~~
 27 ~~Assistance Commission~~ **office of student financial assistance**;
 28 authority

29 A. The ~~Louisiana Student Financial Assistance Commission~~ **office of student**

1 financial assistance, hereinafter referred to as "the ~~commission~~ office," may with
2 the use of funds appropriated for such purpose, make loans to a student who meets
3 all of the requirements in Paragraph (1) of this Subsection and any one of the
4 requirements in Paragraph (2) of this Subsection:

5 (1)(a) Is a bona fide citizen and resident of the state. However, first priority
6 shall be given to students who have been residents of the state for at least two years.

7 (b) Meets such other qualifications as the ~~commission~~ office may prescribe
8 by rule.

9 * * *

10 B. The ~~commission~~ office may make a loan to a student who it deems to be
11 qualified, upon such terms and conditions as the ~~commission~~ office may impose in
12 accordance with the provisions of this Chapter, provided the student intends to
13 acquire a degree or diploma from a program approved by the Louisiana State Board
14 of Nursing or the Louisiana State Board of Practical Nurse Examiners which leads
15 to a degree or diploma in licensed practical nursing or registered nursing or leads to
16 a degree which qualifies such individual to teach nursing.

17 C. Any student to whom the ~~commission~~ office has made a loan shall be
18 required to maintain all requirements set forth by the college, university, or nursing
19 school such student is attending.

20 D. It shall be the duty of the ~~commission~~ office to do all of the following:

21 * * *

22 E. The ~~commission~~ office may prescribe such rules and regulations as it
23 deems necessary and proper to carry out the purposes of this Chapter which shall
24 include and provide for an open and competitive process for determining loan
25 recipients.

26 * * *

27 §3042.54. Contract required; cancellation

28 A. Before the ~~commission~~ office makes a loan for an applicant, the applicant
29 shall enter into a contract with the ~~commission~~ office, agreeing to the terms and

1 conditions upon which the loan shall be made, which said contract shall include such
2 terms and provisions as will carry out the full purpose and intent of this Chapter. The
3 form for the contract shall be prepared and approved by the ~~commission~~ **office** and
4 shall be signed by such officer or employee of the ~~commission~~ **office** as the
5 ~~commission~~ **office** shall designate, and shall be signed by the applicant.

6 B.(1) The obligation of the applicant to repay a loan pursuant to the
7 provisions of this Chapter shall remain in effect until the applicant has repaid the
8 loan and the interest thereon as provided in this Chapter or the ~~commission~~ **office** has
9 forgiven the loan, all in accordance with the terms of the contract with the applicant
10 for the loan.

11 (2) Upon breach of any terms of the contract by the applicant, or for any
12 cause deemed sufficient by the ~~commission~~ **office**, the remaining amount of the loan
13 paid to the applicant which the ~~commission~~ **office** has not forgiven in return for
14 service shall become due and payable by the applicant in accordance with the terms
15 of the contract between the ~~commission~~ **office** and the applicant and the ~~commission~~
16 **office** shall take all necessary steps to secure collection.

17 C. The ~~commission~~ **office** is hereby vested with full and complete authority
18 and power to sue in its own name any applicant for any balance due on a loan made
19 by the ~~commission~~ **office**.

20 §3042.55. Colleges, universities, and nursing schools; contracts; cancellation

21 A. The ~~commission~~ **office** may make inquiry of the colleges, universities, and
22 nursing schools of Louisiana, make such arrangements and enter into such contracts
23 or agreements with institutions of postsecondary education and nursing schools in
24 the state as shall be appropriate to carry out the provisions of this Chapter. Such
25 contracts and agreements shall include such provisions as shall be agreed upon by
26 the ~~commission~~ **office** and the institution or school to provide for the administration
27 by the institution of loans made pursuant to the provisions of this Chapter, including
28 applications therefor and repayment thereof.

29 B. The ~~commission~~ **office** shall have authority to cancel such contracts and

1 agreements, which it may lawfully cancel, made with any of the colleges or
2 universities as herein provided.

3 §3042.56. Funding

4 The ~~commission~~ **office** may receive and accept funds from public and private
5 sources to meet administrative and other expenses of the implementation of this
6 Chapter.

7 * * *

8 §3042.62. Loans for certain veterinary students; ~~Louisiana Student Financial~~
9 ~~Assistance Commission~~ **office of student financial assistance**;
10 authority

11 A. The ~~Louisiana Student Financial Assistance Commission~~ **office of student**
12 **financial assistance**, hereinafter referred to as "the ~~commission~~ **office**," may use
13 funds appropriated for or otherwise available to the ~~commission~~ **office** for such
14 purpose to make loans to not more than four students each year who each meet all
15 of the following eligibility criteria:

16 * * *

17 (5) Meets such other qualifications as the ~~commission~~ **office** may prescribe
18 by rule.

19 B. The ~~commission~~ **office** may make a loan to a student who it deems to be
20 qualified, upon such terms and conditions as the ~~commission~~ **office** may impose in
21 accordance with the provisions of this Chapter.

22 C. Any student to whom the ~~commission~~ **office** has made a loan shall be
23 required to maintain all requirements set forth by the school of veterinary medicine
24 such student is attending.

25 D. It shall be the duty of the ~~commission~~ **office** to do all of the following:

26 * * *

27 E. The ~~commission~~ **office** may prescribe such rules and regulations as it
28 deems necessary and proper to carry out the purposes of this Chapter which shall
29 include and provide for an open and competitive process for determining loan

1 recipients.

2 §3042.63. Amount; requirements

3 A. A loan may be made by the ~~commission~~ **office** pursuant to this Chapter
4 for not in excess of the amount of actual tuition charges to be paid by the student to
5 a school of veterinary medicine, provided such loan is used to defray the tuition of
6 any such applicant at a school of veterinary medicine. Such a loan shall be made at
7 such time, in such amounts, and in such increments as the ~~commission~~ **office** shall
8 determine and as shall be provided in the contract with the applicant as provided in
9 this Chapter.

10 B. A student for whom a loan is made by the ~~commission~~ **office** pursuant to
11 the provisions of this Chapter shall be required to repay the full amount of the loan
12 and interest thereon to the commission. Notwithstanding the foregoing, the
13 ~~commission~~ **office** shall forgive such a loan to the applicant in return for services
14 rendered by the applicant by practicing his or her profession full time as a food
15 animal veterinarian in the state of Louisiana. A portion of the loan equal to a year's
16 tuition charges together with the interest thereon shall be forgiven for the student by
17 the ~~commission~~ **office** for each year the student practices as a food animal
18 veterinarian in the state of Louisiana as provided in this Subsection.

19 §3042.64. Contract required; cancellation

20 A. Before the ~~commission~~ **office** makes a loan for an applicant, the applicant
21 shall enter into a contract with the ~~commission~~ **office**, agreeing to the terms and
22 conditions upon which the loan shall be made, which contract shall include such
23 terms and provisions as will carry out the full purpose and intent of this Chapter. The
24 form for the contract shall be prepared and approved by the ~~commission~~ **office**, shall
25 be signed by such officer or employee of the ~~commission~~ **office** as the ~~commission~~
26 **office** shall designate, and shall be signed by the applicant.

27 B.(1) The obligation of the applicant to repay a loan pursuant to the
28 provisions of this Chapter shall remain in effect until the applicant has repaid the
29 loan and the interest thereon as provided in this Chapter or the ~~commission~~ **office** has

1 forgiven the loan, all in accordance with the terms of the contract with the applicant
2 for the loan.

3 (2) Upon breach of any terms of the contract by the applicant, or for any
4 cause deemed sufficient by the **commission office**, the remaining amount of the loan
5 paid to the applicant which the **commission office** has not forgiven in return for
6 service shall become due and payable by the applicant in accordance with the terms
7 of the contract between the **commission office** and the applicant, and the **commission**
8 **office** shall take all necessary steps to secure collection, up to and including referral
9 to the attorney general for collection.

10 (3) The attorney general shall be responsible for collection of any balance due
11 to the state from a participant for breach of a contract as required by this Section.

12 C. The **commission office** is hereby vested with full and complete authority
13 and power to sue in its own name any applicant for any balance due on a loan made
14 by the **commission office**.

15 §3042.65. Schools of veterinary medicine; contracts; cancellation

16 A. The **commission office** may make inquiry of the schools of veterinary
17 medicine of Louisiana and may make such arrangements and enter into such
18 contracts or agreements with schools of veterinary medicine in the state as shall be
19 appropriate to carry out the provisions of this Chapter. Such contracts and
20 agreements shall include such provisions as shall be agreed upon by the **commission**
21 **office** and the school to provide for the administration by the school of loans made
22 pursuant to the provisions of this Chapter, including applications therefor and
23 repayment thereof.

24 * * *

25 §3042.66. Funding

26 The **commission office** may receive and accept funds from public and private
27 sources to meet administrative and other expenses of the implementation of this
28 Chapter.

29 * * *

1 §3045.1. Louisiana Opportunity Loan Program; creation; management

2 A. * * *

3 B. The program shall be administered and managed by the ~~Louisiana Student~~
4 ~~Financial Assistance Commission~~ **office of student financial assistance**, referred
5 to in this Chapter as "the ~~commission~~ **office**."

6 * * *

7 §3046.2. Administration; rulemaking authority

8 A. * * *

9 B. The ~~Louisiana Student Financial Assistance Commission~~, through the
10 office of student financial assistance; shall administer the program and shall adopt
11 rules necessary to implement the provisions of this Chapter in accordance with the
12 Administrative Procedure Act.

13 * * *

14 §3050.3. Administration

15 The GO-Youth ChalleNGe Program shall be under the administration of the
16 ~~Louisiana Student Financial Assistance Commission~~ **office of student financial**
17 **assistance**, which shall prescribe appropriate rules and regulations applicable thereto
18 in accordance with this Chapter.

19 * * *

20 §3093. Louisiana Tuition Trust Authority; creation; powers

21 A. There is hereby created the Louisiana Tuition Trust Authority, ~~which,~~
22 ~~under the authority of the Board of Regents~~, shall have the powers enumerated in this
23 Chapter **and in other provisions of law**.

24 B.(1) The Louisiana Tuition Trust Authority shall ~~be governed by the Board~~
25 ~~of Regents, except as modified by Paragraph (2) of this Subsection~~, and hereafter in
26 this Chapter shall be referred to as the authority. ~~The authority shall operate under~~
27 ~~the same laws, rules, and guidelines and with the same officer selection and~~
28 ~~employment policies as the Board of Regents, except when inconsistent with this~~
29 ~~Chapter. The commissioner of higher education or his designee shall serve as~~

1 ~~chairman of the authority.~~

2 (2) The membership of the authority shall consist of the following persons:

3 (a) ~~The members of the Board of Regents.~~ **One member, who shall be the**
4 **chairman of the council, appointed by the Governor.**

5 (b) The commissioner of higher education or his designee.

6 (c) An officer of a bank in Louisiana who is a member of the Louisiana
7 Bankers' Association and who is nominated by the association and appointed by the
8 governor.

9 (d) One member of the House of Representatives appointed by the speaker
10 and one member of the Senate appointed by the president.

11 (e) The state treasurer who shall be an ex officio voting member of the
12 authority.

13 **(f) The superintendent of education, or his designee.**

14 **(g) One member from each postsecondary education management board**
15 **appointed by the respective board.**

16 **(h) One member appointed by the Louisiana Association of Independent**
17 **Colleges and Universities.**

18 **(i) One member appointed by the Louisiana Association of Private**
19 **Colleges and Schools who represents proprietary and cosmetology schools.**

20 **(j) One member appointed by the Louisiana Association of Student**
21 **Financial Aid Administrators.**

22 **(k) One public school high school counselor appointed by the Louisiana**
23 **Student Counselor Association.**

24 **(l) One private/parochial high school counselor appointed by the**
25 **Louisiana Student Counselor Association.**

26 **(m) One member appointed by the Louisiana Association of School**
27 **Superintendents.**

28 **(n) One non-voting student member appointed annually by the Council**
29 **of Student Presidents.**

* * *

(5) The new members shall be appointed by August 15, 2018 and shall hold their first meeting by September 15, 2018.

(6) Vacancies shall be filled in the same manner of original appointment.

(7) Members shall serve without compensation, but may receive any per diem or reimbursement as allowed by the appointing authority.

* * *

§3093.1. Executive Director, hiring, powers, duties

A. (1) Upon confirmation of the Louisiana Senate, the authority shall hire the executive director of the office of student financial assistance. The executive direction shall serve at the will of the advisory council. The authority shall fix the salary of the executive director.

(2) The executive director of the office who is in the position upon the effective date of this section shall continue to serve and shall not need Senate confirmation.

B. The executive director shall carry out the duties of the office as provided in law, and shall advise the authority on the activities of the office.

C. The executive director shall, subject to all applicable civil service laws, rules, and regulations of the state, appoint and remove all professional, research, technical, clerical, and stenographic employees of the office of student financial assistance.

D. The executive director shall submit a report to the Senate Committee on Education and the House Committee on Education by not later than December thirty-first of each year. The report shall include any recommendations from the Office for any legislative actions that could assist in the administration of the programs under its authority, and provide in information on the Taylor Opportunity Program for Students.

* * *

§3129.4. Louisiana Education Tuition and Savings Plan and Fund

1 A. The ~~Board of Regents~~ **office of student financial assistance**, or its
2 successor, is authorized to formulate, develop, adopt, implement, then manage and
3 otherwise administer the Louisiana Education Tuition and Savings Plan, which shall
4 be comprised of an education savings program based on issuance of interest-bearing
5 education notes. Prior to adoption by the ~~Board of Regents~~ **office of student**
6 **financial assistance**, the ~~board~~ **office** shall submit the proposed plan in writing to
7 the House and Senate Committees on Education for review and comment.

8 B. The ~~Board of Regents~~ **office of student financial assistance** is authorized
9 to adopt appropriate and necessary rules, regulations, and program guidelines to
10 implement an education savings program based on issuance by the state of interest
11 bearing education notes. Such rules, regulations, and program guidelines shall be
12 consistent with the provisions of this Section relating to the education savings plan
13 and shall include but not be limited to the following:

14 * * *

15 C. * * *

16 (2) The legislature shall make yearly appropriations from the respective
17 account and sub-account, if applicable, to the ~~Board of Regents~~ **office of student**
18 **financial assistance** for the purposes established in this Section and to the Louisiana
19 Tuition Trust Authority for the purposes established in Chapter 22-A of this Title.

20 * * *

21 §3351. General powers, duties, and functions of postsecondary education
22 management boards

23 * * *

24 B. In addition to the powers and duties vested by Subsection A of this Section
25 and any other applicable laws, each board, as soon as practicable, shall adopt:

26 * * *

27 (2) Rules and regulations which may provide for:

28 * * *

29 (c) The administration of the various student loan funds and the granting and

1 repayment of such loans. Each board shall withhold any academic and financial aid
 2 transcripts of students in default on the repayment of an obligation to the ~~Louisiana~~
 3 ~~Student Financial Assistance Commission~~ **office of student financial assistance**, or
 4 its successor, until such time as release is authorized by the ~~commission~~ **office**, or
 5 its successor. Such release shall be dependent upon acceptable repayment
 6 arrangements being made by the defaulted student borrower. The rules and
 7 regulations adopted by each board to implement the provisions of this Subparagraph
 8 relative to the withholding of academic and financial aid transcripts shall include a
 9 due process procedure permitting a student, if the student desires, to appear before
 10 the board prior to any action withholding such student's transcript.

11 * * *

12 §5061. Administering agency

13 The provisions of this Chapter shall be administered by the ~~Board of Regents~~
 14 **office of student financial assistance**. The administering agency may provide by
 15 rule adopted as provided by the Administrative Procedure Act for all matters
 16 necessary to the implementation of this Chapter.

17 Section 2. R.S. 36:8(E)(1), 8.2(B)(3), 642(D)(2), and 651(BB) are hereby amended
 18 and reenacted to read as follows:

19 §8. Fiscal oversight and program evaluation

20 * * *

21 E. As used in this Section, the following words shall have the following
 22 meanings unless the context clearly indicates otherwise:

23 (1) "Secretary" means the chief administrative officer of each department of
 24 the executive branch of state government, except that with respect to agencies of the
 25 Department of Education transferred under the provisions of R.S. 36:651(K),
 26 "secretary" means the ~~Louisiana Student Financial Assistance Commission~~ **office of**
 27 **student financial assistance**, with respect to the Department of Public Service,
 28 "secretary" means the Public Service Commission, with respect to the Department
 29 of State Civil Service, "secretary" means the State Civil Service Commission,

1 through the director of state civil service and with respect to the Louisiana
2 Workforce Commission, "secretary" means the executive director.

3 * * *

4 §8.2. Internal auditing function

5 * * *

6 B. For the purpose of this Section, "secretary" means the chief administrative
7 officer of each department in the executive branch of state government, except
8 "secretary" means the following in the case of the listed departments:

9 * * *

10 (3) For the Department of Education, the state superintendent of education,
11 except as otherwise provided in Title 17 of the Louisiana Revised Statutes of 1950
12 relative to the internal audit function for the ~~Louisiana Student Financial Assistance~~
13 ~~Commission~~ **office of student financial assistance**, the Board of Regents, and the
14 postsecondary education management boards and institutions and agencies under the
15 authority of those agencies.

16 * * *

17 §642. Department of Education; creation; domicile; composition; purposes and
18 functions

19 D. * * *

20 (2) The ~~Louisiana Student Financial Assistance Commission~~ within the
21 ~~Board of Regents~~ **office of student financial assistance**, as provided by law, shall
22 be responsible for the supervision, control, direction, and administration of the state
23 programs on higher education financial assistance and the scholarship programs
24 transferred to it.

25 * * *

26 §651. Transfer of boards, commissions, departments, and agencies to Department of
27 Education; boards, commissions, and agencies within Department of
28 Education

29 * * *

1 BB. The Louisiana Student Financial Assistance Commission (R.S. 17:3021
 2 et seq.) is hereby abolished and its powers, duties, functions, and responsibilities are
 3 hereby transferred to the ~~Board of Regents~~ **office of student financial assistance**.
 4 All reference in law to the Louisiana Student Financial Assistance Commission shall
 5 refer to the ~~Board of Regents~~ **office of student financial assistance**.

6 * * *

7 Section 3. R.S. 37:2951(A) is hereby amended and reenacted to read as follows:
 8 §2951. Default on repayment of certain student loans, grounds for denying trade,
 9 occupation, or profession license; conditional issuance; procedures

10 A. Notwithstanding any other provision of law to the contrary, default on the
 11 repayment of any loan guaranteed by the ~~Louisiana Student Financial Assistance~~
 12 ~~Commission~~ **office of student financial assistance**, hereinafter referred to as the
 13 special commission, shall be grounds for denying an application for, or an
 14 application for the renewal of, any license, permit, or certificate required by the state
 15 of Louisiana, or for the granting of a conditional license, permit, or certificate
 16 required by the state of Louisiana, or any of its departments, offices, agencies, and
 17 boards in order to practice or engage in a trade, occupation, or profession. Such shall
 18 be denied or issued conditionally pending the applicant's compliance with the
 19 repayment requirements of the loan, as determined and reported by the special
 20 commission.

21 * * *

22 Section 4. R.S. 42:261(J) is hereby amended and reenacted to read as follows:
 23 §261. District attorneys; counsel for boards and commissions

24 * * *

25 J. Notwithstanding the provisions of this Section or any law to the contrary,
 26 the ~~Louisiana Student Financial Assistance Commission~~ **office of student financial**
 27 **assistance** may retain and employ counsel as specifically provided in R.S. 17:3025
 28 and the attorney general shall be relieved of his responsibility to serve as attorney for
 29 the ~~commission~~ **office** only in such instances as provided therein. The compensation

1 of said counsel shall be fixed and paid by the ~~commission~~ **office** with the approval
2 of the governor.

3 Section 5. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Cheryl Serrett.

DIGEST

SB 431 Original

2018 Regular Session

Walsworth

Present law places the responsibility for the supervision, control, direction, and administering of state and federal programs that provide aid and assistance in meeting the expenses of higher education, including state and federal scholarship programs under the Board of Regents. Additionally provides for the office of financial assistance to perform functions the functions of the state related to programs of financial assistance and certain scholarship programs for higher education.

Present law provides for the Louisiana Tuition Trust authority, provides for the membership of the authority, and places that authority under the governance of the Board of Regents.

Proposed law clarifies the authority of administering state and federal programs is provided to the office of financial assistance. Further provides for the office to be outside of the authority of the Board of Regents.

Proposed law provides that the Tuition Trust Authority is an appointed board that serves as an advisory board to the office of student financial assistance. Proposed law additionally provides for new membership of the authority.

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

(Amends R.S. 17:427.3(B)(1)(a) and (F)(1), 3021, the introductory paragraph of 3023(A), (1),(2)(a) and introductory paragraph of (b), (3) through (9), and (B), 3023.1(C), (D), and (E), 3023.3, 3023.4(A), 3023.6, 3023.7, 3023.8, 3024, 3024.1, 3024.2, 3031, the introductory paragraph of 3041.10(A), 3041.12, 3041.13, the introductory paragraph of 3041.21(A), 3041.22, 3041.23, 3041.24, 3041.26, the introductory paragraph of 3042.1(A)(1) and (f) and (2), (B) through (D), introductory paragraph of (E), and F, 3042.2, 3042.3, 3042.4, 3042.6, 3042.7(B)(1), the introductory paragraph of 3042.52(A) and, (1), (B), (C), the introductory paragraph of (D), and (E), 3042.54, 3042.55, 3042.56, the introductory paragraph of 3042.62(A) and (5), (B), (C), introductory paragraph of (D), and (E), 3042.63, 3042.64, 3042.65(A), 3042.66, 3045.1(B), 3046.2(B), 3050.3, 3093(A) and (B)(1) and (2), 3129.4(A), the introductory paragraph of (B), and (C)(2), 3351(B)(2)(c), 5061, R.S. 36:8(E)(1), 8.2(B)(3), 642(D)(2), and 651(BB), R.S. 36:8(E)(1), 8.2(B)(3), 642(D)(2), and 651(BB), R.S. 37:2951(A), 42:261(J); adds R.S.17:3093.1)