

Regular Session, 2011

HOUSE BILL NO. 549

BY REPRESENTATIVE TUCKER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

COLLEGES/UNIVERSITIES: Provides relative to the La. Granting Resources and Autonomy for Diplomas Act, including additional operational autonomies to be granted to public postsecondary education institutions and reporting requirements for such institutions and the Board of Regents

1 AN ACT

2 To amend and reenact R.S. 17:3139(B), (C)(3) and (5)(introductory paragraph) and (i), (D),

3 (F)(introductory paragraph), (4), (5), and (6), and (G)(1), (2)(introductory paragraph)

4 and (iii), and (3)(introductory paragraph), and 3386(E) and to enact R.S.

5 17:3139(C)(1)(e) and (5)(j) and (G)(4) and (5), relative to the Louisiana Granting

6 Resources and Autonomy for Diplomas Act; to provide for additional operational

7 autonomies to be granted to public postsecondary education institutions, including

8 but not limited to authority and exemptions relative to budgetary management,

9 capital outlay, and procurement; to provide relative to required reporting by public

10 postsecondary education institutions and certain cost data to be included in such

11 reports; to provide relative to renewal periods of institutions' performance

12 agreements by the Board of Regents; to require achievement of certain standards for

13 retention of first-year students; to require the Board of Regents to report on the

14 standardization of student tracking and records systems and the performance of

15 institutions relative thereto; to provide relative to the retention of certain unused

16 funds by certain institutions; to direct the Louisiana State Law Institute to

17 redesignate certain statutory provisions; to provide for an effective date; and to

18 provide for related matters.

19 Be it enacted by the Legislature of Louisiana:

1 Section 1. R.S. 17:3139(B), (C)(3) and (5)(introductory paragraph) and (i), (D),
2 (F)(introductory paragraph), (4), (5), and (6), and (G)(1), (2)(introductory paragraph) and
3 (iii), and (3)(introductory paragraph), and 3386(E) are hereby amended and reenacted and
4 R.S. 17:3139(C)(1)(e) and (5)(j) and (G)(4) and (5) are hereby enacted to read as follows:

5 §3139. Louisiana Granting Resources and Autonomy for Diplomas Act; purpose;
6 agreements; monitoring and renewal; reporting

7 * * *

8 B. Purpose. The purpose of this Section is to support the state's public
9 postsecondary education institutions in remaining competitive and increasing their
10 overall effectiveness and efficiency by ~~providing~~ requiring that the institutions
11 achieve specific, measurable performance objectives aimed at improving college
12 completion and at meeting the state's current and future workforce and economic
13 development needs, by improving the quality and type of data available on these
14 objectives and institutions' respective progress towards them, and by granting the
15 institutions limited operational autonomy and flexibility in exchange for achieving
16 such objectives.

17 C. Performance agreements; objectives. Effective beginning with the 2011
18 Fiscal Year, any public postsecondary education institution, including professional
19 schools, may enter into an initial performance agreement with the Board of Regents
20 in order to be granted limited operational autonomy and flexibility as provided in
21 Subsection F of this Section in exchange for committing to meet established targets
22 for the following performance objectives as applicable to the institution as
23 determined by the Board of Regents:

24 (1)

25 * * *

26 (e) For the purposes of this Section, successful attainment of the student
27 success objectives shall be required for determination by the Board of Regents that
28 an institution has met the short-term targets of the performance agreement as
29 provided in this Subsection. Successful attainment of the student success objectives

1 ~~limited to exceptions from procurement and construction regulations. However, no~~
2 ~~exception from any provision of the Louisiana Procurement Code or from Chapter~~
3 ~~10 of Title 38 of the Louisiana Revised Statutes of 1950 shall be granted, and, unless~~
4 ~~specifically authorized by the legislature, no design-build contract shall be~~
5 ~~authorized pursuant to this Paragraph. The Board of Regents may grant such~~
6 ~~autonomies to an institution during the initial agreement period if all of the following~~
7 ~~are met:~~

8 ~~(a) After three years, the institution has achieved a sufficient number of the~~
9 ~~performance objectives provided in Subsection C of this Section as determined by~~
10 ~~the Board of Regents.~~

11 ~~(b) The institution has demonstrated the ability to successfully operate with~~
12 ~~the base levels of autonomies granted by this Section as determined by the Board of~~
13 ~~Regents.~~

14 ~~(6) (4)~~ Each postsecondary education management board shall establish
15 criteria for waiving any tuition or mandatory fee increase as authorized in this
16 Subsection in cases of financial hardship. Information relative to such waivers and
17 the criteria and procedures for obtaining a waiver shall be made available to all
18 prospective students in a timely manner such that each student is informed of the
19 availability of a waiver prior to the student making a final decision concerning
20 attendance at any public institution of postsecondary education.

21 (5) Operational autonomies. (a) Base level. Notwithstanding any provision
22 of law to the contrary, any institution that is determined by the Board of Regents to
23 have met the short-term targets established in the performance agreement may be
24 granted the autonomies as provided in this Subparagraph; however, no institution
25 shall be granted such an autonomy until after the division of administration
26 determines that for the following year the institution possesses the capacity relevant
27 to the autonomy including, at a minimum, a review of the most recent fiscal audit by
28 the legislative auditor.

1 (i) Authority to retain any funds which remain unexpended and unobligated
2 at the end of the fiscal year for use at the institution's discretion pursuant to R.S.
3 17:3386.

4 (ii) Authority to execute contracts up to a value of forty-nine thousand nine
5 hundred ninety-nine dollars within a twelve-month period in accordance with the
6 delegation of authority by the office of contractual review pursuant to R.S. 39:1488.

7 (iii) Authority to identify and dispose of obsolete equipment, excluding
8 vehicles and items deemed by federal law to be of a dangerous nature, up to an
9 original acquisition value of five thousand dollars.

10 (iv) Authority to be excluded from oversight or review by the office of
11 information technology, as provided in R.S. 39:15.3, for purchases with an academic
12 research or classroom instructional purpose.

13 (v) Authority to engage in competitive sealed bidding in accordance with
14 R.S. 39:1594 or a competitive request for proposals process in accordance with R.S.
15 39:1593 without publishing each advertisement in the official journal of the state.

16 (vi) Authority to exclude from authorized table of organization full-time or
17 part-time position of employment for which a budget has been approved and an
18 appropriation has been made or a transfer of funds effected pursuant to law which
19 is fully funded by nonappropriated funds.

20 (b) Intermediate level. Notwithstanding any provision of law to the contrary,
21 any institution that is determined by the Board of Regents to have met the short-term
22 targets established in the performance agreement may be granted the autonomies as
23 provided in this Subparagraph; however, no institution shall be granted such an
24 autonomy until after the division of administration determines that for the following
25 year the institution possesses the capacity relevant to the autonomy including, at a
26 minimum, a review of the most recent fiscal audit by the legislative auditor, and the
27 institution has met the Board of Regents' requirements for significantly streamlining
28 its academic service delivery to students to meet regional workforce needs as
29 provided in Item (vi) of this Subparagraph.

1 (i) Notwithstanding the provisions of R.S. 39:1702, authority to procure
2 materials, supplies, equipment, and services through any purchasing agreements
3 established by a not-for-profit cooperative buying organization located in the United
4 States, when such purchasing agreements have been established pursuant to a
5 competitive bid proposal process. Prior to entering any purchasing agreement with
6 a not-for-profit cooperative buying organization, the institution shall advertise a
7 notice of intent to enter such purchasing agreement through a centralized, electronic,
8 interactive environment administered by the division of administration as provided
9 in R.S. 39:1593 and on the institution's website and shall allow fifteen days for
10 interested vendors to submit a proposal for the materials, supplies, equipment, or
11 services. The proposals submitted by interested vendors shall adhere to the request
12 for proposal or solicitation issued by the cooperative buying organization. The
13 institution shall review the proposals submitted by interested vendors and compare
14 the proposals to the cooperative buying organization agreement to determine the
15 lowest responsive and responsible vendor. The institution shall utilize the lowest
16 responsive and responsible vendor for the procurement. For purposes of this Section,
17 lowest responsive and responsible bidder shall be defined as set forth in R.S.
18 39:1591.

19 (ii) Authority to directly administer minor facility capital outlay projects
20 without oversight or control by the office of facility planning and control. For
21 purposes of this Section, minor facilities projects shall mean, in addition to the
22 authority provided in R.S. 39:128, those that do not require the use of and
23 coordination between more than two trades or that do not require the use of the
24 professional services of an architect or engineer pursuant to the provisions of R.S.
25 39:1482 and 1484.

26 (iii) Authority to join an existing cooperative purchasing agreement in
27 accordance with R.S. 39:1702 and Item (i) of this Subparagraph. Prior to entering
28 any purchasing agreement with a not-for-profit cooperative buying organization, the
29 institution shall advertise a notice of intent to enter such purchasing agreement

1 through a centralized, electronic, interactive environment administered by the
2 division of administration as provided in R.S. 39:1593 and on the institution's
3 website and shall allow fifteen days for interested vendors to submit a proposal for
4 the materials, supplies, equipment, or services. The proposals submitted by
5 interested vendors shall adhere to the request for proposal or solicitation issued by
6 the cooperative buying organization. The institution shall review the proposals
7 submitted by interested vendors and compare the proposals to the cooperative buying
8 organization agreement to determine the lowest responsive and responsible vendor.
9 The institution shall utilize the lowest responsive and responsible vendor for the
10 procurement. For purposes of this Section, lowest responsive and responsible bidder
11 shall be defined as set forth in R.S. 39:1591.

12 (iv) Authority to use reverse auctions. For purposes of this Section, reverse
13 auction means a competitive online solicitation process on the Internet for products,
14 supplies, services, and other materials in which vendors compete against each other
15 in real time in an open and interactive environment.

16 (v) Authority for the director of purchasing at a college or university to make
17 a determination to use a competitive request for proposal process as provided in R.S.
18 39:1593(C) without the approval of the commissioner of administration or the
19 director of state purchasing.

20 (vi) For purposes of this Subparagraph, for an institution to meet the
21 requirement of significantly streamlining academic service delivery, the institution
22 shall have acted on at least two items from a list approved by the Board of Regents,
23 which shall include the following:

24 (aa) The review of all of its programs and academic offerings and
25 appropriate action to improve those programs and academic offerings through
26 modification, consolidation, or elimination, including consideration of online
27 delivery of academic offerings to meet workforce needs and maximize resources.

28 (bb) The review and streamlining of all course offerings to align with
29 program requirements and facilitate on-time graduation.

1 (cc) If a two-year institution, the review of nonacademic programs and
2 degrees and appropriate action to improve such programs and degrees through
3 modification, consolidation, or elimination, including consideration of online
4 delivery of academic offerings.

5 (dd) If a four-year institution, raised the minimum composite score on the
6 American College Test required for admission to at least two points higher than the
7 Board of Regents baseline appropriate for its type of institution. This requirement
8 shall be notwithstanding a student's grade point average. Opting not to participate
9 in this requirement shall not preclude an institution from implementing minimum
10 admission standards in accordance with Board of Regents policy.

11 (c) High level. Notwithstanding any provision of law to the contrary, any
12 institution that is determined by the Board of Regents to have met the short-term
13 targets established in the performance agreement may be granted the autonomies as
14 provided in this Subparagraph; however, no institution shall be granted an autonomy
15 until after the division of administration determines that for the following year the
16 institution possesses the capacity relevant to the autonomy including, at a minimum,
17 a review of the most recent fiscal audit by the legislative auditor and has a one
18 hundred fifty percent of normal time Integrated Postsecondary Education Data
19 System graduation rate within five percent of the average graduation rate for its
20 classification according to the Southern Regional Education Board.

21 (i) Authority to participate in a pilot procurement code as established by the
22 initial qualifying institution to be in place for an initial period of three years and
23 approved by the division of administration. An institution granted this autonomy
24 shall use this pilot procurement code in lieu of the Louisiana Procurement Code as
25 provided in R.S. 39:15.3, 196 through 200, 1481 through 1526, and 1551 through
26 1755.

27 (ii) Exemption from participation in the state's risk management program
28 established by R.S. 39:1527 et seq. and administered by the office of risk
29 management, pursuant to a phased-in plan of implementation as determined by the

1 institution in collaboration with the attorney general and the division of
2 administration. This exemption shall not include the coverage provided by the state's
3 risk management program pursuant to R.S. 40:1299.39. Nothing in this exemption
4 shall abrogate, amend, or alter the authority of the attorney general or the
5 Department of Justice under Article 4, Sections 1 and 8 of the Constitution of
6 Louisiana or any other provision of law to represent the state and all departments and
7 agencies of state government in all litigation arising out of or involving tort or
8 contract. Any entity or institution that is granted an exemption under this Item shall
9 enter into an interagency agreement with the attorney general and pay the attorney
10 general reasonable attorney fees and expenses incurred in representing the
11 institution.

12 (aa) Nothing in this Item shall be construed as creating any independent or
13 separate cause of action against the state. The state shall continue to be sued only
14 through the exempt institution's management board and cannot be sued in addition
15 to or separately from the exempt institution's management board in any cause of
16 action asserted against the exempt institution. Neither the state nor the office of risk
17 management shall be responsible for payment of any judgment against the exempt
18 institution's management board.

19 (bb) Any contract between the exempt institution's management board and
20 its insurer shall name the state as an additional insured. Any provision in any
21 contract between the exempt institution's management board and its insurer that
22 conflicts with the provisions of this Section shall be deemed null and void.

23 (cc) Nothing in this Item shall be construed to adversely affect any of the
24 substantive and procedural limitations applicable to actions against the state,
25 including but not limited to the provisions of R.S. 13:5106, 5107, 5108.1, and 5112,
26 and R.S. 9:2800 which would continue to apply equally to any exempted institution.
27 Those provisions that will not apply are those that are specifically excluded in this
28 Section.

1 (iii) Notwithstanding the provisions of R.S. 39:113, authority to administer
2 all facilities projects funded with self-generated revenue, federal funds, donations,
3 grants, or revenue bonds, including all projects falling under R.S. 39:128; however,
4 excluding those projects falling under R.S. 39:128, these projects shall not be
5 exempted from the capital outlay budget or any requirements as pertains thereto.

6 (iv) Authority to invest funds as defined by R.S. 49:327(C), in addition to
7 those instruments laid out in R.S. 49:327(B)(1), in tax exempt bonds and other
8 taxable governmental bonds issued by any state or a political subdivision or public
9 corporation of any state, provided that such bonds are rated by a nationally
10 recognized rating agency as investment grade. The investment policy governing such
11 investment as defined by R.S. 49:327(C)(1)(b) shall require only the approval of the
12 institution's management board and shall define the allocation of funds among
13 instruments and the term of maturity of the instruments. If an institution pursuant
14 to the Board of Regents' annual review is either no longer meeting its short-term
15 targets or is determined by the division of administration to no longer possess the
16 capacity relevant to this autonomy, or both, authority to invest additional funds shall
17 be limited to those instruments currently defined by R.S. 49:327(B)(1) and (C), and
18 shall exclude further investments in tax exempt bonds and other taxable government
19 bonds issued by the state or a political subdivision or public corporation of the state.

20 G. Monitoring; reporting; renewal. (1) The Board of Regents annually shall
21 monitor and report to the legislature and the governor on each participating
22 institution's progress in meeting the established targets for performance objectives
23 as specified in Subsection C of this Section. At the end of the ~~initial agreement~~
24 ~~period~~ first six years and each subsequent ~~agreement~~ six-year period, the Board of
25 Regents shall determine whether to recommend renewal of an institution's
26 performance agreement subject to the approval of the Joint Legislative Committee
27 on the Budget. Such determination shall be based on the recommendations of a
28 review panel established by the Board of Regents to conduct a comprehensive review
29 and evaluation of the institution's progress in meeting the performance objectives.

1 The composition of the review panel shall be the same as is provided in R.S.
2 17:3138(C) with the addition of two representatives from the business community,
3 who each possess a postsecondary degree, one recommended by the speaker of the
4 House of Representatives and one recommended by the president of the Senate.

5 (2) If an institution's initial performance agreement is renewed ~~for a second~~
6 ~~six-year period, after six years,~~ the institution in exchange shall:

7 * * *

8 (iii) A graduation rate of at least fifty percent for any institution classified
9 as a "Four-Year 3", "Four-Year 4", ~~or "Four-Year 5",~~ or "Four-Year 6" institution by
10 the Southern Regional Education Board.

11 * * *

12 (3) If an institution's performance agreement is renewed ~~for subsequent~~
13 ~~periods following the first renewal period,~~ after six years, the institution in exchange
14 shall:

15 * * *

16 (4) The Board of Regents shall inventory all institutional student records
17 systems and recommend a plan to standardize and integrate such systems to include
18 student transcript analysis and degree auditing components. This system shall
19 include all undergraduate students and at a minimum and by student, the number of
20 course credits earned, the number of course credits needed for degree completion,
21 a time line for successful degree completion that shows if the student is behind, on
22 track, or ahead, and course credits needed as determined by the student's declared
23 area of concentration. The Board of Regents shall report on the progress of such
24 standardization to the legislature and the division of administration sixty days prior
25 to the 2012 Regular Session of the Legislature of Louisiana and annually thereafter
26 on the performance of qualifying institutions at achieving on-time graduation based
27 on the student tracking and records system. The report shall be posted on the Board
28 of Regents' website and shall be made easily accessible to the public.

1 Section 3. The Louisiana State Law Institute is hereby directed to designate Sections
2 3121 through 3138 of Chapter 24 of Title 17 of the Louisiana Revised Statutes of 1950 as
3 "Part I. General Provisions" and Section 3139 of Chapter 24 of Title 17 of the Louisiana
4 Revised Statutes of 1950 as "Part II. Louisiana Granting Resources and Autonomy for
5 Diplomas Act". The institute generally shall designate each Subsection in R.S. 17:3139 as
6 a Section in Part II of Chapter 24 and make appropriate adjustments to designations and
7 citations throughout.

8 Section 4. This Act shall become effective upon signature by the governor or, if not
9 signed by the governor, upon expiration of the time for bills to become law without signature
10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
12 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Tucker

HB No. 549

Abstract: Relative to the La. Granting Resources and Autonomy for Diplomas Act, provides 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; requires certain reporting by public postsecondary education institutions and the Board of Regents; provides relative to renewal periods of institutions' performance agreements; and provides for the retention of certain unused funds by some 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 Board 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 objectives, that successful attainment of such objectives shall be required for a determination by the Board 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 Board 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 oversight or review by 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 nonappropriated 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. Requires institutions to advertise notice of intent prior to entering any such purchasing agreement through the means specified in present law (R.S. 39:1593) and on the

- institution's website and provides requirements for proposals submitted by interested vendors.
- (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 the use of and coordination between more than two trades 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 1484).
 - (c) Authority to join an existing cooperative purchasing agreement in accordance with present law (R.S. 39:1702) and proposed law. Requires institutions to advertise notice of intent prior to entering any such purchasing agreement through the means specified in present law (R.S. 39:1593) and on the institution's website and provides requirements for proposals submitted by interested vendors.
 - (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. 39:15.3, 196 through 200, 1481 through 1526, and 1551 through 1755).
 - (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 attorney general and 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) and shall not abrogate the authority of the attorney general or the Dept. of Justice to represent the state in tort or contract litigation. Requires exempt institutions to pay the attorney general reasonable attorney fees and expenses incurred in representing the institution and provides that the state and the office of risk management shall not be responsible for paying any judgment against the exempt institution's management board. Further provides relative to contracts between management boards and insurers and the substantive and procedural limitations of actions against the state applicable to exempt institutions.
 - (c) Authority to administer all facilities projects funded with self-generated revenue, federal funds, donations, grants, or revenue bonds, including all projects under present law (R.S. 39:128). Provides that except for those

projects 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 defined by present law (R.S. 49:327 (B)(1) and (C)) 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 Board 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 nonacademic 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 Board 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 participate in this requirement shall not preclude an institution from implementing minimum admission standards in accordance with Board 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 Board 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 Board 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 Board of Regents to raise the established targets to continue institutional progress and requires written notification of such to the House and Senate education committees.

Present law requires the Board 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 Board 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 Board of Regents to report on the progress of such standardization to the legislature and the division of administration 60 days prior to the 2012 R.S. 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.

Proposed law provides that in addition to all of the targets in a performance agreement during the first or any subsequent renewal period, no institution that grants baccalaureate degrees shall be granted or exercise autonomies, including authority to increase tuition, that are contingent on performance pursuant to present law unless, in the immediately prior academic year, it retained its first-year, full-time baccalaureate degree seeking students at a rate that is predictive of the mean graduation rate of each institution's peers as identified by the board in accordance with present law. Requires the board to collect and analyze data from institutions in Southern Regional Education Board member states to determine the appropriate retention rate for each class of institution. Proposed law becomes applicable beginning with the 2017-2018 academic year as based on retention rates between the 2015-2016 and 2016-2017 academic years.

Present law exempts institutions entering into a performance agreement pursuant to present law from 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 to be used at its discretion, 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).

Directs the La. State Law Institute to redesignate certain present law and proposed law provisions.

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), (5), and (6), and (G)(1), (2)(intro. para.) and (iii), and (3)(intro. para.), and 3386(E); Adds R.S. 17:3139(C)(1)(e) and (5)(j) and (G)(4) and (5))

Summary of Amendments Adopted by House

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

1. Relative to the intermediate level authorities to procure materials, supplies, equipment, and services through cooperative purchasing agreements, adds provision requiring institutions to advertise notice of intent prior to entering any such purchasing agreement through the means specified in present law and on the institution's website and provides requirements for proposals submitted by interested vendors.
2. Relative to the definition of minor facilities projects, deletes those which cost is not greater than \$500.
3. Relative to the high level exemption from participation in the state's risk management program, adds that such exemption shall not abrogate the authority of the attorney general or the Dept. of Justice to represent the state in tort or contract litigation; requires exempt institutions to pay the attorney general reasonable attorney fees and expenses incurred in representing the institution; provides that the state and the office of risk management shall not be responsible for paying any judgment against the exempt institution's management board; and provides for contracts between management boards and insurers and the substantive and procedural limitations of actions against the state applicable to exempt institutions.
4. Adds provision requiring baccalaureate granting institutions to achieve retention rates predictive of the mean graduation rate of the institution's peers beginning in 2017.
5. Adds provision directing the La. State Law Institute to redesignate certain present law and proposed law provisions.
6. Makes technical changes.