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DIGEST

SB 202 Reengrossed

2025 Regular Session

Harris

Present law (R.S. 17:3215) provides a list of institutions included under the Louisiana State University System.

Proposed law retains present law and further adds the University of New Orleans to the list of institutions within the LSU System.

Present law (R.S. 17: 3217) provides a list of institutions included under the University of Louisiana System.

Proposed law removes the University of New Orleans from the list of institutions under the supervision and management of the Bd. of Supervisors of the UL System.

Proposed law (R.S. 17:3230.1) provides for the transfer of the UNO from the UL System to the LSU System as follows:

- (1) Requires the president of UNO to submit a letter to the president of the Southern Association for Colleges and Schools, Commission on Colleges (SACS), not later than August 1, 2025, stating her intent for a change in governance from the Bd. of Supervisors of the UL System to the Bd. of Supervisors for the LSU System.
- (2) Requires the president, faculty, and administration of UNO to take every action necessary to efficiently and expeditiously comply with all SACS timelines, requirements, and procedures to ensure that the requested change of governance may be effected immediately upon receipt of commission approval.
- (3) Transfers UNO to the LSU System, pursuant to the authority granted to the legislature by the La. constitution to transfer an institution from one board to another by law enacted by two-thirds of the elected members of each house. Also transfers the assets, funds, obligations, liabilities, programs, and functions related to the institution. Provides that such transfer will become effective immediately upon receipt of SACS approval for the change in governance.
- (4) Requires the Bd. of Supervisors for the LSU System to develop policies and procedures to resolve issues related to the status and tenure of UNO employees which may arise from the transfer. Requires the board to take necessary actions to support the transition, including but not limited to forming a transition team and developing a comprehensive transition plan. Requires the board to present the comprehensive transition plan to the board of Regents and

the House and Senate committees on education by April 1, 2026.

Provides that the UL Bd. of Supervisors shall:

- (1) Continue to exercise its authority to supervise and manage UNO until such time as SACS grants approval for the requested change in governance and transfer of the institution to the LSU System.
- (2) Work cooperatively and collaboratively with the LSU System board to ensure that the transfer may be effected immediately upon receipt of SACS approval.
- (3) Enter into agreements to transfer as many UNO administrative and supervisory functions as possible to the LSU System, prior to receipt of SACS approval, without adversely impacting the accreditation status of the institution.
- (4) Continue to balance UNO's budget prior to receipt of transition approval.
- (5) Immediately transfer all assets, funds, facilities, property, obligations, liabilities, programs, and functions relative to UNO to the LSU System, upon receipt of SACS approval for the transfer.

Provides that the UL Bd. of Supervisors shall not:

- (1) Interfere with or impede in any way the processes to transfer UNO to the LSU System.
- (2) Sell, transfer, or otherwise remove any asset or thing of value, movable or immovable, tangible or intangible, attributable to or owned by UNO, or owned, leased by, or operated by any foundation related to UNO on the effective date of proposed law. Further provides that access to any asset leased to any foundation related to UNO shall not be restricted or denied.
- (3) Incur, transfer or assign any debt or other responsibility or obligation to UNO that is not properly attributable to either institution on the effective date of proposed law.
- (4) Disproportionately reduce or reallocate the level of funding that would otherwise be allocated to UNO pursuant to the postsecondary education funding formula. Provides that until UNO is transferred to the LSU System, no budget reductions or changes in funding allocations for the institution shall be imposed without prior review of the Board of Regents and approval from the Jt. Legislative Committee on the Budget.

Proposed law requires the commissioner of administration to ensure that sufficient funds and resources are available to fully effect the transfer of UNO to the LSU System. Further requires the legislature to appropriate sufficient funds to the Bd. of Supervisors of the UL System and the Bd. of Supervisors for the LSU System to fully effect the transfer. Further provides that such funding and resources shall not impact the Bd. of Regents' formula for equitable distribution of funds to institutions of higher education.

Proposed law requires the commissioner of administration to indemnify and hold harmless the transferee and transferor management boards for any liability and costs which may directly result from the mandated transfer.

Proposed law provides that upon the date of transfer, fees previously paid by UNO to the Bd. of Supervisors of the UL System and which become due after the transfer shall be paid to the Bd. of Regents, who will use the proceeds to defray transfer costs, including indemnification insurance.

Proposed law provides that the legislature may place reasonable conditions on granting of transition funding, such as receipt of a comprehensive transition plan or demonstration of benchmarks reached.

Proposed law clarifies that the proposed law does not preclude a Memorandum of Understanding (MOU) between the boards under which an existing bonded indebtedness of the UL System. Board would remain in force after an agreement that the Bd. of Supervisors for the LSU System would be responsible for all payments, costs, and other covenants contained in the bonded indebtedness. Requires the Bd. of Supervisors of the UL System "to make every effort" to maintain such bonded indebtedness under an MOU if it is advantageous to the state.

Present law (R.S. 17:3230) provides that UNO is under the UL System.

Proposed law repeals this provision.

Implementation of proposed law shall be subject to the appropriation of funds by the legislature for this purpose.

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

(Amends R.S. 17:3215(9) and 3241(B)(2); adds R.S. 17:3215(10) and 3230.1; repeals R.S. 17:3217(A)(9) and 3230)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Education to the original bill

1. Make technical changes.
2. Require Bd. of Supervisors of the LSU System to form a transition team and develop a comprehensive transition plan.
3. Require Bd. of Supervisors for the UL System to continue to balance the UNO budget prior to receipt of transition approval.
4. Prohibit Bd. of Supervisors for the UL System from imposing any budget reductions or changes in funding without prior review of the Bd. of Regents.

5. Remove language that prohibits the Bd. of Supervisors for the UL System from taking any personnel action without the prior approval of the Bd. of Supervisors of the LSU System.
6. Require the commissioner of administration purchase available insurance for indemnification.
7. Change effective date for funds being paid to Bd. of Supervisors of LSU System from "effective beginning with the 2025-2026 Fiscal Year" to "upon the date of transfer".
8. Allow legislature to place reasonable conditions on granting of transition funding.
9. Clarify legislative intent language to align with proposed law.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Provide that implementation of proposed law shall be subject to the appropriation of funds by the legislature for this purpose.