

Regular Session, 2010

SENATE BILL NO. 746

BY SENATOR JACKSON

POSTSECONDARY ED. Requires the Board of Regents to submit a report to certain legislative committees regarding the formula adopted to fund institutions of postsecondary education. (8/15/10)

1 AN ACT

2 To amend and reenact R.S. 17:3129(C) and (E), and 3130(B)(1), and R.S. 39:28(C) and
3 32.1, and to enact R.S. 17:3129(F), relative to postsecondary education; to provide
4 relative to funding institutions of postsecondary education; to provide for the powers
5 of the Board of Regents; to provide relative to budget request forms; to require that
6 the formula adopted by the Board of Regents be reported to certain legislative
7 committees; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 17:3129(C) and (E), and 3130(B)(1) are hereby amended and
10 reenacted and R.S. 17:3129(F) is hereby enacted to read as follows:

11 §3129. Power to recommend budget

12 * * *

13 C. The legislature shall appropriate funds for the operating and administrative
14 expenses of the state boards created by or pursuant to Article VIII of the Constitution
15 of Louisiana. Appropriations for the institutions of ~~higher~~ **postsecondary** education
16 shall be made to their managing boards. The funds appropriated shall be
17 administered by the managing boards and used solely as provided by law.

* * *

E. The Board of Regents shall formulate and adopt a formula for distribution of funds appropriated by the legislature for deferred maintenance. This formula shall be effective for all institutions of ~~higher~~ **postsecondary** education and shall give priority to those institutions with preventive maintenance programs.

F. Any formula formulated and adopted by the Board of Regents for funding institutions of postsecondary education in the ensuing year as provided in this Section shall be annually reported to the Senate Committee on Education, the Senate Committee on Finance, the House Committee on Education, and the House Committee on Appropriations, not later than March fifteenth of each year.

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§3130. Other powers

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B.(1)(a) All constitutional responsibilities of the Board of Regents, including the development of a formula for equitable distribution of funds, shall apply to all public postsecondary **education** institutions; ~~including vocational-technical schools.~~

(b) Not later than the convening of the 1999 Regular Session, the Board of Regents shall submit to the legislature a proposal for full funding of the funding formula for ~~higher and~~ postsecondary education to be completed over a five-year period beginning not later than the fall of 1999, including provisions for equitable distribution of funds included in the formula.

(c) Beginning with Fiscal Year 2011-2012, such formula for the ensuing year shall be annually reported to the Senate Committee on Education, the Senate Committee on Finance, the House Committee on Education, and the House Committee on Appropriations, not later than March fifteenth of each year.

* * *

Section 2. R.S. 39:28(C) and 32.1 are hereby amended and reenacted to read as

1 follows:

2 §28. Forms for the budget request

3 * * *

4 C. Notwithstanding the provisions of Subsections A and B of this Section, for
5 each ~~higher~~ **postsecondary** education system, institution, or budget unit which is
6 funded or which is proposed by the Board of Regents to be funded through the ~~higher~~
7 ~~education~~ funding formula for the ensuing fiscal year, the forms to be used for
8 budget requests shall be as provided in R.S. 39:32.1.

9 * * *

10 §32.1. Budget request forms, content, and submission; ~~higher~~ **postsecondary**
11 education formula funded agencies

12 A. The provisions of this Section shall apply to each ~~higher~~ **postsecondary**
13 education agency, which may include systems, institutions, or budget units, which
14 is funded or proposed by the Board of Regents to be funded through the ~~higher~~
15 ~~education~~ funding formula in the ensuing fiscal year.

16 B. The format and content of the annual operating budget, the operational
17 plan, and the budget request to be used by ~~higher~~ **postsecondary** education agencies
18 shall be prescribed by the Board of Regents, subject to the provisions of this Section
19 and the approval of the division of administration, ~~and shall be developed in~~
20 ~~consultation with the chairmen of~~ **and** the House Committee on Appropriations and
21 Senate Committee on Finance. The Board of Regents shall transmit to each such
22 agency a complete set of forms to be used and provide instructions and consultation
23 on the proper method of completing the forms.

24 C. Each ~~higher~~ **postsecondary** education agency shall prepare an annual
25 operating budget, which shall be subject to approval by both the appropriate
26 management board and the Board of Regents. The operating budget shall contain,
27 at a minimum, budgetary information on prior year actual revenues and expenditures
28 and current year budgeted revenues and expenditures, and the budgetary information
29 as provided in R.S. 39:32(C) through (H) for the prior and current fiscal years.

1 D. Each ~~higher~~ **postsecondary** education agency shall prepare an annual
2 operational plan for the purposes of the budget request. The operational plan for any
3 such agency, to the maximum extent practicable, shall be consistent with the
4 agency's strategic plan required by R.S. 39:31 and the master plan for ~~higher~~
5 **postsecondary** education required by Article VIII, Section 5(D)(4) of the
6 Constitution of Louisiana. The plan shall include information relative to the specific
7 performance evaluation and functional accountability provisions of the funding
8 formula. The plan shall include a current statement of the agency's mission and its
9 goals, objectives, performance indicators, and activities, as well as a detailed plan
10 of its operations. The plan shall be used by the division of administration in the
11 development of the executive budget and supporting document in order to ensure that
12 performance standards are consistent with the financial plan for the fiscal year.

13 E. The Board of Regents shall submit to the governor the budget request for
14 each ~~higher~~ **postsecondary** education agency which is proposed to be funded
15 through the ~~higher education~~ funding formula for the ensuing year.

16 F. The budget request submitted by the Board of Regents shall consist of the
17 current approved annual operating budget and the operational plan for each ~~higher~~
18 **postsecondary** education agency, and a funding request for the agency under the
19 ~~higher education~~ funding formula most recently adopted by the Board of Regents
20 **and reported to the legislature.**

The original instrument was prepared by Sherri H. Breaux. The following
digest, which does not constitute a part of the legislative instrument, was
prepared by Jeanne Johnston.

DIGEST

Jackson (SB 746)

Present constitution (Art. VIII, Sec. 5(D)(4) and (5)) provides for the powers of the Board of Regents (BOR), including the power to formulate and make timely revision of a master plan for postsecondary education. Requires the plan, at a minimum, to include a formula for equitable distribution of funds to the institutions of postsecondary education. Further provides for the power to require that every postsecondary education board submit to the BOR, at a time it specifies, an annual budget proposal for the operational needs and for capital needs of each institution under the control of each board. Requires the BOR to submit its budget recommendations for all institutions of postsecondary education and recommend priorities for capital construction and improvements.

Proposed law retains the powers of the BOR in present constitution.

Present law (R.S. 17:3129) provides that the BOR may require that every higher education management board submit to it, at a time it specifies, an annual budget proposal for operational and capital needs of each institution under the control of each management board. Requires the BOR to submit to the governor and to the legislature its budget recommendations for all institutions of postsecondary education, including priorities for capital construction and improvements for such institutions. Requires that the legislature consider the recommendations of the BOR regarding the budget for capital construction and improvements prior to adoption of the capital construction budget by the legislature for projects from such priority list. Provides for the appropriation of funds by the legislature for the operating and administrative expenses of the constitutionally created board. Provides that appropriations for the institutions of higher education be made to and administered by their managing boards.

Proposed law retains present law.

Present law requires the BOR to formulate and adopt a formula for distribution of funds appropriated by the legislature for deferred maintenance for all institutions of higher education and give priority to those institutions with preventive maintenance programs.

Proposed law retains present law but further requires that any funding formula for the ensuing year be reported to the Senate Committee on Education, the Senate Committee on Finance, the House Committee on Education, and the House Committee on Appropriations, not later than March 15th of each year.

Present law (R.S. 17:3130(B)(1)) provides that the constitutional responsibilities of the BOR, including the development of a formula for equitable distribution of funds, apply to all public postsecondary institutions, including vocational-technical schools.

Proposed law retains present law, but removes obsolete reference to "vocational-technical schools", in that such technical colleges are considered as public postsecondary education institutions.

Proposed law provides that, beginning with Fiscal Year 2011-2012, such formula for the ensuing year to be annually reported to the Senate Committee on Education, the Senate Committee on Finance, the House Committee on Education, and the House Committee on Appropriations, not later than March 15th of each year.

Present law requires that the format and content of the annual operating budget, the operational plan, and the budget request to be used by higher education agencies to be prescribed by the BOR, subject the approval of the division of administration, and developed in consultation with the chairmen of the House Committee on Appropriations and Senate Committee on Finance.

Proposed law requires that the format and content of the operating budget and plan also be subject to the approval of both the House Committee on Appropriations and Senate Committee on Finance, instead of in consultation with the chairmen, but otherwise retains present law.

Present law requires each higher education agency to prepare an annual operating budget, which is subject to approval by both the appropriate management board and the BOR. Provides for the operating budget to contain, at a minimum, budgetary information on prior year actual revenues and expenditures and current year budgeted revenues and expenditures, and the other budgetary information for the prior and current fiscal years.

Proposed law retains present law.

Present law requires the budget request submitted by the BOR to consist of the current approved annual operating budget and the operational plan for each higher education agency, and a funding request for the agency under the higher education funding formula most recently adopted by the BOR.

Proposed law requires the budget request submitted to include the funding request under the funding formula most recently adopted by the BOR and reported to the legislature.

Proposed law makes certain technical corrections in terminology from "higher" education to "postsecondary" education.

Effective August 15, 2010.

(Amends R.S. 17:3129(C) and (E), and 3130(B)(1), and R.S. 39:28(C) and 32.1; adds R.S. 17:3129(F))

Summary of Amendments Adopted by Senate

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

1. Removes requirement for legislative approval of higher education funding formula. Instead requires the Board of Regents to submit report on formula adopted to specified legislative committees.