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DIGEST

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Appel

SB No. 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 of the LSU System to the Bd. of Supervisors for 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. Requires the board to maintain tenure policies and procedures that are in place for UNO employees who have already been awarded tenure or are in a tenure-track position on the date the transfer becomes effective.

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. 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.
- (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 Bd. of Supervisors for the UL System.

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. Further requires the legislature to appropriate sufficient funds to the Bd. of Supervisors of the LSU System and the Bd. of Supervisors for the UL System to fully effect the transfer.

Proposed law requires the Board of Regents and the state of Louisiana 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.

Proposed law provides that for one year after the effective date of the transfer, fees previously paid by UNO to the Bd. of Supervisors of the LSU System and which become due after the transfer shall be paid to the Board of Regents, who will use the proceeds to defray transfer costs, including indemnification insurance.

Proposed law clarifies that the proposed law does not preclude a Memorandum of Understanding (MOU) between the boards under which an existing bonded indebtedness of the LSU System. Board would remain in force after an agreement that the Bd. of Supervisors for the UL System would be responsible for all payments, costs, and other covenants contained in the bonded indebtedness. Requires the Bd. of Supervisors of the LSU System "to make every effort" to maintain such bonded indebtedness under an MOU if it is advantageous to the state.

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.

Senate Floor Amendments to reengrossed bill.

1. Changes who will indemnify the transferee and transferor management boards from the commissioner of administration to the Bd. of Regents and the state.
2. Prohibits changing tenure policies and procedures in place for UNO employees who are already tenured or who occupy a tenure-track position at time of transfer.
3. Requires legislative appropriation to fully effect the transfer.
4. Requires UL System board approval prior to personnel action on UNO employees by the LSU Bd. of Supervisors.
5. Provides for agreements between the boards relative to maintenance of bonded indebtedness existing at the time of transfer.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Education to the re-engrossed bill.

1. Relative to prohibiting the LSU Bd. of Supervisors from taking certain actions regarding the sale, transfer, or removal of specified UNO assets owned on the effective date of a specified provision of proposed law, deletes limitation tied to the effective date of proposed law.
2. Relative to prohibiting the LSU Bd. of Supervisors from taking certain actions regarding any debt or obligation of UNO not properly attributable to the institution on the effective date of a specified provision of proposed law, deletes limitation tied to the effective date of proposed law.
3. Changes proposed law to require the appropriation of sufficient funds to the management boards of the LSU System and the UL System to effect the UNO transfer rather than to require such appropriation to the Bd. of Supervisors.