

Regular Session, 2011

SENATE BILL NO. 266 (Substitute of Senate Bill No. 183 by Senator Appel)

BY SENATORS APPEL AND MURRAY

POSTSECONDARY ED. Transfers the University of New Orleans to the University of Louisiana System. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 17:3217, to enact R.S. 17:3230, and to repeal R.S. 17:3215(2),
3 relative to postsecondary education; to provide for the transfer of the University of
4 New Orleans to the University of Louisiana System; to provide relative to the
5 transfer of the facilities, resources, funds, obligations, and functions of the institution
6 and related foundations; to provide for the transition responsibilities of the impacted
7 institution and management boards and the division of administration; to provide for
8 cooperative agreements; to provide relative to accreditation issues; to provide
9 relative to funding; to provide relative to employees; to provide for effectiveness;
10 and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 17:3217 is hereby amended and reenacted and R.S. 17:3230 is hereby
13 enacted to read as follows:

14 §3217. University of Louisiana ~~system~~ **System**

15 The University of Louisiana ~~system~~ **System** is composed of the institutions
16 under the supervision and management of the ~~Board of Trustees for State Colleges~~
17 ~~and Universities~~ **Board of Supervisors for the University of Louisiana System** as

1 follows:

2 (1) Grambling State University at Grambling.

3 (2) Louisiana Tech University at Ruston.

4 (3) McNeese State University at Lake Charles.

5 (4) Nicholls State University at Thibodaux.

6 ~~(5) Northeast Louisiana University of Louisiana at Monroe.~~

7 ~~(6)~~**(5)** Northwestern State University of Louisiana at Natchitoches.

8 ~~(7)~~**(6)** Southeastern Louisiana University at Hammond.

9 ~~(8) University of Southwestern Louisiana at Lafayette.~~

10 **(7) The University of Louisiana at Lafayette.**

11 **(8) The University of Louisiana at Monroe.**

12 **(9) The University of New Orleans.**

13 ~~(9)~~**(10)** Any other college, university, school, institution or program now or
14 hereafter under the supervision and management of the ~~Board of Trustees for State~~
15 ~~Colleges and Universities~~ **Board of Supervisors for the University of Louisiana**
16 **System.**

17 * * *

18 **§3230. The University of New Orleans; transfer to the University of Louisiana**
19 **System**

20 **A. (1) Not later than August 1, 2011, the chancellor of the University of**
21 **New Orleans shall submit a letter to the president of the Southern Association**
22 **for Colleges and Schools, Commission on Colleges, stating his intent for a**
23 **change in governance for the institution from the Board of Supervisors of**
24 **Louisiana State University and Agricultural and Mechanical College to the**
25 **Board of Supervisors of the University of Louisiana System.**

26 **(2) The chancellor, faculty, and administration of the University of New**
27 **Orleans shall take every action necessary to efficiently and expeditiously comply**
28 **with all established timelines, requirements, and procedures to ensure that the**
29 **requested change of governance may be effected immediately upon receipt of**

1 commission approval.

2 B.(1) Pursuant to the authority granted to the legislature by Article
3 VIII, Section 5(D)(3) of the Constitution of Louisiana to transfer an institution
4 from one board to another by law enacted by two-thirds of the elected members
5 of each house, the University of New Orleans, and the assets, funds, obligations,
6 liabilities, programs, and functions related thereto, are hereby transferred to
7 the University of Louisiana System, and shall be under the management and
8 supervision of the Board of Supervisors for the University of Louisiana System.

9 (2) The provisions of this Subsection shall become effective immediately
10 upon receipt of approval from the Southern Association for Colleges and
11 Schools, Commission on Colleges, for the requested change in governance.

12 C. The Board of Supervisors for the University of Louisiana System
13 shall develop policies and procedures to resolve issues related to the status and
14 tenure of employees of the University of New Orleans which may arise from the
15 transfer of the institution to the University of Louisiana System.

16 D. The Board of Supervisors of Louisiana State University and
17 Agricultural and Mechanical College shall:

18 (1) Continue to exercise its authority to supervise and manage the
19 University of New Orleans until such time as the Southern Association for
20 Colleges and Schools, Commission on Colleges, grants approval for the
21 requested change in governance and transfer of the University of New Orleans
22 to the University of Louisiana System.

23 (2)(a) Work cooperatively and collaboratively with the Board of
24 Supervisors of the University of Louisiana System to ensure that the requested
25 transfer may be effected immediately upon receipt of commission approval for
26 the change in governance.

27 (b) Prior to receipt of such approval, enter into agreements to transfer
28 as many administrative and supervisory functions as possible with respect to the
29 University of New Orleans to the University of Louisiana System, without

1 adversely impacting the accreditation status of the institution.

2 (3) Upon receipt of such approval, immediately transfer all assets, funds,
3 facilities, property, obligations, liabilities, programs, and functions relative to
4 the University of New Orleans to the University of Louisiana System.

5 E. The Board of Supervisors of Louisiana State University and
6 Agricultural and Mechanical College shall not:

7 (1) Interfere with, or impede in any way, the processes to transfer the
8 University of New Orleans to the University of Louisiana System.

9 (2) Sell, transfer, or otherwise remove any asset or thing of value,
10 movable or immovable, tangible or intangible, attributable to or owned by the
11 University of New Orleans, or owned, leased by, or operated by any foundation
12 related to such institution on the effective date of this Section. In addition,
13 access to any asset leased to any foundation related to the University of New
14 Orleans shall not be restricted or denied.

15 (3) Incur, transfer or assign any debt or other responsibility or
16 obligation to the University of New Orleans that is not properly attributable to
17 the institution on the effective date of this Section.

18 (4)(a) Disproportionately reduce or reallocate the level of funding that
19 would otherwise be allocated to the University of New Orleans pursuant to the
20 postsecondary education funding formula.

21 (b) Until such time as the University of New Orleans is transferred to the
22 University of Louisiana System, impose any budget reductions or changes in
23 funding allocations upon the institution without prior review and approval from
24 the Joint Legislative Committee on the Budget.

25 (5) Take any personnel action with regard to any instructional or
26 administrative employee of the University of New Orleans without the prior
27 approval of the Board of Regents.

28 F. The commissioner of administration shall ensure that sufficient funds
29 and resources are available to fully effect the transfer of the University of New

1 Orleans to the University of Louisiana System. The commissioner of
2 administration shall indemnify and hold harmless the transferee and transferor
3 management boards for any liability and costs which may directly result from
4 the mandated transfer. Such funding and resources shall not impact the Board
5 of Regents' formula for equitable distribution of funds to institutions of higher
6 education.

7 Section 2. R.S. 17:3215(2) is hereby repealed.

8 Section 3.(A) This Act is not intended to nor shall it be construed to impair the
9 contractual or other obligations of any agency, office, board, commission, department, or
10 political subdivision, or of the state as a result of the transfers of obligations in accordance
11 with this Act. Upon the effective date of the transfer of the University of New Orleans, all
12 such obligations of the Board of Supervisors of Louisiana State University and Agricultural
13 and Mechanical College related to the University of New Orleans shall be deemed to be
14 obligations of the Board of Supervisors for the University of Louisiana System to the same
15 extent as if originally incurred by it.

16 (B) All funds and revenues previously dedicated by authority of the constitution and
17 laws of this state to the payment of any bonds related to the University of New Orleans shall
18 continue to be collected and dedicated to such payments unless and until other provision is
19 made for such payments in accordance with law. Upon the effective date of the transfer of
20 the University of New Orleans, all acts relating to such bonds by the Board of Supervisors
21 of Louisiana State University and Agricultural and Mechanical College shall be deemed to
22 be the acts of the Board of Supervisors for the University of Louisiana System in the same
23 manner and to the same extent as if originally so done.

24 (C) The provisions of this Section shall have the full force and effect of law.

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

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

DIGEST

Appel (SB 266)

Proposed law provides for the transfer of the University of New Orleans from the Louisiana State University System to the University of Louisiana System as follows:

1. Requires the chancellor of UNO to submit a letter to the president of the Southern Association for Colleges and Schools, Commission on Colleges (SACS), not later than August 1, 2011, stating his intent for a change in governance from the Bd. of Supervisors for the LSU System to the Bd. of Supervisors of the UL System.
2. Requires the chancellor, faculty, and administration of UNO to take every action necessary to efficiently and expeditiously comply with all SACS timelines, requirements, and procedures to ensure that the requested change of governance may be effected immediately upon receipt of commission approval.
3. Transfers UNO to the UL System, pursuant to the authority granted to the legislature by the La. constitution to transfer an institution from one board to another by law enacted by two-thirds of the elected members of each house. Also transfers the assets, funds, obligations, liabilities, programs, and functions related to the institution. Provides that such transfer will become effective immediately upon receipt of SACS approval for the change in governance.
4. Requires the Bd. of Supervisors for the UL System to develop policies and procedures to resolve issues related to the status and tenure of UNO employees which may arise from the transfer.

Provides that the LSU Bd. of Supervisors shall:

1. Continue to exercise its authority to supervise and manage UNO until such time as SACS grants approval for the requested change in governance and transfer of the institution to the UL System.
2. Work cooperatively and collaboratively with the UL System board to ensure that the transfer may be effected immediately upon receipt of SACS approval.
3. Enter into agreements to transfer as many UNO administrative and supervisory functions as possible to the UL System, prior to receipt of SACS approval, without adversely impacting the accreditation status of the institution.
4. Immediately transfer all assets, funds, facilities, property, obligations, liabilities, programs, and functions relative to UNO to the UL System, upon receipt of SACS approval for the transfer.

Provides that the LSU Bd. of Supervisors shall not:

1. Interfere with or impede in any way the processes to transfer UNO to the UL System.
2. Sell, transfer, or otherwise remove any asset or thing of value, movable or immovable, tangible or intangible, attributable to or owned by UNO, or owned, leased by, or operated by any foundation related to UNO on the effective date of proposed law. Further provides that access to any asset leased to any foundation related to UNO shall not be restricted or denied.

3. Incur, transfer or assign any debt or other responsibility or obligation to UNO that is not properly attributable to either institution on the effective date of proposed law.
4. Disproportionately reduce or reallocate the level of funding that would otherwise be allocated to UNO pursuant to the postsecondary education funding formula. Provides that until UNO is transferred to the UL System, no budget reductions or changes in funding allocations for the institution shall be imposed without prior review and approval from the Jt. Legislative Committee on the Budget.
5. Take any personnel action with regard to any instructional or administrative employee of UNO without the prior approval of the Board of Regents.

Proposed law requires the commissioner of administration to ensure that sufficient funds and resources are available to fully effect the transfer of UNO to the UL System. Proposed law requires the commissioner of administration to indemnify and hold harmless the transferee and transferor management boards for any liability and costs which may directly result from the mandated transfer. Further provides that such funding and resources shall not impact the Board of Regents' formula for equitable distribution of funds to institutions of higher education.

Present law (R.S. 17:3215(2)) places the University of New Orleans in the Louisiana State University System.

Proposed law repeals this provision.

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

(Amends R.S. 17:3217; adds R.S. 17:3230; repeals R.S. 17:3215(2))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Adds requirement that the commission of administration indemnify and hold harmless the transferee and transferor management boards for any liability and costs which may directly result from the transfer.
2. Clarifies that proposed law does not impair contractual obligation of an entity as a result of the transfer.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill.

1. Provides that funding of transfer shall not impact the Board of Regents' formula for equitable distribution of funds to institutions of higher education.