

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 266 By Senator Appel**KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

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

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Makes technical changes.
2. Removes the requirement that the UL Bd. of Supervisors maintain certain tenure policies and procedures which are in place for certain UNO employees.
3. 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.
4. 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.
5. Removes the Board of Regents from the indemnification and hold harmless provisions but maintains that the state of LA will indemnify and hold harmless the transferee and transferor management boards for any liability and costs which may directly result from the mandated transfer. Further requires that the UNO will reimburse the state for the purchase of insurance for any indemnification and costs associated with the transfer.
6. Requires, beginning FY11-12, UNO to pay all funds to UL Bd. of Supervisors which were previously paid to LSU Bd. of Supervisors.
7. Removes the requirement that for 1 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.
8. 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.
9. Adds legislative intent and goals for postsecondary education delivery system for the New Orleans region.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

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.

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 provides that such funding and resources will not impact the Board of Regents' formula for the equitable distribution of funds to institutions of postsecondary education.

Proposed law provides that the UNO, pursuant to their agreement with the UNO Foundation, shall reimburse the state for the purchase of available insurance for indemnification and costs which may arise from the transfer; provided however, that the state of LA will indemnify and hold harmless the Bd. of Supervisors of LSU and the Bd. of Supervisors for the UL System for any liability and costs which may result from the transfer of existing contracts, financing, or immovable property.

Proposed law provides that effective beginning with the FY11-12, any and all funds previously paid by the UNO to the Bd. of Supervisors of LSU will be paid instead to the Bd. of Supervisors for the UL System; however, the total amount of such payments shall not be less than that paid during the FY10-11 Fiscal Year.

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 and 3241; repeals R.S. 17:3215(2))

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