

Proposed law would have provided for the transfer of the University of New Orleans (UNO) from the Louisiana State University (LSU) System to the University of Louisiana (UL) System as follows:

- (1) The chancellor of UNO would submit a letter to the president of the Southern Association for Colleges and Schools, Commission on Colleges (SACS), not later than Aug. 1, 2011, stating his intent for a change in governance from the Board of Supervisors of the LSU System to the Board of Supervisors for the UL System.
- (2) The chancellor, faculty, and administration of UNO would take every action necessary to efficiently and expeditiously comply with all SACS timelines, requirements, and procedures to ensure that the requested change of governance would be effected immediately upon receipt of commission approval.
- (3) UNO would be transferred 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 2/3rds of the elected members of each house. Also, the assets, funds, obligations, liabilities, programs, and functions related to the institution would be transferred effective immediately upon receipt of SACS approval for the change in governance.
- (4) The Board of Supervisors for the UL System would develop policies and procedures to resolve issues related to the status and tenure of UNO employees which arose from the transfer.

Would have required the LSU Board of Supervisors to:

- (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.

Would have provided that the LSU Board 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 the 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 Joint Legislative Committee on the Budget.

- (5) Take any personnel action with regard to any instructional or administrative employee of UNO without the approval of the Board of Supervisors for the UL System.

Proposed law would have required the commissioner of administration to ensure that sufficient funds and resources were available to fully effect the transfer of UNO to the UL System and further, that such funding and resources would not impact the Board of Regents' formula for equitable distribution of funds to postsecondary education institutions.

Would have required UNO (pursuant to an agreement with the UNO Foundation) to reimburse the state for the purchase of insurance for indemnification and costs which arose from the transfer. However, the state would indemnify and hold harmless the LSU Board of Supervisors and the Board of Supervisors for the UL System for any liability and costs resulting from the transfer of existing contracts, financing, or immovable property.

Would have provided (beginning with FY 2011-2012) that all funds previously paid by UNO to the LSU Board of Supervisors be paid instead to the UL Board of Supervisors. The total amount of such payments could not be less than that paid during FY 2010-2011.

Would have required the legislature to appropriate sufficient funds to the LSU Board of Supervisors and to the UL Board of Supervisors to fully effect the transfer of UNO to the UL System.

Would have specified that proposed law was not intended to nor should it be construed to impair the contractual or other obligations of the state (or other specified entities) as a result of the transfer and that upon the date of the transfer of UNO all obligations of the LSU Board of Supervisors related to UNO would be deemed to be obligations of the Board of Supervisors for the UL System.

Would have provided that all funds and revenues dedicated by the state constitution and state law related to the payment of bonds related to UNO would continue to be collected and dedicated to such payments until other payment provisions were made and that all acts relating to such bonds by the LSU Board of Supervisors would be deemed to be the acts of the Board of Supervisors for the UL System upon the date of the transfer of UNO.

Would have provided that proposed law did not preclude a Memorandum of Understanding (MOU) under which existing bonded indebtedness of the LSU Board of Supervisors would remain in force after an agreement that the Board of Supervisors for the UL System would be responsible for all payments, costs, and other covenants contained in the bonded indebtedness. Would have provided that if it were advantageous to the state for the LSU Board of Supervisors to maintain such bonded indebtedness, then the board would make every effort to do so under a MOU.

Proposed law (R.S. 17:3241) would have stated legislative intent that a comprehensive, integrated regional delivery system be provided for the delivery of public postsecondary education services in the New Orleans region. Would have specified delivery system goals and required the Board of Regents and the management boards for the UL System, Southern University System, and Community and Technical College System to adopt (by not later than Feb. 1, 2012) written action plans to accomplish the goals. Would have provided for the adopted action plans to be submitted to the legislative education committees.

(Proposed to amend R.S. 17:3217; proposed to add R.S. 17:3230 and 3241; proposed to repeal R.S. 17:3215(2))

VETO MESSAGE: House Bill No. 537 transfers the University of New Orleans from the Louisiana State University System to the University of Louisiana System. This is an important reform and I have previously signed SB 266 into law to accomplish this goal. Therefore, this legislation is duplicative and not necessary.

For this reason, I have vetoed House Bill No. 537 and hereby return it to the House.