
DIGEST

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HB No. 549

Abstract: Relative to the La. Granting Resources and Autonomy for Diplomas Act, to provide for additional operational autonomies to be granted to public postsecondary education institutions including but not limited to authority and exemptions relative to budgetary management, capital outlay, and procurement; to require certain reporting by public postsecondary education institutions and the Board of Regents; to provide relative to renewal periods of institutions' performance agreements; and to provide for the retention of certain unused funds by certain institutions.

Present law (the La. Granting Resources and Autonomy for Diplomas Act) authorizes public postsecondary education institutions, including professional schools, to enter into performance agreements with the Board of Regents in order to be granted limited operational autonomy and flexibility in exchange for committing to meet established targets for performance objectives as applicable to the institution. Such objectives are categorized relative to student success, articulation and transfer, workforce and economic development, and institutional efficiency and accountability and generally include graduation rate and graduation productivity goals, increasing admission standards, eliminating certain academic program offerings, increasing research productivity and technology, eliminating remedial education course offerings, demonstrating progress in placing students in jobs, increasing nonresident tuition amounts, designating centers of excellence, and reporting organizational data. Requires institutions entering into performance agreements to report to the Bd. of Regents, the legislative auditor, and the legislature on certain organizational data.

Proposed law generally retains present law and adds, relative to the student success objective, that successful attainment of such objective shall be required for a determination by the Bd. of Regents that an institution has met the short-term targets of the performance agreement. Further adds, relative to the workforce and economic development objective, that La. Economic Development shall identify workforce needs (along with the La. Workforce Commission as provided in present law).

Relative to reporting requirements, proposed law requires that such report be submitted annually, be submitted to the division of administration (in addition to entities listed in present law), be published by the Bd. of Regents on its website, and include certain cost and budget data as specified in proposed law.

Present law, relative to autonomies granted to institutions entering into performance agreements, provides certain tuition authority and a base level of operational autonomy and flexibility relative

to carrying forward unexpended and unobligated funds, procurement of information technology products and services, and state travel regulations.

Proposed law retains present law tuition authority but deletes present law operational autonomies and provides instead the following:

- (1) Base level. Institutions that meet the short-term targets in the performance agreement and are determined by the division of administration to possess the operational capacity relevant to that autonomy may be granted the following:
 - (a) Authority to retain any funds which remain unexpended and unobligated at the end of the fiscal year for use at the institution's discretion pursuant to present law R.S. 17:3386.
 - (b) Authority to execute contracts up to \$49,999 within a 12 month period in accordance with the delegation of authority by the office of contractual review pursuant to present law R.S. 39:1488.
 - (c) Authority to identify and dispose of obsolete equipment, excluding certain vehicles and items, up to an original acquisition value of \$5,000.
 - (d) Authority to be excluded from the IT-10 and the office of information technology, as provided in present law R.S. 39:15.3, for purchases with an academic research or classroom instructional purpose.
 - (e) Authority to engage in competitive sealed bidding in accordance with present law R.S. 39:1594 or a competitive request for proposals process in accordance with present law R.S. 39:1593 without publishing each advertisement in the official journal of the state.
 - (f) Authority to exclude from authorized table of organization full-time or part time position of employment for which a budget has been approved and an appropriation has been made or a transfer of funds effected pursuant to law which is fully funded by non-appropriated funds.
- (2) Intermediate level. Institutions that meet the short-term targets in the performance agreement, are determined by the division of administration to possess the capacity relevant to that autonomy, and meet requirements for significantly streamlining academic service delivery to students to meet regional workforce needs, may be granted the following:
 - (a) Authority to procure materials, supplies, equipment, and services through purchasing agreements established by a not-for-profit cooperative buying organization when such purchasing agreements have been established pursuant to a competitive bid proposal process.

- (b) Authority to directly administer minor facility capital outlay projects without oversight or control by the office of facility planning and control. Defines minor facilities projects as those that do not require either the use of and coordination between multiple trades and whose cost is not greater than \$500,000 or that do not require the use of the professional services of an architect or engineer, pursuant to present law R.S. 39:1482 and R.S. 39:1484.
 - (c) Authority to piggyback on an existing cooperative purchasing agreement in accordance with present law R.S. 39:1702 and proposed law.
 - (d) Authority to use reverse auctions. Defines reverse auction as a competitive online solicitation process on the Internet for products, supplies, services, and other materials in which vendors compete against each other in real time in an open and interactive environment.
 - (e) Authority for the director of purchasing at a college or university to make a determination to use a competitive request for proposal process as provided in present law R.S. 39:1593(C) without the approval of the commissioner of administration or the director of state purchasing.
- (3) High level. Institutions that meet the short-term targets in the performance agreement, are determined by the division of administration to possess the capacity relevant to that autonomy, and have a six-year Integrated Postsecondary Education Data System graduation rate within five percentage points of the average graduation rate for its classification according to the Southern Regional Education Board, may be granted the following:
- (a) Authority to participate in a pilot procurement code as established by the initial qualifying institution to be in place for an initial period of three years and approved by the division of administration. to be used in lieu of the La. Procurement Code as provided in present law R.S. 39:1551 through R.S. 39:1697.
 - (b) Exemption from participation in the state's risk management program established by present law R.S. 39:1527 et seq., pursuant to a phased-in plan of implementation in collaboration with the division of administration. Provides that such exemption shall not include the coverage provided by the state's risk management program pursuant to present law R.S. 40:1299.39.
 - (c) Authority to administer all facilities projects funded with self-generated revenue, federal funds, donations, grants, or revenue bonds, including all projects falling under present law R.S. 39:128. Provides that except for those projects falling under present law R.S. 39:128, these projects shall not be exempted from the capital outlay budget or any requirements as pertains thereto.
 - (d) Authority to invest funds as defined by present law R.S. 49:327(C), in addition to

those instruments listed in present law R.S. 49:327(B)(1), in tax exempt bonds and other taxable governmental bonds issued by any state or a political subdivision or public corporation of any state. Provides that if an institution is either no longer meeting its short-term targets or is determined by the division of administration to no longer possess the capacity relevant to this autonomy, or both, authority to invest additional funds shall be limited to those instruments currently defined by present law R.S. 49:327(C) and (B)(1), and shall exclude further investments in tax exempt bonds and other taxable government bonds.

Specifies that for proposed law purposes, for an institution to meet the requirement of significantly streamlining academic service delivery, the institution shall have acted on at least two items from a list approved by the Bd. of Regents, which shall include the following:

- (1) The review of all programs and academic offerings and appropriate action to improve those programs and academic offerings through modification, consolidation, or elimination including consideration of online delivery to meet workforce needs and maximize resources.
- (2) The review and streamlining of all course offerings to align with program requirements and facilitate on-time graduation.
- (3) If a two-year institution, the review of non-academic programs and degrees and appropriate action to improve such programs and degrees through modification, consolidation, or elimination including consideration of online delivery.
- (4) If a four-year institution, raised the minimum composite score on the ACT required for admission to at least two points higher than the Bd. of Regents baseline appropriate for its type of institution. Provides that such requirement shall be notwithstanding a student's grade point average and that opting not to partake in this requirement shall not impair an institution's authority to set admission standards in accordance with Bd. of Regents policy.

Present law provides that the initial performance agreement and each subsequent agreement shall be a six-year agreement and shall be reviewed annually by the Bd. of Regents. Authorizes the board to revoke agreements and to modify performance objective targets under certain circumstances. Provides that such modifications shall be subject to the approval of the Joint Legislative Committee on the Budget.

Proposed law generally retains present law but provides for annual renewal instead of review by the Bd. of Regents and authorizes the board to lower the established targets only under certain circumstances as specified in present law. Proposed law further authorizes the Bd. of Regents to raise the established targets to keep pace with institutional progress and requires written notification of such to the House and Senate education committees.

Present law requires the Bd. of Regents annually to monitor and report to the legislature and the

governor on each participating institution's progress in meeting the established targets for the performance objectives. Provides for a determination by the board as to whether to recommend renewal of an institution's performance agreement, subject to the approval of the Joint Legislative Committee on the Budget. Provides that such determination shall be based on the recommendations of a review panel established by the board as specified in present law. Specifies further objectives to be met by an institution if its agreement is renewed including further increasing cohort graduation rate goals. Requires that agreements be certified by the respective management boards.

Proposed law retains present law and relative to the objective on increasing a graduation rate of at least 50% for specified institutions, adds "Four-Year 6" institutions to such list.

Proposed law adds requirement that the Bd. of Regents inventory all institutional student records systems and recommend a plan to standardize and integrate such systems to include student transcript analysis and degree auditing components. Provides that the system shall include all undergraduate students and at a minimum and by student, the number of course credits earned, the number of course credits needed for degree completion, a time line for successful degree completion that shows if the student is behind, on track, or ahead, and course credits needed as determined by the student's declared area of concentration. Requires the Bd. of Regents to report on the progress of such standardization to the legislature and the division of administration 60 days prior to the 2012 Regular Session and annually thereafter on the performance of qualifying institutions at achieving on-time graduation based on the student tracking and records system and to post the report on its website and make it easily accessible to the public.

Present law exempts institutions entering into a performance agreement pursuant to present law from the present law requirement that at least 50% of state general funds which remain unexpended and unobligated at the end of the fiscal year be maintained in a reserve fund and used only for preventative maintenance purposes and from the prohibition on more than 2% of certain state general fund appropriations or allocations being carried forward.

Proposed law provides instead that an institution that meets the short-term targets in the performance agreement may retain any funds appropriated or allocated to such institution, excluding those appropriated pursuant to present law (relative to appropriations for a specific purpose), which remain unexpended and unobligated at the end of the fiscal year, in accordance with proposed law (relative to the granting of certain operational autonomies).

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

(Amends R.S. 17:3139(B), (C)(3) and (5)(intro. para.) and (i), (D), (F)(intro. para.), (4), and (5), and (G)(1), (2)(intro. para) and (iii), and (3), and 3386(E); Adds R.S. 17:3139(C)(1)(e) and (5)(j) and (G)(4))