

SENATE BILL NO. 484

BY SENATOR ABRAHAM

1 AN ACT

2 To amend and reenact R.S. 17:2048.51(C)(1) and (G)(1)(b)(i), the introductory paragraph
3 of 3128.1(A), 3128.1(B) and (C), 3134, 3138(A), (B), and (E), 3138.5(B)(1), (D)(1),
4 (2), the introductory paragraph of (D)(4), 3138.5(D)(4)(f), and (5), and (E), and
5 3138.9(A)(3) and (5), (B)(1), and (C), R.S. 39:128(B)(1) and (4)(a)(i), and R.S.
6 42:375.2(A), the introductory paragraph of (B) and (B)(1), (C), and (D)(3) and to
7 enact R.S. 17:3128.1(D), 3138(G), and 3454(E), R.S. 36:309(E)(3), and R.S.
8 42:375.2(D)(4) and to repeal R.S. 36:651(F)(6) and (L)(1)(a), relative to higher
9 education and the duties of the Board of Regents; to transfer of certain powers,
10 duties, and functions from the Board of Regents to other agencies; to provide with
11 respect to the Louisiana Health Works Commission; to provide with respect to
12 incubator facilities on postsecondary campuses; to provide with respect to the
13 Louisiana Education Tuition and Savings Plan and Fund; to provide for the
14 development of a uniform fiscal policy and accountability framework for public
15 postsecondary education institutions; to provide requirements for fiscal reports and
16 early warning metrics; to provide for corrective action measures; to provide relative
17 to reporting; to provide with respect to the state common admission application for
18 postsecondary institutions; to provide with respect to Hunger-Free campus
19 designations; to provide with respect to Purple Star Campus designations; provides
20 with respect to the Cybersecurity Talent Initiative Fund and the Cybersecurity
21 Education Management Council; provides with respect to the Louisiana Universities
22 Marine Consortium; to provide with respect to agency attrition analysis; to provide
23 with respect to the minor repairs, renovation, or construction of facilities undertaken
24 on higher education campuses; and to provide for related matters.

25 Be it enacted by the Legislature of Louisiana:

26 Section 1. R.S. 17:2048.51(C)(1) and (G)(1)(b)(i), the introductory paragraph of
27 3128.1(A), 3128.1(B), and (C), 3134, 3138(A), (B), and (E), 3138.5(B)(1), (D)(1), (2), the

1 introductory paragraph of (D)(4), 3138.5(D)(4)(f), and (5), and (E), and 3138.9(A)(3) and
2 (5), (B)(1) and (C) are hereby amended and reenacted and R.S. 17:3128.1(D), 3138(G), and
3 3454(E) are hereby enacted to read as follows:

4 §2048.51. Louisiana Health Works Commission; creation; membership;
5 compensation; staff and facilities; powers and duties; data collection
6 and reporting

7 * * *

8 C. The following shall serve as members of the Louisiana Health Works
9 Commission:

10 (1) The secretary of Louisiana Works, or his designee, **who shall serve as co-**
11 **chair of the commission.**

12 * * *

13 G. The Louisiana Health Works Commission shall have the following
14 committees:

15 (1)(a) * * *

16 (b) The executive committee shall:

17 (i) Elect the ~~chairperson~~ **co-chair** of the commission. The chair of the
18 Nursing Supply and Demand Committee shall serve as the vice chair of the
19 commission.

20 * * *

21 §3128.1. Power to survey, evaluate, and implement incubator facilities on state
22 college and university campuses

23 A. ~~The Board of Regents~~ **Each management board of each public**
24 **postsecondary education system** shall conduct a survey of state colleges and
25 universities for the purpose of establishing ~~incubator facilities~~ **small business**
26 **incubators**, as defined in ~~R.S. 51:1122(4)~~ **R.S. 51:2322**, on qualified campuses. In
27 order to complete such study, ~~the~~ **each management** board shall establish criteria
28 for evaluation of institutions which shall include, but not be limited to the following
29 information:

30 * * *

1 health, operational efficiency, and institutional effectiveness.

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

15 B.(1) ~~The accountability process shall be developed by the Board of Regents~~
16 ~~in a collaborative effort involving each higher education management board~~ shall
17 establish a uniform fiscal policy including an institutional cash balance policy,
18 to be adopted by each public postsecondary education management board no
19 later than December 31, 2026.

20 (2) The policy shall require each public postsecondary education
21 institution to submit an institutional quarterly financial report to its respective
22 public postsecondary education management board.

23 (3) Each institutional quarterly financial report shall include, at a
24 minimum:

25 (a) Quarterly revenues and expenditures, including comparisons to
26 budgeted amounts.

27 (b) Fund balances, including unrestricted, restricted, athletics, and
28 auxiliary funds.

29 (c) Cash flow and liquidity metrics.

30 (d) Outstanding debt obligations and material changes thereto.

1 (e) Actual and quarterly projected tuition and fee revenue.

2 (f) Account receivable balances.

3 (g) Identification of actual or projected deficits or financial risks.

4 (h) Campus action plans as needed.

5 (i) Any additional information as required by the Board of Regents.

6 (4) Institutional quarterly financial reports shall be submitted to the
 7 management board no later than fifteen days after the close of each fiscal
 8 quarter. Management boards shall submit compiled reports to the Board of
 9 Regents no later than thirty days after the close of each fiscal quarter.

10 (5) Each management board shall review and compile its institutional
 11 quarterly financial reports and submit a system level quarterly financial report,
 12 inclusive of all institutions under its jurisdiction, to the Board of Regents.
 13 Systems shall identify institutions in financial distress and shall provide a
 14 corrective action plan and a timeline to address the fiscal challenges of the
 15 distressed institution.

16 (6) Each management board shall adopt policies to ensure timely and
 17 accurate submission of reports required pursuant to this Section.

18 (7) Failure to timely submit required reports shall result in a designation
 19 of noncompliance. The Board of Regents shall provide written notice of
 20 noncompliance to the commissioner of administration, the president of the
 21 Senate, the speaker of the House of Representatives, the House Committee on
 22 Appropriations, and the Senate Committee on Finance.

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

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

1 ~~(b) Identify institutional and systemwide performance standards and~~
2 ~~performance goals.~~

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

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

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

12 (2) The Board of Regents shall adopt such rules and regulations as may be
13 necessary in implementing this Section, which shall include but shall not be limited
14 to the final recommendations of the Accountability in Public Higher Education
15 Advisory Committee **The warning system shall utilize the quarterly financial**
16 **reports submitted pursuant to this Section, together with any additional data,**
17 **including system internal audit reports required by the Board of Regents, to**
18 **identify conditions of financial distress, structural deficit, and risk of financial**
19 **insolvency at the earliest practicable stage.**

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

22 **(a) Structural deficits exceeding three percent of an institution's**
23 **operating budget.**

24 **(b) Declines in cash on hand below two months of operating expenses.**

25 **(c) Negative cash flow.**

26 **(d) Increasing debt burden or unsustainable debt service ratios.**

27 **(e) Enrollment declines materially affecting revenue.**

28 **(f) Increasing accounts receivable balance.**

29 D.~~(1)~~ The Board of Regents may require that every public higher education
30 institution submit to it, at a time it specifies, an annual accountability report of

1 institutional effectiveness to include the data as it may determine shall require each
 2 management board to develop and implement a detailed corrective action plan
 3 in response to an institution identified as being in fiscal distress. The corrective
 4 action plan should be submitted to the Board of Regents within ninety days of
 5 the institution being deemed in distress to ensure timely and effective fiduciary
 6 and budgetary measures.

7 (2) If a management board fails to take corrective action as required
 8 pursuant to this Subsection, the Board of Regents shall refer the matter to the
 9 office of inspector general for review.

10 E.(1) ~~The provisions of this Section shall be mandatory only to the extent that~~
 11 ~~the necessary funds are appropriated to the Board of Regents for this purpose~~ The
 12 Louisiana Board of Regents shall annually submit a written report to the House
 13 Committee on Appropriations, the Senate Committee on Finance, and the
 14 Division of Administration not later than sixty days prior to the beginning of the
 15 legislative session.

16 (2) The report shall include information provided for in Paragraphs
 17 (B)(3) and (D)(1) of this Section.

18 * * *

19 §3138. Louisiana common application; development; implementation

20 A.(1)(a) ~~The Board of Regents~~ Each management board of each public
 21 postsecondary education system, in collaboration with ~~the~~ each public
 22 postsecondary ~~education management boards~~ institution, the chairman of the Senate
 23 Committee on Education or his designee, and the chairman of the House Committee
 24 on Education or his designee, shall provide for the development and implementation
 25 of a common application whereby Louisiana residents and nonresidents may apply
 26 to any public college and university in the ~~state~~ system. Except as provided in R.S.
 27 17:3152, such application shall not include questions pertaining to an applicant's
 28 criminal history.

29 (b) When developing the implementation plan for the common application,
 30 consideration shall be given to best practices for successful implementation,

1 implementation costs, development and maintenance of a website to facilitate the
2 common application process, and the duties and responsibilities of ~~the Board of~~
3 ~~Regents~~ and the postsecondary education systems and institutions.

4 (2) Regionally accredited independent colleges and universities that are
5 members of the Louisiana Association of Independent Colleges and Universities may
6 also utilize ~~the~~ a Louisiana common application **developed by any management**
7 **board of a public postsecondary education system.**

8 B. Each public college and university shall accept the Louisiana common
9 application **developed by its management board,** which a student may complete
10 one time and submit to as many institutions as he wishes to apply. Applications may
11 be submitted electronically or in a paper format, as specified by the individual
12 postsecondary institution.

13 * * *

14 E. The Louisiana common application shall be **developed by each**
15 **management board and be** fully implemented and available to students applying
16 for admission for the ~~2016-2017~~ **2026-2027** academic year.

17 * * *

18 **G. For purposes of this Section, "management board" shall have the**
19 **same meaning as R.S. 17:3128.1.**

20 * * *

21 §3138.5. Purple Star Campus; designation; process; eligibility; applications

22 * * *

23 B.(1) The ~~Board of Regents~~ **Department of Veterans Affairs** shall establish
24 a process for a postsecondary education institution to be designated as a "Purple Star
25 Campus".

26 * * *

27 D.(1) The ~~Board of Regents~~ **Department of Veterans Affairs** shall develop
28 an application process, including time lines for submitting applications, for
29 institutions that are interested in receiving the designation specified in Paragraph
30 (B)(1) of this Section.

1 * * *

2 §3138.9. Louisiana Cybersecurity Talent Initiative Fund; Cybersecurity Education
3 Management Council

4 A.(1) * * *

5 (3) Monies in the fund shall be appropriated to ~~the Board of Regents~~
6 **Louisiana Works** to be distributed to public postsecondary education institutions.

7 * * *

8 (5) Funding shall be distributed by ~~the Board of Regents~~ **Louisiana Works**
9 to the public postsecondary education management boards only upon the certification
10 by such a board, on behalf of the receiving institution, that a match of no less than
11 twenty-five percent of the amount of funding to be distributed has been guaranteed
12 by a private entity. The certification shall detail the type of private match to be
13 provided, which may include but is not limited to cash; in-kind donations of
14 technology, personnel, construction materials, facility modification, or corporeal
15 property; internships; scholarships; sponsorship of staff or faculty; or faculty
16 endowment.

17 * * *

18 B.(1) The Cybersecurity Education Management Council, referred to in this
19 Section as the "council", is hereby created under the auspices of ~~the Board of~~
20 ~~Regents~~ **Louisiana Works** for the purpose of advising and making recommendations
21 to the board with respect to distributions from the fund.

22 * * *

23 C. ~~The Board of Regents~~ annually **Louisiana Works** shall submit a report
24 to the Senate Committee on Education, the Senate Committee on Finance, the House
25 Committee on Education, and the House Committee on Appropriations, **on an**
26 **annual basis**. The report shall include the distribution method, the list of degree and
27 certificate programs upon which the distribution is based, the final distribution
28 amounts, the number of jobs created as a result of the distribution, and the method
29 and data used to determine the reported number of jobs created. Each public
30 postsecondary education management board shall report to ~~the Board of Regents~~

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(3) The Cybersecurity Education Management Council (R.S. 17:3138.9).

* * *

Section 3. R.S. 39:128(B)(1) and (4)(a)(i) are hereby amended and reenacted to read as follows:

§128. Exemptions

* * *

B.(1) Minor repairs, renovation, or construction of buildings or other facilities or the purchase of land, buildings, or other facilities when the construction cost or purchase price is less than or equal to ~~one~~ **two** million dollars, adjusted annually in accordance with the United States Bureau of Labor Statistics consumer price index for all urban consumers as published in January of each year, may be undertaken by or on the campus of a state college, university, higher education facility, or consortium without being included in the capital outlay budget but shall be subject to the approval of ~~the Board of Regents~~ and the appropriate **postsecondary** management board, or any successor. A state college, university, higher education facility, or consortium may not incur debt to fund any project that is not included in the capital outlay budget other than a short-term loan not to exceed one year for the purposes included in this Paragraph. Any short-term loan shall be issued in accordance with the provisions of Title 17 of the Louisiana Revised Statutes of 1950, and shall not constitute or create any debt, liability, or loan of the credit of or a pledge of the full faith and credit of the state but shall be solely the obligation of the ~~appropriate governing board~~ or postsecondary education management board, or any successor. **Each postsecondary management board shall report projects initiated under the provisions of this Section when the construction cost or purchase price is between two hundred fifty thousand and two million dollars to the Board of Regents on a monthly basis.**

* * *

(4)(a)(i) A university, higher education facility, or consortium shall be allowed to undertake any new construction, maintenance, or repair project not

1 exceeding ten million dollars solely funded from self-generated revenues, grants,
 2 donations, or local or federal funds without being included in the Capital Outlay Bill,
 3 provided that the project is approved by the appropriate governing board or
 4 postsecondary management board; ~~the Board of Regents~~; the division of
 5 administration, office of facility planning and control; and the Joint Legislative
 6 Committee on the Budget. The office of facility planning and control shall issue the
 7 necessary contracts for the project and shall disburse funds to pay the costs of the
 8 project. The university, higher education facility, or consortium shall remit project
 9 funding to the office of facility planning and control for deposit in the state treasury
 10 at such time as may be deemed necessary by the office of facility planning and
 11 control in order to cover the amount of contracts or other project expenses. Any
 12 surplus of the project funding and any interest earned on the funds shall be refunded
 13 to the university, higher education facility, or consortium by the state treasurer. **Each**
 14 **postsecondary management board shall report projects initiated under the**
 15 **provisions of this Section to the Board of Regents on a monthly basis.**

16 Section 4. R.S. 42:375.2(A), the introductory paragraph of (B) and (B)(1), (C), and
 17 (D)(3) are hereby amended and reenacted and R.S. 42:375.2(D)(4) is hereby enacted to read
 18 as follows:

19 §375.2. Agency attrition analysis process, higher education systems

20 A. ~~The Board of Regents~~ **Each management board of each public**
 21 **postsecondary education system** shall establish and implement an agency attrition
 22 analysis process to be used by each **institution under each** higher education system
 23 to review the historical employee vacancies, relative to authorized table of
 24 organization full and part-time positions funded in whole or in part by the state
 25 general fund, within each agency with a goal to reduce by five percent annually for
 26 three years by an equally proportionate reduction of such positions across all salary
 27 ranges of equal increments, beginning Fiscal Year ~~2010-2011~~ **2026-2027**, the
 28 number of such positions in each higher education system.

29 B. In implementing the requirements of Subsection A of this Section, ~~the~~
 30 ~~Board of Regents~~ **each management board** shall establish a process which requires

1 the analysis of the following:

2 (1) General staffing needs of each ~~higher education system~~ **public**
3 **postsecondary education institution.**

4 * * *

5 C. On the first day of the month following the month in which the executive
6 budget is submitted to the Joint Legislative Committee on the Budget, ~~the Board of~~
7 ~~Regents~~ **each management board** shall provide a written report to the ~~Commission~~
8 ~~on Streamlining Government~~ **Joint Legislative Committee on the Budget**
9 indicating the state general fund dollar savings achieved as a result of the
10 implementation of the agency attrition analysis process and the number of vacant
11 positions eliminated and any other information relating to personnel numbers, costs,
12 and historical vacancies.

13 D. For the purposes of this Section, the following terms shall have the
14 following meanings unless the context clearly indicates otherwise:

15 * * *

16 (3) **"Management board" shall have the same meaning as R.S. 17:3128.1.**

17 (4) "Vacant position" means any authorized table of organization full or
18 part-time position of employment for which a budget has been approved and an
19 appropriation has been made or a transfer of funds effected pursuant to law which
20 is funded in whole or in part by the state general fund, but which is not filled.

21 Section 5. R.S. 36:651(F)(6) and (L)(1)(a) are hereby repealed.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____