

2016 Regular Session

HOUSE BILL NO. 842

BY REPRESENTATIVE BROADWATER

1 AN ACT

2 To amend and reenact R.S. 17:3021, 3023(A)(introductory paragraph), (1), (2)(a) and
3 (b)(introductory paragraph), (4) through (10) and (B), 3023.1(C), (D), and (E),
4 3023.3, 3023.4(A), 3023.6, 3023.7, 3023.8, 3024, 3024.1, 3024.2, 3031, 3093(A) and
5 (B), 3452, 3453.1(A) and (C), 3454(A), (B)(introductory paragraph), (6), (9), and
6 (13), (C), and (D), 3455, and 3456, R.S. 36:651(BB), and R.S. 51:2211(A), 2212(2),
7 2213(D) and (F), and 2215(A) and to repeal R.S. 17:3022, 3023.9, 3025, 3035, and
8 3453, R.S. 36:651(M) and (CC), 801.4, and 802.23, and 51:2214(A) through (F); to
9 abolish the MediFund Board and to transfer its powers and duties to the Board of
10 Regents; to abolish the Louisiana Student Financial Assistance Commission and
11 transfer its powers and duties to the Board of Regents; to abolish the Executive
12 Board of the Louisiana Marine Consortium for Research and Education and transfer
13 its powers and duties to the Board of Regents; to provide relative to the governance
14 of the Louisiana Tuition Trust Authority; to provide relative to the transfer of the
15 powers, obligations, and property of the abolished boards; to require reports on
16 implementation; and to provide for related matters.

17 Be it enacted by the Legislature of Louisiana:

18 **Executive Board of the Louisiana Universities Marine Consortium for Research and**
19 **Education**

20 Section 1.(A) R.S. 17:3452, 3453.1(A) and (C), 3454(A), (B)(introductory
21 paragraph), (6), (9), and (13), (C), and (D), 3455, and 3456 are hereby amended and
22 reenacted to read as follows:

1 necessary and designate their titles. In making its appointments, the ~~executive~~ board
 2 shall give consideration to the recommendations of the executive director and, in
 3 proper cases, to the head of any college or university affected by an appointment.
 4 Appointments of classified employees shall be in conformity with applicable civil
 5 service laws, rules, and regulations.

6 (b) The compensation of all officers and employees, except those classified
 7 civil service employees, shall be fixed by the ~~executive~~ board and the officers so
 8 appointed shall serve at the pleasure of the ~~executive~~ board.

9 * * *

10 (9) Affiliate with any institution giving any special course of instruction,
 11 upon such terms as the ~~executive~~ board deems expedient, which terms may include
 12 the retention by such institution of the control of property, faculty, and staff.

13 * * *

14 (13) Establish such subcommittees as may be necessary to assist the
 15 ~~executive~~ board in the implementation of the provisions of this Chapter.

16 * * *

17 C. The ~~executive~~ board may enter into contracts and agreements with any
 18 public agency for the establishment of state or other public offices on the property
 19 and in the buildings belonging to or under the control of the consortium. The
 20 ~~executive~~ board also may enter into contracts and agreements for joint construction,
 21 equipment, maintenance, and financing of such buildings, and enter into contracts
 22 and agreements for the joint financing, supervision, and conduct of cooperative
 23 enterprises and undertakings.

24 D. The liability of any of the acts of the consortium or any of its employees,
 25 or persons associated with any property of the consortium, shall be the liability of the
 26 consortium as represented by the ~~executive~~ board.

27 §3455. Executive director; appointment; functions

28 The ~~executive~~ board may appoint a chief administrative officer who shall be
 29 the executive director of the consortium. The executive director of the consortium
 30 shall serve at the pleasure of the ~~executive~~ board and shall, with the approval of the

1 ~~executive~~ board and subject to the applicable civil service laws, rules, and
 2 regulations of the state, appoint and remove all professional, research, technical,
 3 clerical, and stenographic employees of the consortium. The compensation of the
 4 executive director shall be fixed by the ~~executive~~ board. The executive director shall
 5 serve as secretary to the ~~executive~~ board, the executive committee, and any
 6 additional committees appointed by the ~~executive~~ board to assist in the
 7 implementation of the provisions of this Chapter.

8 §3456. Annual report; master plan

9 A.~~(1)~~ The ~~executive~~ board, in consultation with the Science and Education
 10 Advisory Council, shall formulate a five-year master plan for the consortium's
 11 marine science and education programs and initiatives and shall make timely
 12 revisions to such plan as warranted and necessary.

13 ~~(2) The initial master plan required by this Subsection shall be submitted to~~
 14 ~~the Board of Regents not later than February 1, 2013.~~

15 B.~~(1)~~ On or before December thirty-first of each year, the executive director
 16 shall submit an annual report of the activities of the consortium to the ~~executive~~
 17 board together with any additional information the ~~executive~~ board may require.

18 ~~(2) The chair of the executive board, the executive director of the board, and~~
 19 ~~the chair of the Science and Education Advisory Council shall annually make a joint~~
 20 ~~report to the Board of Regents regarding the consortium's efficacy in achieving its~~
 21 ~~overall mission through implementation of the master plan.~~

22 (B) R.S. 17:3453 and R.S. 36:651(M) and 801.4 are hereby repealed in their entirety.

23 **MediFund Board**

24 Section 2.(A) R.S. 51:2211(A), 2212(2), 2213(D) and (F), and 2215(A) are hereby
 25 amended and reenacted to read as follows:

26 §2211. Purpose and goals

27 A. The provisions of this Chapter establish the MediFund as a special fund
 28 within the state treasury to support advancement of biosciences, biomedical, and
 29 medical centers of excellence in Louisiana. The ~~MediFund governing board~~ Board
 30 of Regents shall endeavor to achieve this purpose by coordinating and deploying

1 public and private resources to strategically develop and enhance this state's
2 competitiveness in biosciences, biomedical, and medical centers of excellence.

3 * * *

4 §2212. Definitions

5 As used in this Chapter, the following terms shall have the meanings ascribed
6 to them below:

7 * * *

8 (2) "Board" means the ~~MediFund governing board~~ Board of Regents.

9 * * *

10 §2213. MediFund; creation

11 * * *

12 D. Subject to appropriation by the legislature to the ~~MediFund Board~~
13 ~~through the Board of Regents~~ board, the monies in the fund shall be used solely for
14 the purposes provided in this Chapter. The monies appropriated by the legislature
15 and disbursed from the MediFund shall not displace, replace, or supplant funding for
16 higher education for a purpose for which a general fund appropriation was made in
17 the previous year unless the total appropriation for that fiscal year from the state
18 general fund for such purpose exceeds general fund appropriations for the previous
19 year.

20 * * *

21 F. Three percent of the balance of the fund or an amount not to exceed six
22 hundred thousand dollars, whichever is lesser, shall be used for administrative fees
23 to accomplish the purpose of this Chapter, as approved by the ~~MediFund~~ board.

24 * * *

25 §2215. MediFund program guidelines

26 A. The MediFund Program shall be administered by the Board of Regents
27 through its Sponsored Programs Unit, in accordance with the policies promulgated
28 by the ~~MediFund Board~~ board. All grant application review and grant selection
29 processes shall follow the competitive request for proposals process and external

1 review process as may be utilized by the Sponsored Programs Unit, including
2 published criteria, so as to ensure impartial and merit-based grant selection.

3 * * *

4 (B) R.S. 36:651(CC) and 802.23 and R.S. 51:2214(A) through (F) are hereby
5 repealed in their entirety.

6 **Louisiana Student Financial Assistance Commission**

7 Section 3.(A) R.S. 17:3021, 3023(A)(introductory paragraph), (1), (2)(a) and
8 (b)(introductory paragraph), (4) through (10) and (B), 3023.1(C), (D), and (E), 3023.3,
9 3023.4(A), 3023.6, 3023.7, 3023.8, 3024, 3024.1, 3024.2, 3031, and 3093(A) and (B) are
10 hereby amended and reenacted to read as follows:

11 §3021. ~~Louisiana Student Financial Assistance Commission~~ Louisiana student
12 financial assistance; Board of Regents to administer

13 ~~There is hereby created the Louisiana Student Financial Assistance~~
14 ~~Commission. Any reference to the Governor's Special Commission on Education~~
15 ~~Services in law or in any rule or regulation shall be deemed to apply to the Louisiana~~
16 ~~Student Financial Assistance Commission. The purpose of such commission~~ Board
17 of Regents, hereafter referred to in this Chapter as the board, shall ~~is to~~ supervise,
18 control, direct, and administer state and federal programs to provide loans to assist
19 persons in meeting the expenses of higher education, and state and federal
20 scholarship programs for higher education in accordance with the provisions of this
21 Chapter.

22 §3023. Powers and duties

23 A. The ~~Louisiana Student Financial Assistance Commission~~ board may:
24 (1) Guarantee the loan of money to lending agencies and/or any holders of
25 such loans, subject to the requirement of R.S. 17:3023.4 and upon such other terms
26 and conditions as the ~~commission~~ board may prescribe, for persons attending or
27 planning to attend institutions of higher education to assist them in meeting their
28 expenses of higher education, including graduate, professional, vocational, business,
29 or technical education.

1 agency and/or holder makes application to the ~~commission~~ board for payment on the
2 loan stating that such loan is in default in accordance with the terms of a contract
3 executed under this Paragraph.

4 (7) Sue and be sued in the name of the ~~commission~~ board.

5 (8) Collect loans guaranteed by the ~~commission~~ board on which the
6 ~~commission~~ board has met its guarantee obligations.

7 (9) Adopt rules and regulations in accordance with the provisions of the
8 Administrative Procedure Act, not inconsistent with the provisions of this Chapter,
9 governing the guarantee, disbursement, and/or servicing of loans made by the
10 ~~commission~~ board, and governing any other matters relating to the activities of the
11 ~~commission~~ board. Such rules and regulations shall include procedures for the
12 denial of licenses, permits, and certificates required by the state to practice or engage
13 in a trade, occupation, or profession to applicants and renewal applicants in default
14 on the repayment of loans guaranteed by the ~~commission~~ board, for the conditional
15 issuance or renewal of such a license, permit, or certificate pending an applicant's
16 compliance with loan repayment requirements, and for other matters necessary to
17 implement the provisions of R.S. 37:2951.

18 (10) Perform such other acts as may be necessary or appropriate to carry out
19 effectively the objects and purposes of ~~the commission~~ this Chapter.

20 * * *

21 B. In addition to any other powers and duties authorized by this Section ~~for~~
22 ~~the Louisiana Student Financial Assistance Commission~~, the ~~commission~~ board shall
23 establish an internal audit function and shall establish an office of the chief audit
24 executive who shall be responsible for ensuring that the internal audit function
25 adheres to the Institute of Internal Auditors, International Standards for the
26 Professional Practice of Internal Auditing. The chief audit executive shall maintain
27 organizational independence in accordance with these standards and shall have direct
28 and unrestricted access to the ~~commission~~ board. The chief audit executive shall
29 annually certify to the ~~commission~~ board that the internal audit function conforms

1 to the Institute of Internal Auditors, International Standards for the Professional
2 Practice of Internal Auditing.

3 §3023.1. Credit unions, savings and loan associations, schools and insurance
4 companies as lending agencies

5 * * *

6 C. Savings and loan associations in Louisiana shall be empowered to make
7 student loans guaranteed by the ~~commission~~ board up to five percent of their assets
8 in accordance with the provisions of any federal law relating to federally insured
9 student loan programs.

10 D. Postsecondary schools in Louisiana shall be empowered to make student
11 loans guaranteed by the ~~commission~~ board in accordance with the provisions of the
12 Federal Higher Education Act of 1965 as amended or as hereafter amended.

13 E. Insurance companies domiciled, licensed, or registered to do business and
14 subject to examination and supervision by an agency of the state shall be empowered
15 to make student loans guaranteed by the ~~commission~~ board pursuant to the
16 provisions of applicable state laws and the provisions of the Federal Higher
17 Education Act of 1965, as amended or hereafter amended.

18 §3023.3. Loan of reserve funds

19 ~~The Louisiana Student Financial Assistance Commission is empowered to~~
20 board may authorize the granting of guaranteed student loans made pursuant to the
21 provisions of this Chapter out of reserve funds ~~of said commission~~ available to the
22 board for such purpose, and ~~shall have the authority to~~ may sell or discount, or both,
23 ~~said such~~ loans to banks, credit unions, and other authorized lending institutions, at
24 such consideration and upon such terms as may be agreed upon by the ~~commission~~
25 board.

26 §3023.4. Student loan guarantees

27 A. Notwithstanding any other provisions of law, the ~~Louisiana Student~~
28 ~~Financial Assistance Commission is hereby authorized to~~ board may guarantee loans
29 made to students attending or planning to attend institutions of higher education,
30 including graduate, professional, vocational, business, or technical education, subject

1 to the conditions, limitations, reinsurance provisions and in accordance with the
 2 terms and provisions of and within the amounts established by 20 U.S.C. §1071 et
 3 seq., or in accordance with the provisions of any federal law or regulations relating
 4 to student loan guarantee or insurance programs, provided that the aggregate value
 5 of all loans guaranteed and outstanding at any one time shall not exceed fifteen times
 6 the total value of funds, investments, properties, and other assets ~~of the commission~~
 7 available to the board for such purpose, except that this guarantee may be further
 8 expanded by use of federal credit.

9 * * *

10 §3023.6. Age does not bar loan

11 Any person otherwise qualifying for a loan guaranteed by the ~~Louisiana~~
 12 ~~Student Financial Assistance Commission~~ board shall not be disqualified by reason
 13 of his being under the age of twenty-one, and for the purpose of applying for,
 14 receiving, and repaying such a loan, any such person, notwithstanding the provisions
 15 of any law to the contrary, shall be deemed to have full legal capacity to act and shall
 16 have all the rights, powers, privileges, and obligations of a person of full age with
 17 respect thereto.

18 §3023.7. Tax exemption

19 All property and income of the ~~Louisiana Student Financial Assistance~~
 20 ~~Commission~~ board used exclusively for the purposes of this Chapter shall be exempt
 21 from all taxes and assessments.

22 §3023.8. Examination by commissioner of financial institutions

23 The ~~Louisiana Student Financial Assistance Commission~~ shall be board in
 24 its actions pursuant to this Chapter is subject to examination by the commissioner of
 25 financial institutions, but shall not be deemed to be a banking organization nor be
 26 required to pay a fee for any such supervision or examination. The ~~commission~~
 27 board shall make an annual report of its condition to the governor, the legislature,
 28 and the commissioner of financial institutions on or before June ~~30~~ thirtieth.

1 §3024. Acceptance and use of funds

2 The ~~Louisiana Student Financial Assistance Commission~~ board shall accept
 3 any contributions or subsidies made to it from state funds and shall use the funds to
 4 meet administrative expenses for any of its purposes and to provide a reserve fund
 5 to guarantee loans made pursuant to the provisions of this Chapter and to pay interest
 6 on guaranteed loans, as provided by R.S. 17:3023.

7 §3024.1. Student loans as security for deposit of public funds

8 Notes representing loans to students which are guaranteed by this
 9 ~~commission~~ board in accordance with a contract agreement under the provisions of
 10 this Chapter, may be pledged as collateral security for deposit of public funds as
 11 required in ~~R.S. 39:403~~ and R.S. 39:1221.

12 §3024.2. Appropriation for guaranteed student loan program

13 The legislature shall annually appropriate sufficient funds to pay those
 14 eligible claims resulting from the guarantee of student loans by the ~~Louisiana~~
 15 ~~Student Financial Assistance Commission~~ board under this Chapter, but only to the
 16 extent that anticipated federal reinsurance or reimbursement payments pursuant to
 17 20 U.S.C. §1071 et seq., and any other monies available to the ~~Louisiana Student~~
 18 ~~Financial Assistance Commission~~ board for such purpose are insufficient to pay such
 19 claims.

20 §3031. State student incentive grant; federal participation

21 A. The ~~Louisiana Student Financial Assistance Commission~~ is empowered
 22 to board may administer the state student incentive grant program for student
 23 financial aid as provided in Title IV of the Federal Higher Education Act, as
 24 amended, and to prescribe appropriate rules and regulations applicable thereto. The
 25 ~~commission is authorized to~~ board may enter into contracts or agreements with the
 26 federal government for their financial participation in the program on such terms and
 27 conditions as may be agreed upon by the ~~commission~~ board.

28 B. The ~~commission is authorized to~~ board may implement a program to train
 29 and further acquaint administrators of financial aid and assistance with the federal
 30 and state programs of student financial aid, pursuant to the Federal Higher Education

1 Act as amended by ~~Public Law 94-482~~. The ~~commission board~~ shall design and
 2 develop this program in consultation with the statewide financial aid administrators
 3 association. The ~~commission board~~ may provide appropriate rules and regulations
 4 in order to execute this provision. The ~~commission is authorized to~~ board may enter
 5 into contracts or agreements with the federal government for their financial
 6 participation in the program on such terms and conditions as may be agreed upon by
 7 the ~~commission board~~.

8 * * *

9 §3093. Louisiana Tuition Trust Authority; creation; powers

10 A. There is hereby created the Louisiana Tuition Trust Authority, which,
 11 under the authority of the Board of Regents, shall have the powers enumerated in this
 12 Chapter.

13 B.(1) The Louisiana Tuition Trust Authority shall ~~consist of~~ be governed by
 14 the ~~Louisiana Student Financial Assistance Commission~~ Board of Regents, except
 15 as modified by Paragraph (2) of this Subsection, and ~~hereinafter~~ hereafter in this
 16 Chapter shall be referred to as the authority. The authority shall operate under the
 17 same laws, rules, and guidelines and with the same officer selection and employment
 18 policies as the ~~commission~~ Board of Regents, except when inconsistent with this
 19 Chapter. The commissioner of higher education or his designee shall serve as
 20 chairman of the authority.

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

22 (a) The members of the ~~Louisiana Student Financial Assistance Commission~~
 23 ~~exclusive of the two persons appointed by the governor from names submitted by the~~
 24 ~~Louisiana Bankers' Association~~ Board of Regents.

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

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

29 ~~(d)~~ (d) One member of the House of Representatives appointed by the
 30 speaker and one member of the Senate appointed by the president.

1 (D) This Act shall not be construed or applied so as to impair the contractual or other
 2 obligations of a prior board or of the state of Louisiana. All obligations of a prior board are
 3 obligations of Regents. All dedications and allocations of revenues and sources of revenues
 4 made to or for a prior board shall continue in the same manner, to the same extent, and for
 5 the same purposes as were provided prior to the enactment of this Act until other provision
 6 is made therefor. All books, papers, records, actions, and other property of every kind,
 7 heretofore possessed, controlled, or used by a prior board are hereby transferred to Regents.

8 (E) Until otherwise provided by Regents, all employees engaged in the performance
 9 of duties of a prior board are transferred to Regents and shall continue to perform such
 10 duties, subject to policies and procedures of Regents, applicable state civil service laws,
 11 rules, and regulations, and other applicable laws. Subject to such laws and rules, positions
 12 in the unclassified service shall remain in the unclassified service.

13 (F) This Act shall not be construed or applied so as to prevent full compliance by
 14 the state, or any department, office, or agency thereof, with the requirements of any act of
 15 congress or any regulation made thereunder by which federal aid or other federal assistance
 16 is made available.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____