

Regular Session, 2011

SENATE BILL NO. 241

BY SENATOR CHAISSON

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. (gov sig)

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), and (5), and (G)(1), (2)(introductory paragraph) and

4 (iii), and (3), and 3386(E), and to enact R.S. 17:3139(C)(1)(e) and (5)(j) and (G)(4),

5 relative to the Louisiana Granting Resources and Autonomy for Diplomas Act; to

6 provide for additional operational autonomies to be granted to public postsecondary

7 education institutions including but not limited to authority and exemptions relative

8 to budgetary management, capital outlay, and procurement; to provide relative to

9 required reporting by public postsecondary education institutions and certain cost

10 data to be included in such reports; to provide relative to renewal periods of

11 institutions' performance agreements by the Board of Regents; to require the Board

12 of Regents to report on the standardization of student tracking and records systems

13 and the performance of institutions relative thereto; to provide relative to the

14 retention of certain unused funds by certain institutions; to provide for an effective

15 date;, and to provide for related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 17:3139(B), (C)(3) and (5)(introductory paragraph) and (i), (D),

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

4 §3139. Louisiana Granting Resources and Autonomy for Diplomas Act; purpose;  
 5 agreements; monitoring and renewal; reporting

6 \* \* \*

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

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

23 (1)

24 \* \* \*

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

1 **same institution graduation rate, percentage change in program completers,**  
2 **and retention rate.**

3 \* \* \*

4 (3) Workforce and economic development. (a) Eliminate academic program  
5 offerings that have low student completer rates as identified by the Board of Regents  
6 or are not aligned with current or strategic workforce needs of the state, region, or  
7 both as identified by the Louisiana Workforce Commission **and Louisiana**  
8 **Economic Development.**

9 \* \* \*

10 (5) ~~Submit~~ **Annually submit** a report to the Board of Regents, **which shall**  
11 **publish it on its website,** the legislative auditor, ~~and~~ the legislature, **and the**  
12 **division of administration** containing certain organizational data, including but not  
13 limited to the following:

14 \* \* \*

15 (i) **A cost performance analysis to include by institution:**  
16 **(aa) Total operating budget by function, amount, and percent of total,**  
17 **reported in a manner consistent with the National Association of College and**  
18 **University Business Officers guidelines.**

19 **(bb) Average yearly cost of attendance as reported to the United States**  
20 **Department of Education.**

21 **(cc) Average time to degree for completion of academic programs at all**  
22 **levels.**

23 **(dd) Average cost per degree awarded by degree level.**

24 **(ee) Average cost per non-completer by degree program entered.**

25 **(j)** Any additional data requested by the speaker of the House of  
26 Representatives or the president of the Senate.

27 \* \* \*

28 D. Annual review; revocation; modifications. (1) The initial performance  
29 agreement and each subsequent agreement shall be a six-year agreement and shall

1 be ~~reviewed~~ **renewed** annually by the Board of Regents. The Board of Regents may  
2 revoke an agreement at any time if it determines that an institution has failed to abide  
3 by the terms of the agreement.

4 (2) The Board of Regents may ~~modify~~ **lower** the established targets for  
5 performance objectives contained in an institution's performance agreement **only** in  
6 the event extraordinary circumstances prevent the institution from meeting such  
7 targets. Such modifications shall be subject to approval by the Joint Legislative  
8 Committee on the Budget. **The Board of Regents may raise the established**  
9 **targets for performance objectives contained in an institution's performance**  
10 **agreement to keep pace with institutional progress and shall notify the House**  
11 **Committee on Education and the Senate Committee on Education, in writing,**  
12 **of any such increases.**

13 \* \* \*

14 F. Autonomies granted. Each **Notwithstanding any other provision of law**  
15 **to the contrary, each** institution that enters into a performance agreement as  
16 provided in this Section shall be granted the following:

17 \* \* \*

18 ~~(4) A base level of operational autonomy as determined by the Board of~~  
19 ~~Regents subject to the approval by the division of administration which, at a~~  
20 ~~minimum, shall include greater flexibility in:~~

- 21 ~~(a) Carrying forward unexpended and unobligated funds from one fiscal year~~  
22 ~~to the next.~~
- 23 ~~(b) Procuring information technology products and services.~~
- 24 ~~(c) Adhering to state travel regulations.~~

25 ~~(5) The Board of Regents, in collaboration with the division of~~  
26 ~~administration, shall identify additional operational autonomies, including but not~~  
27 ~~limited to exceptions from procurement and construction regulations. However, no~~  
28 ~~exception from any provision of the Louisiana Procurement Code or from Chapter~~  
29 ~~10 of Title 38 of the Louisiana Revised Statutes of 1950 shall be granted, and, unless~~

1 ~~specifically authorized by the legislature, no design-build contract shall be~~  
2 ~~authorized pursuant to this Paragraph. The Board of Regents may grant such~~  
3 ~~autonomies to an institution during the initial agreement period if all of the following~~  
4 ~~are met:~~

5 ~~(a) After three years, the institution has achieved a sufficient number of the~~  
6 ~~performance objectives provided in Subsection C of this Section as determined by~~  
7 ~~the Board of Regents:~~

8 ~~(b) The institution has demonstrated the ability to successfully operate with~~  
9 ~~the base levels of autonomies granted by this Section as determined by the Board of~~  
10 ~~Regents:~~

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

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

26 **(5) Operational autonomies. (a) Base level. Notwithstanding any**  
27 **provision of law to the contrary, any institution that is determined by the Board**  
28 **of Regents to have met the short-term targets established in the performance**  
29 **agreement and is determined by the division of administration before such**

1 autonomy is granted and annually thereafter to possess the operational capacity  
2 relevant to that autonomy including, at a minimum, a review of the most recent  
3 fiscal audit by the legislative auditor, may be granted the following:

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

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

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

14 (iv) Authority to be excluded from the IT-10 and the office of  
15 information technology, as provided in R.S. 39:15.3, for purchases with an  
16 academic research or classroom instructional purpose.

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

21 (vi) Authority to exclude from authorized table of organization full-time  
22 or part time position of employment for which a budget has been approved and  
23 an appropriation has been made or a transfer of funds effected pursuant to law  
24 which is fully funded by non-appropriated funds.

25 (b) Intermediate level. Notwithstanding any provision of law to the  
26 contrary, any institution that is determined by the Board of Regents to have met  
27 the short-term targets established in the performance agreement, is determined  
28 by the division of administration before such autonomy is granted and annually  
29 thereafter to possess the capacity relevant to that autonomy including, at a

1 minimum, a review of the most recent fiscal audit by the legislative auditor, and  
2 has met the Board of Regents requirements for significantly streamlining its  
3 academic service delivery to students to meet regional workforce needs as  
4 provided in Item (vi) of this Subparagraph, may be granted the following:

5 (i) Notwithstanding the provisions of R.S. 39:1702, authority to procure  
6 materials, supplies, equipment, and services through any purchasing  
7 agreements established by a not-for-profit cooperative buying organization  
8 located in the United States, when such purchasing agreements have been  
9 established pursuant to a competitive bid proposal process.

10 (ii) Authority to directly administer minor facility capital outlay projects  
11 without oversight or control by the office of facility planning and control. For  
12 purposes of this Section, minor facilities projects shall mean those that do not  
13 require either the use of and coordination between multiple trades and whose  
14 cost is not greater than five hundred thousand dollars or that do not require the  
15 use of the professional services of an architect or engineer, pursuant to the  
16 provisions of R.S. 39:1482 and R.S. 39:1484.

17 (iii) Authority to piggyback on an existing cooperative purchasing  
18 agreement in accordance with R.S. 39:1702 and Subparagraph (i) of this  
19 Paragraph.

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

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

28 (vi) For purposes of this Subparagraph, for an institution to meet the  
29 requirement of significantly streamlining academic service delivery, the

1 institution shall have acted on at least two items from a list approved by the  
2 Board of Regents, which shall include the following:

3 (aa) The review of all of its programs and academic offerings and  
4 appropriate action to improve those programs and academic offerings through  
5 modification, consolidation, or elimination including consideration of online  
6 delivery of academic offerings to meet workforce needs and maximize  
7 resources.

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

10 (cc) If a two-year institution, the review of non-academic programs and  
11 degrees and appropriate action to improve such programs and degrees through  
12 modification, consolidation, or elimination including consideration of online  
13 delivery of academic offerings.

14 (dd) If a four-year institution, raised the minimum composite score on  
15 the American College Test required for admission to at least two points higher  
16 than the Board of Regents baseline appropriate for its type of institution. This  
17 requirement shall be notwithstanding a student's grade point average. Opting  
18 not to partake in this requirement shall not impair an institution's authority to  
19 set admission standards in accordance with Board of Regents policy.

20 (c) High level. Notwithstanding any provision of law to the contrary, any  
21 institution that is determined by the Board of Regents to have met the short-  
22 term targets established in the performance agreement, is determined by the  
23 division of administration before such autonomy is granted to possess the  
24 capacity relevant to that autonomy including, at a minimum, a review of the  
25 most recent fiscal audit by the legislative auditor, and has a one hundred fifty  
26 percent Integrated Postsecondary Education Data System graduation rate  
27 within five percentage points of the average graduation rate for its classification  
28 according to the Southern Regional Education Board, may be granted the  
29 following:



1            (i) Authority to participate in a pilot procurement code as established by  
2            the initial qualifying institution to be in place for an initial period of three years  
3            and approved by the division of administration. An institution granted this  
4            autonomy shall use this pilot procurement code in lieu of the Louisiana  
5            Procurement Code as provided in R.S. 39:1551 through R.S. 39:1697.

6            (ii) Exemption from participation in the state's risk management  
7            program established by R.S. 39:1527 et seq. and administered by the office of  
8            risk management, pursuant to a phased-in plan of implementation as  
9            determined by the institution in collaboration with the division of  
10           administration. This exemption shall not include the coverage provided by the  
11           state's risk management program pursuant to R.S. 40:1299.39.

12           (iii) Notwithstanding the provisions of R.S. 39:113, authority to  
13           administer all facilities projects funded with self-generated revenue, federal  
14           funds, donations, grants, or revenue bonds, including all projects falling under  
15           R.S. 39:128. However, excluding those projects falling under R.S. 39:128, these  
16           projects shall not be exempted from the capital outlay budget or any  
17           requirements as pertains thereto.

18           (iv) Authority to invest funds as defined by R.S. 49:327(C), in addition  
19           to those instruments laid out in R.S. 49:327(B)(1), in tax exempt bonds and  
20           other taxable governmental bonds issued by any state or a political subdivision  
21           or public corporation of any state, provided that such bonds are rated by a  
22           nationally recognized rating agency as investment grade. The investment policy  
23           governing such investment as defined by R.S. 39:327 (C)(1)(b) shall require only  
24           the approval of the institution's management board. If an institution pursuant  
25           to the Board of Regents' annual review is either no longer meeting its  
26           short-term targets or is determined by the division of administration to no  
27           longer possess the capacity relevant to this autonomy, or both, authority to  
28           invest additional funds shall be limited to those instruments currently defined  
29           by R.S. 49:327(C) and (B)(1), and shall exclude further investments in tax

1 **exempt bonds and other taxable government bonds issued by the state or a**  
2 **political subdivision or public corporation of the state.**

3 G. Monitoring; reporting; renewal. (1) The Board of Regents annually shall  
4 monitor and report to the legislature and the governor on each participating  
5 institution's progress in meeting the established targets for performance objectives  
6 as specified in Subsection C of this Section. At the end of the ~~initial agreement~~  
7 ~~period~~ **first six years** and each subsequent ~~agreement~~ **six year** period, the Board of  
8 Regents shall determine whether to recommend renewal of an institution's  
9 performance agreement subject to the approval of the Joint Legislative Committee  
10 on the Budget. Such determination shall be based on the recommendations of a  
11 review panel established by the Board of Regents to conduct a comprehensive review  
12 and evaluation of the institution's progress in meeting the performance objectives.  
13 The composition of the review panel shall be the same as is provided in R.S.  
14 17:3138(C) with the addition of two representatives from the business community,  
15 who each possess a postsecondary degree, one recommended by the speaker of the  
16 House of Representatives and one recommended by the president of the Senate.

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

19 \* \* \*

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

23 \* \* \*

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

27 \* \* \*

28 **(4) The Board of Regents shall inventory all institutional student records**  
29 **systems and recommend a plan to standardize and integrate such systems to**

1        include student transcript analysis and degree auditing components. This  
 2        system shall include all undergraduate students and at a minimum and by  
 3        student, the number of course credits earned, the number of course credits  
 4        needed for degree completion, a time line for successful degree completion that  
 5        shows if the student is behind, on track, or ahead, and course credits needed as  
 6        determined by the student's declared area of concentration. The Board of  
 7        Regents shall report on the progress of such standardization to the legislature  
 8        and the division of administration sixty days prior to the 2012 Regular Session  
 9        and annually thereafter on the performance of qualifying institutions at  
 10       achieving on-time graduation based on the student tracking and records system.  
 11       The report shall be posted on the Board of Regents website and easily accessible  
 12       to the public.

\* \* \*

14       §3386. Surplus funds; retention; use; exceptions

\* \* \*

16       E. ~~The provisions of this Section requiring at least fifty percent of retained~~  
 17       ~~funds to be maintained in a reserve fund and used only for preventative maintenance~~  
 18       ~~purposes and prohibiting more than two percent of certain state general fund~~  
 19       ~~appropriations or allocations from being carried forward shall not apply to any public~~  
 20       ~~postsecondary education institution entering into a~~ **Notwithstanding any provision**  
 21       **of law to the contrary, an institution that is determined by the Board of Regents**  
 22       **to have met the short-term targets established in the** performance agreement  
 23       **entered into** pursuant to R.S. 17:3139 ~~if the agreement so provides:~~ **may retain any**  
 24       **funds appropriated or allocated to such college, university, or consortium**  
 25       **thereof, excluding those appropriated pursuant to Subsection C of this Section,**  
 26       **which remain unexpended and unobligated at the end of the fiscal year, in**  
 27       **accordance with R.S. 17:3139(F)(5)(a)(i).**

28       Section 2. This Act shall become effective upon signature by the governor or, if not  
 29       signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 3 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Sherri H. Breaux.

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#### DIGEST

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))